SILVER HAMMER MINING CORP.

MANAGEMENT INFORMATION CIRCULAR AND NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING TO BE HELD ON SEPTEMBER 28, 2026

CONCERNING THE AMALGAMATIONS

OF

STROUD RESOURCES LTD.

AND

SILVERMARK RESOURCES INC.

Dated as of August 28, 2026

All information contained in this Information Circular with respect to Stroud Resources Ltd. and SilverMark Resources Inc. was provided by Stroud Resources Ltd. and SilverMark Resources Inc., respectively, for inclusion herein.

LETTER TO THE SHAREHOLDERS

August 28, 2026

Dear Shareholders:

The Board of Directors (the "**Board**") of Silver Hammer Mining Corp. ("**Silver Hammer**") invites you to attend the annual general and special meeting (the **"Silver Hammer Meeting**") of the shareholders of Silver Hammer (**"Silver Hammer Shareholders**") to be held in person at the offices of McMillan LLP, Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7, on Monday, September 28, 2026, at 10:00 a.m. (Vancouver time).

Silver Hammer has entered into an amalgamation agreement (the **"Stroud Agreement**") with Stroud Resources Ltd. ("**Stroud**") and 1001629888 Ontario Inc. ("**Subco 1**"), pursuant to which, among other things, Silver Hammer will acquire all of the issued and outstanding common shares of Stroud (the **"Stroud Amalgamation**"). The Stroud Agreement sets out the terms of the Stroud Amalgamation including, among other things, the exchange of common shares of Silver Hammer (**"Silver Hammer Shares**") for common shares in the capital of Stroud (the "**Stroud Shares**") at a ratio of 0.777963 of one Silver Hammer Share (on a post-consolidation basis, being one (1) post-consolidation Silver Hammer Share for each four (4) pre-consolidation Silver Hammer Shares) for each Stroud Share.

Silver Hammer has entered into an amalgamation agreement (the **"SilverMark Agreement**") with SilverMark Resources Inc. ("**SilverMark**") and 18076421 Canada Inc. ("**Subco 2**"), pursuant to which, among other things, Silver Hammer will acquire all of the issued and outstanding shares of SilverMark (the **"SilverMark Amalgamation**", and together with the Stroud Amalgamation, the "**Amalgamations**"). The full details of the Amalgamations are provided in the attached management information circular.

At the Silver Hammer Meeting, among other things, you will be asked to consider and vote upon a resolution authorizing and approving the Stroud Amalgamation as provided for in and subject to the terms and conditions set out in the Stroud Agreement (the **"Amalgamation Resolution**"). The SilverMark Amalgamation does not itself require shareholder approval from Silver Hammer Shareholders; however, Silver Hammer Shareholders are required to approve the creation and authorization of the Contingent Value Shares (as defined in the accompanying management information circular) as part of the items to be considered at the Silver Hammer Meeting.

In addition to Silver Hammer Shareholder approval, completion of the Amalgamations is also subject to several conditions, including receipt of all required shareholder and regulatory approvals, as set out in the Stroud Agreement and the SilverMark Agreement (together, the "**Definitive Agreements**"). As set out in the Definitive Agreements, each of the Stroud Amalgamation and SilverMark Amalgamation cannot close unless the other transaction closes. Accordingly, the Amalgamations are subject to the Amalgamation Resolution being approved by at least a simple majority (more than 50%) of the votes cast by the Silver Hammer Shareholders voting at the Silver Hammer Meeting or by proxy voting as a single class.

Having considered a number of factors as described in the attached management information circular, the Board determined that the Amalgamations are in the best interests of Silver Hammer and fair to the Silver Hammer Shareholders. The Board unanimously recommends that Silver Hammer Shareholders vote FOR the Amalgamation Resolution.

Each of the officers and directors of Silver Hammer intend to vote their Silver Hammer Shares, if applicable, FOR the approval of the Amalgamation Resolution. In this regard, each of the directors and officers of Silver Hammer (who, as of the date of this Information Circular, in the aggregate beneficially own, directly or indirectly, 4.13% of Silver Hammer Shares) have agreed with Stroud to vote their Silver Hammer Shares in favour of the Amalgamation Resolution.

You are urged to read the material attached to this letter carefully and, if you require assistance, to consult your financial or professional advisor.

It is important that your Silver Hammer Shares be represented at the Silver Hammer Meeting. If you are not able to attend, we urge you to complete the enclosed form of proxy or voting instruction form and return it no later than the time specified therein. Voting by proxy will ensure that your vote will be counted if you are unable to attend. If you require any assistance in completing your proxy, please contact Endeavor Trust Corporation, Suite 702 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4. Electronic copies of this information circular are available under Silver Hammer's profile on SEDAR+ at www.sedarplus.ca.

On behalf of Silver Hammer, I would like to thank all Silver Hammer Shareholders for their continuing support.

Yours very truly,

"Peter A. Ball"

Peter A. Ball
President and Chief Executive Officer

SILVER HAMMER MINING CORP.

Suite 300 - 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting of the shareholders (**"Silver Hammer Shareholders**") of Silver Hammer Mining Corp. (the "**Company**" or "**Silver Hammer**") will be held in person at the offices of McMillan LLP, Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7, on September 28, 2026 at 10:00 a.m. (Vancouver time), for the following purposes (the **"Silver Hammer Meeting**"):

1. To consider and, if thought fit, approve, with or without variation, an ordinary resolution (the **"Amalgamation Resolution**"), the full text of which is attached as Appendix "A" to the attached management information circular (the "**Information Circular**"), authorizing and approving the acquisition of: (a) all of the issued and outstanding common shares of Stroud Resources Ltd. ("**Stroud**"), as provided for in and subject to the terms and conditions set out in the amalgamation agreement among Silver Hammer, Silver Hammer's wholly owned subsidiary 1001629888 Ontario Inc. ("**Subco 1**"), and Stroud (the **"Stroud Amalgamation**"), and (b) all of the issued and outstanding shares of SilverMark Resources Inc. ("**SilverMark**") (the **"SilverMark Amalgamation**" and together with the Stroud Amalgamation, the "**Amalgamations**"), in and subject to the terms and conditions set out in the amalgamation agreement among Silver Hammer, Silver Hammer's wholly owned subsidiary 18076421 Canada Inc. ("**Subco 2**"), and SilverMark, including the issuance of Silver Hammer Shares and such other securities of Silver Hammer as may be issuable as consideration pursuant to the terms of the Amalgamations;

2. To consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution (the **"CVS Resolution**"), the full text of which is set forth in Appendix "B" to the attached Information Circular, authorizing and approving the creation and authorization of a new class of contingent value shares in the capital of Silver Hammer (the "**Contingent Value Shares**"), the issuance of Contingent Value Shares pursuant to the SilverMark Amalgamation, and any necessary amendments to the articles of Silver Hammer in connection therewith, all as more particularly described in the Information Circular;

3. To receive and consider the audited financial statements of the Company for the years ended September 30, 2025 and September 30, 2024 together with the auditor's report thereon;

4. To appoint Manning Elliott, LLP, Chartered Professional Accountants, as the auditor of the Company and to authorize the directors to fix the remuneration to be paid to the auditor;

5. To fix the number of directors to be elected at the Silver Hammer Meeting at four (4) to hold office until the earlier of the next annual general meeting of the Company or the completion of the Amalgamations;

6. To elect the directors of the Company that will hold office until the earlier of the next annual general meeting of the Company or the completion of the Amalgamations;

7. Conditional upon completion of the proposed Amalgamations, to fix the number of directors to be elected at the Silver Hammer Meeting at six (6);

8. Conditional upon completion of the proposed Amalgamations, to elect the directors of the Resulting Issuer (as defined in the Information Circular) that will hold office from the effective time of the completion of the closing of the Amalgamations until the close of the next annual meeting of shareholders or until their successors are elected or appointed, as more fully described in the Information Circular;

9. To consider, and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving and adopting the 2026 Omnibus Equity Incentive Compensation Plan attached as Appendix "C" to the Information Circular; and

10. To transact such further and other business as may properly be brought before the meeting or any adjournment thereof.

Specific details of the matters to be put before the Silver Hammer Meeting are set forth in the accompanying Information Circular.

The record date (the "**Record Date**") for the determination of Silver Hammer Shareholders entitled to receive notice of and to vote at the Silver Hammer Meeting is August 18, 2026. Silver Hammer Shareholders whose names have been entered in the register of Silver Hammer Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Silver Hammer Meeting. An "ordinary resolution" is a resolution passed by a simple majority of the votes cast by the Silver Hammer Shareholders who voted in respect of that resolution. A "special resolution" is a resolution passed by no less than two-thirds of votes cast by the Silver Hammer Shareholders who voted in respect of that resolution.

A Silver Hammer Shareholder may attend the Silver Hammer Meeting in person or may be represented by proxy. Silver Hammer Shareholders who are unable to attend the Silver Hammer Meeting or any adjournment or postponement thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Silver Hammer Meeting or any adjournment or postponement thereof. To be effective, the proxy must be received by Endeavor Trust Corporation, Suite 702 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4 not later than 10:00 a.m. (Vancouver time) on September 24, 2026 or 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of any adjournment or postponement of the Silver Hammer Meeting. Notwithstanding the foregoing, the Chair of the Silver Hammer Meeting has the discretion to accept proxies received after such deadline.

The form of proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Silver Hammer Meeting; and (ii) other matters that may properly come before the Silver Hammer Meeting. As of the date hereof, management of Silver Hammer knows of no amendments, variations or other matters to come before the Silver Hammer Meeting other than the matters set forth in this Notice of Annual General and Special Meeting of Shareholders. Silver Hammer Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

Dated at the City of Vancouver, in the Province of British Columbia, this 25th day of August, 2026.

BY ORDER OF THE BOARD OF DIRECTORS OF SILVER HAMMER MINING CORP.

"Peter A. Ball"

Peter A. Ball

President, CEO and Director

TABLE OF CONTENTS

LETTER TO THE SHAREHOLDERS 1
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS 1
TABLE OF CONTENTS 1
GLOSSARY OF TERMS 1
FORWARD-LOOKING INFORMATION 1
SUMMARY 1
GENERAL PROXY MATTERS 12
SECURITYHOLDER APPROVAL 16
RISK FACTORS 21
THE STROUD AMALGAMATION 22
THE SILVERMARK AMALGAMATION 25
THE PRIVATE PLACEMENT 32
CONTINGENT VALUE SHARES 33
INFORMATION CONCERNING SILVER HAMMER 35
INFORMATION CONCERNING STROUD RESOURCES LTD. 51
INFORMATION CONCERNING SILVERMARK RESOURCES INC. 51
INFORMATION CONCERNING THE RESULTING ISSUER 52
GENERAL MATTERS 52

APPENDIX “A” AMALGAMATION RESOLUTION
APPENDIX “B” CVS RESOLUTION
APPENDIX “C” 2026 OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN
APPENDIX “D” PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF THE RESULTING ISSUER
APPENDIX “E” INFORMATION CONCERNING STROUD RESOURCES LTD.
APPENDIX “F” INFORMATION CONCERNING THE RESULTING ISSUER
APPENDIX “G” AUDIT COMMITTEE CHARTER

GLOSSARY OF TERMS

The following is a glossary of certain definitions used in this Information Circular. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**Acquisition Proposal**" means any inquiries or proposals regarding any merger, amalgamation, share exchange, business combination, take-over bid, sale or other disposition of its assets, any recapitalization, reorganization, liquidation, material sale or issue of treasury securities or rights or interests therein or thereto or rights or options to acquire any material number of treasury securities or any type of similar transaction which would or could, in any case, constitute a de facto change of control;

"**Akka Mine**" has the meaning ascribed to such term under "*The SilverMark Amalgamation*" – "*Parties and Structure*";

"**Akka Mine Agreement**" has the meaning ascribed to such term under "*The SilverMark Amalgamation*" – "*SABI-AIM Option Agreements*";

"**Amalgamations**" means the Stroud Amalgamation and the SilverMark Amalgamation;

"Amalgamation Resolution" means the ordinary resolution of the Silver Hammer Shareholders authorizing and approving: the Stroud Amalgamation as provided for in and subject to the terms and conditions set out in the Stroud Agreement, and the SilverMark Amalgamation as provided for in and subject to the terms and conditions set out in the SilverMark Agreement;

"**Affiliate**", a company is an "Affiliate" of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is "controlled" by a Person if (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person;

"**Agents**" means Red Cloud Securities Inc. as lead agent and sole bookrunner, together with any other agents forming part of the syndicate in connection with the Private Placement;

"**Amalco 1**" means the OBCA company formed pursuant to the Stroud Amalgamation, which company will be a wholly-owned subsidiary of Silver Hammer on Closing;

"**Amalco 1 Common Share**" means a common share in the capital of Amalco 1;

"**Amalco 2**" means the CBCA company formed pursuant to the SilverMark Amalgamation, which company will be a wholly-owned subsidiary of Silver Hammer on Closing;

"**Amalco 2 Common Share**" means a common share in the capital of Amalco 2;

"**Annual Filings**" has the meaning ascribed to such term under "*Securityholder Approval*" – "*Particulars of Matters to be Acted on at the Silver Hammer Meeting*" – "*Appointment of Directors*".

"**Associate**" when used to indicate a relationship with a Person, means (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the issuer, (b) any partner of the Person, (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity, (d) in the case of a Person who is an individual, (i) that Person's spouse or child, or (ii) any relative of that Person or of his spouse who has the same residence as that Person;

"**Audit Committee**" means the audit committee of Silver Hammer or the Resulting Issuer, as applicable;

"**Award**" means, individually or collectively, a grant under the Omnibus Plan of Options or Restricted Share Units;

"**Award Agreement**" means a written agreement or statement entered into or issued by Silver Hammer and a Participant setting forth the terms and provisions applicable to an Award granted under the Omnibus Plan;

"**Aurcana**" has the meaning ascribed to such term under "*Information Concerning Silver Hammer*" - "*General Development of the Business*" – "*History*" – "*Year Ended September 30, 2023*";

"**Ball Agreement**" has the meaning ascribed to such term under "*Information Concerning Silver Hammer*" – "*Executive Compensation*" – "*Employment, Consulting and Management Agreements*";

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**BCSC**" means the British Columbia Securities Commission;

"**Blackout Period**" means a period of time during which a Participant is prohibited from trading in Silver Hammer Shares due to applicable law or the policies of Silver Hammer in respect of insider trading;

"**Beneficial Shareholders**" means Silver Hammer Shareholders who do not hold their Silver Hammer Shares in their own names;

"**Board of Directors**" or "**Board**" means the Board of Directors of Silver Hammer;

"**Broadridge**" means Broadridge Financial Solutions Inc.;

"**Broker Warrants**" means the broker warrants issuable to the Agents as part of the agent fee in connection with the Private Placement, each exercisable to acquire one Resulting Issuer Share at the Offering Price for a period of 24 months following the closing of the Amalgamations;

"**Business Day**" means any day other than a Saturday, Sunday or federal holiday in Canada or a day on which commercial banks in Vancouver or Toronto are required to or permitted to close;

"**Canadian GAAP**" means the generally accepted accounting principles in Canada;

"**CBCA"** means the *Business Corporations Act* (Canada);

"**CIM Definition Standards**" means the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by the Council of the Canadian Institute of Mining, Metallurgy and Petroleum, as amended from time to time;

"**Class B Exchange Ratio**" has the meaning ascribed to such term under "*The SilverMark Amalgamation*" – "*Consideration*".

"**Closing**" means the closing of the Amalgamations;

"**Closing Date**" means the date on which the Closing occurs;

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"**Compensation Committee**" means the compensation committee of the Silver Hammer Board, consisting of Donald Birak (Chair) and Michael Willett.

"**Consolidation**" means the consolidation of Silver Hammer Shares, on the basis of four (4) pre-consolidation Silver Hammer Shares for every one (1) post-consolidation Silver Hammer Shares, to be completed prior to or concurrent with the Closing;

"**Contingent Value Shares**" means a new class of contingent value shares in the capital of Silver Hammer to be created pursuant to the CVS Resolution, with such further terms and conditions as described under "*Contingent Value Shares"*;

"**Control Person**" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

"**Conversion Date**" has the meaning ascribed to such term under "*Contingent Value Shares*";

"**Converted Contingent Value Shares**" has the meaning ascribed to such term under "*Contingent Value Shares*";

"**CSE**" means the Canadian Securities Exchange;

"**CTO**" means cease trade order;

"**CVS Resolution**" means the resolution of Silver Hammer Shareholders approving the creation of the Contingent Value Shares;

"**Definitive Agreements**" means the Stroud Agreement and the SilverMark Agreement;

"**Dissent Rights**" means the right of dissent exercisable by the Stroud Shareholders in respect of the Stroud Amalgamation under Section 185 of the OBCA, and the right of dissent exercisable by the SilverMark Shareholders in respect of the SilverMark Amalgamation under Section 190 of the CBCA;

"**Dissenting Shareholder**" means a registered shareholder of Stroud or SilverMark, as applicable, who duly exercises its Dissent Rights with respect to the Stroud Amalgamation or SilverMark Amalgamation, as applicable, and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

"**Dissenting Shares**" means the Stroud Shares or SilverMark Shares held by Dissenting Shareholders;

"**Earn-In Milestone**" means any of the following events under the SABI-AIM Option Agreements, in each case being the acquisition of a 75% interest (or, where the maximum interest available under the applicable SABI-AIM Option Agreement is less than 75%, such maximum interest) in the applicable property or project: (i) the Akka Mine; (ii) the Group A Properties; (iii) the Group B Properties; and (iv) any one or more Stockpile Properties;

"**Endeavor**" means Endeavor Trust Company of 702 777 Hornby St., Vancouver, British Columbia, V6Z 1S4, the transfer agent of Silver Hammer;

"**Fahey**" has the meaning ascribed to such term under "*Information Concerning Silver Hammer*" - "*General Development of the Business*" – "*History*" – "*Subsequent Events*";

"**Fahey Option Agreement**" has the meaning ascribed to such term under "*Information Concerning Silver Hammer*" - "*General Development of the Business*" – "*History*" – "*Subsequent Events*";

"**Fahey Property**" has the meaning ascribed to such term under "*Information Concerning Silver Hammer*" - "*General Development of the Business*" – "*History*" – "*Subsequent Events*";

"**FMV**" means, in respect of the Silver Hammer Shares, a price determined by the Board or such committee as the Board may designate, provided that, for so long as Silver Hammer is listed on the CSE, such price shall not be less than the last closing price of the Silver Hammer Shares on the CSE less any discount permitted by the rules or policies of the CSE;

"**Group A Agreement**" has the meaning ascribed to such term under "*The SilverMark Amalgamation*" – "*SABI-AIM Option Agreements*";

"**Group A Properties**" has the meaning ascribed to such term under "*The SilverMark Amalgamation*" – "*Parties and Structure*";

"**Group B Agreement**" has the meaning ascribed to such term under "*The SilverMark Amalgamation*" – "*SABI-AIM Option Agreements*";

"**Group B Properties**" has the meaning ascribed to such term under "*The SilverMark Amalgamation*" – "*Parties and Structure*";

"**IFRS**" means the International Financial Reporting Standards;

"**Information Circular**" means this information circular, together with all appendices attached hereto and including the summary hereof;

"**Insider**" if used in relation to an issuer, means: (a) a director or senior officer of the issuer; (b) a director or senior officer of a company that is an Insider or subsidiary of the issuer; (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or (d) the issuer itself if it holds any of its own securities;

"**Intermediaries**" means clearing agencies, securities dealers, banks and trust companies or their nominees;

"**Lead Agent**" means Red Cloud Securities Inc.

"**Management**" means the management of Silver Hammer;

"**Material Adverse Effect**" when used in connection with Silver Hammer or Privcos, means any change, effect, event or occurrence that is, or could reasonably be expected to be, material and adverse to the business, properties, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise), operations or financial condition of such party and its subsidiaries, taken as a whole, as applicable, other than any change, effect, event or occurrence relating to the global economy or securities markets in general and which does not have a materially disproportionate effect on Silver Hammer or Privcos;

"**Maximum Private Placement**" means the Private Placement for maximum gross proceeds of $10,000,000 (plus up to an additional $2,000,000 pursuant to the Over-Allotment Option), or such greater amount as may be determined by the parties, through the issuance of Subscription Receipts at the Offering Price;

"**MCTO**" means management cease trade order;

"**MD&A**" means management's discussion and analysis;

"**Milestone Conversion Event**" means any Earn-In Milestone or Resource Report Milestone;

"**Milestone Conversion Table**" means the table set out under "*Contingent Value Shares*";

"**Milestone Deadline**" has the meaning ascribed to such term under "*Contingent Value Shares*";

"**Minimum Private Placement**" means the Private Placement for minimum gross proceeds of $7,000,000 through the issuance of Subscription Receipts at the Offering Price;

"**Mohan Agreement**" has the meaning ascribed to such term under "*Information Concerning Silver Hammer*" – "*Executive Compensation*" – "*Employment, Consulting and Management Agreements*";

"**Moroccan Assets**" has the meaning ascribed to such term under "*The SilverMark Amalgamation*" – "*Parties and Structure*";

"**Newco**" has the meaning ascribed to such term under "*Information Concerning Silver Hammer*" - "*General Development of the Business*" – "*History*" – "*Year Ended September 30, 2023*";

"**NEO**" or "**Named Executive Officer**", means the following individuals: (a) each individual who, in respect of Silver Hammer, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer; (b) each individual who, in respect of Silver Hammer, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer; (c) in respect of Silver Hammer and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* as adopted by the Canadian Securities Administrators, for that financial year; and (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

"**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions;*

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*;

"**NI 58-101**" means National Instrument 58-101 - *Disclosure of Corporate Governance Practices;*

"**NOBOs**" means non-objecting beneficial owners who do not object to their name and address being given to Silver Hammer;

"**Non-Arm's Length Party**" means (a) in relation to a company: (i) a Promoter, officer, director, other Insider or Control Person of that company and any Associates or Affiliates of any such Persons; or (ii) another entity or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the company; and (b) in relation to an individual, any Associate of the individual or any company of which the individual is a Promoter, officer, Insider or Control Person;

"**Non-Registered Shareholders**" means Silver Hammer Shareholders whose shares are held by or in custody of such Intermediaries;

"**OBCA**" means the *Business Corporations Act* (Ontario);

"**Omnibus Plan**" means the 2026 Omnibus Equity Incentive Compensation Plan to be adopted by Silver Hammer upon approval by the Silver Hammer Shareholders at the Silver Hammer Meeting, as more particularly described under "Securityholder Approval" – "Particulars of Matters to be Acted on at the Silver Hammer Meeting" – "2026 Omnibus Equity Incentive Compensation Plan", and attached as Appendix "C" to this Information Circular;

"**OBOs**" means objecting beneficial owners who object to their name and address being given to Silver Hammer;

"**Offering Price**" means $0.26 per Subscription Receipt issued pursuant to the Private Placement;

"**OSC**" means the Ontario Securities Commission;

"**Over-Allotment Option**" means the option granted to the Agents, exercisable in full or in part up to 48 hours prior to the closing of the Private Placement, to sell additional Subscription Receipts at the Offering Price for additional gross proceeds of up to $2,000,000;

"**PDH**" has the meaning ascribed to such term under "*Securityholder Approval*" – "*Particulars of Matters to be Acted on at the Silver Hammer Meeting*" – "*Appointment of Directors*";

"**Participant**" means an employee, non-employee director or consultant of Silver Hammer or an affiliate thereof who has been selected to receive an Award, or who has an outstanding Award granted under the Omnibus Plan;

"**Person**" means a company or individual;

"**Private Placement**" means the brokered private placement of Subscription Receipts of SilverMark to be completed in connection with the Amalgamations, for anticipated gross proceeds of up to $10,000,000 (or such greater amount as may be determined by the parties), with the Agents having the Over-Allotment Option to sell additional Subscription Receipts for additional gross proceeds of up to $2,000,000, at the Offering Price;

"**Privcos**" means Amalco 1 and Amalco 2;

"**Promoter**" has the meaning ascribed to it in the *Securities Act* (British Columbia);

"**Recommendation Change**" has the meaning ascribed to such term under "*The Stroud Amalgamation*" – "*Superior Proposal*";

"**Record Date**" means August 18, 2026;

"**Restricted Share Unit**" or "**RSU**" means an Award denominated in units subject to a period of restriction, with a right to receive Silver Hammer Shares or cash or a combination thereof upon settlement, granted under the Omnibus Plan;

"**Resource Report Milestone**" means any of the following events: (i) the publication of a Mineral Resource Estimate for the Akka Mine reflecting greater than 20,000,000 ounces equivalent in the aggregate; and (ii) the publication of a resource report containing measured, indicated or inferred mineral resource values (as such terms are defined in the CIM Definition Standards) generated from any project within any of the Group A Properties, the Group B Properties or the Stockpile Properties, within 60 months of the Closing Date, each such publication constituting a separate Resource Report Milestone in respect of the applicable property group; provided that, for greater certainty, the publication of more than one resource report in respect of the same property group shall not give rise to more than one Resource Report Milestone per such property group;

"**Resulting Issuer**" means Silver Hammer after giving effect to the Consolidation and Amalgamations, to be renamed "Silver Frontier Resources Corp.";

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer;

"**Resulting Issuer Shares**" means the common shares in the capital of the Resulting Issuer, as constituted after giving effect to the Transactions;

"**Resulting Issuer Warrants**" means warrants to purchase Resulting Issuer Shares;

"**Reverse Takeover**" or "**RTO**" means the reverse takeover of Silver Hammer by way of the Stroud Amalgamation and SilverMark Amalgamation;

"**SABI-AIM**" has the meaning ascribed to such term under "*The SilverMark Amalgamation*" – "*SABI-AIM Option Agreements*";

"**SABI-AIM Option Agreements**" has the meaning ascribed to such term under "*The SilverMark Amalgamation*" – "*SABI-AIM Option Agreements*";

"**Santo Domingo**" has the meaning ascribed to such term under "*The Stroud Amalgamation*" – "*Parties and Structure*";

"**Securities Laws**" means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time;

"**SEDAR+**" means the System for Electronic Disclosure, Analysis and Retrieval Plus;

"**Silver Hamme**r" or "**Company**" means Silver Hammer Mining Corp., a corporation subsisting under the BCBCA, listed on the CSE under its symbol "HAMR";

"Silver Hammer Meeting" means the annual general and special meeting of the Silver Hammer Shareholders to be held on September 28, 2026 and any adjournment(s) or postponement(s) thereof;

"**Silver Hammer Meeting Materials**" means the Silver Hammer Notice of Meeting, this Information Circular and form of proxy;

“**Silver Hammer Notice of Meeting**” means the Notice of Annual General and Special Meeting of Silver Hammer Shareholders dated August 28, 2026, which accompanies this Information Circular being sent to Silver Hammer Shareholders;

“**Silver Hammer Options**” means stock options granted under the Stock Option Plan to purchase Silver Hammer Shares;

“**Silver Hammer Shareholders**” means the holders of the Silver Hammer Shares;

“**Silver Hammer Shares**” means the common shares in the capital of Silver Hammer as presently constituted;

“**Silver Hammer Warrants**” means warrants to purchase Silver Hammer Shares;

“**SilverMark**” means SilverMark Resources Inc., a corporation subsisting under the CBCA;

“**SilverMark Amalgamation**” means the acquisition of SilverMark by Silver Hammer through the amalgamation of SilverMark and Subco 2 to form Amalco 2 under Section 181 of the CBCA;

“**SilverMark Amalgamation Resolution**” means the special resolution of the SilverMark Shareholders to approve the SilverMark Amalgamation;

“**SilverMark Agreement**” means the amalgamation agreement entered into among Silver Hammer, Subco 2, and SilverMark, setting forth the terms pursuant to which Subco 2 and SilverMark will complete the amalgamation to form Amalco 2;

“**SilverMark Class A Common Shareholders**” means the holders of SilverMark Class A Common Shares;

“**SilverMark Class A Common Shares**” means the Class A common shares in the capital of SilverMark;

“**SilverMark Class B Special Shares**” means the Class B special shares in the capital of SilverMark;

“**SilverMark Compensation Fee**” has the meaning ascribed to such term under “*The SilverMark Amalgamation*” – “*Compensation Fee and D&O Protection*”;

“**SilverMark Exchange Ratio**” has the meaning ascribed to such term under “*The SilverMark Amalgamation*” – “*Consideration*”.

“**SilverMark Shareholders**” means the holders of the SilverMark Class A Common Shares and SilverMark Class B Special Shares;

“**SilverMark Warrant**” means one warrant to purchase one SilverMark Class A Common Share;

“**Stockpile Agreement**” has the meaning ascribed to such term under “*The SilverMark Amalgamation*” – “*SABI-AIM Option Agreements*”;

“**Stockpile Properties**” has the meaning ascribed to such term under “*The SilverMark Amalgamation*” – “*Parties and Structure*”;

“**Stroud**” means Stroud Resources Ltd., a corporation subsisting under the OBCA;

“**Stroud Agreement**” means the amalgamation agreement entered into among Silver Hammer, Subco 1, and Stroud, setting forth the terms pursuant to which Subco 1 and Stroud will complete the amalgamation to form Amalco 1;

“**Stroud Amalgamation**” means the acquisition of Stroud by Silver Hammer through the Amalgamation of Stroud and Subco 1 to form Amalco 1 under Section 174 of the OBCA;

“**Stroud Amalgamation Resolution**” means the special resolution of the Stroud Shareholders to approve the Stroud Amalgamation, to be obtained at the Stroud Meeting;

“**Stroud Board**” means the board of directors of Stroud;

“**Stroud Compensation Fee**” has the meaning ascribed to such term under “*The Stroud Amalgamation*” – “*Compensation Fee*”;

“**Stroud Exchange Ratio**” has the meaning ascribed to such term under “*The Stroud Amalgamation*” – “*Consideration*”.

“**Stroud Meeting**” means the special meeting of the Stroud Shareholders to be held on September 28, 2026 and any adjournment(s) or postponement(s) thereof;

“**Stroud Shares**” means the common shares in the capital of Stroud;

“**Stroud Shareholders**” means the holders of the Stroud Shares;

“**Stroud Options**” means stock options to purchase Stroud Shares;

“**Stock Option Plan**” means Silver Hammer's incentive stock option plan dated effective September 17, 2021, pursuant to which the Board of Directors may, from time to time, grant to directors, officers, employees and consultants of Silver Hammer options to purchase Silver Hammer Shares;

“**Subco 1**” means 1001629888 Ontario Inc., which is a wholly-owned subsidiary of Silver Hammer incorporated under the OBCA in connection with the Stroud Amalgamation;

“**Subco 1 Common Share**” means a common share in the capital of Subco 1;

“**Subco 2**” means 18076421 Canada Inc., which is a wholly-owned subsidiary of Silver Hammer incorporated under the CBCA in connection with the SilverMark Amalgamation;

“**Subco 2 Common Share**” means a common share in the capital of Subco 2;

“**Subscription Receipt Agent**” has the meaning ascribed to such term under “*The Private Placement*”;

“**Subscription Receipts**” means the subscription receipts of SilverMark to be issued pursuant to the Private Placement, each of which will be automatically converted into one Resulting Issuer Share upon satisfaction of the escrow release conditions, including the closing of the Amalgamations, without payment of additional consideration;

“**Superior Proposal**” has the meaning ascribed to such term under “*The Stroud Amalgamation*” – “*Superior Proposal*”;

"**Technical Report**" has the meaning ascribed to such term under "*The Stroud Amalgamation*" – "*Parties and Structure*";

"**Termination Date**" means November 30, 2026;

"**Termination Fee**" has the meaning ascribed to such term under "*Information Concerning Silver Hammer*" – "*Executive Compensation*" – "*Employment, Consulting and Management Agreements*";

"**Transactions**" means, collectively, the Amalgamations and the Private Placement;

"**Triggering Event**" has the meaning ascribed to such term under "*The Stroud Amalgamation*" – "*Compensation Fee*";

"**TSX-V**" means the TSX Venture Exchange;

"**Voting Support Agreements**" means the separate voting and support agreements entered into between Silver Hammer and (i) each member of the board of directors of Stroud; (ii) each officer of Stroud; and (iii) each Stroud shareholder holding directly or indirectly more than 10% of the Stroud Shares, each dated July 16, 2026, as the same may be amended, modified or supplemented from time to time in accordance with their terms; and

"**VSBLTY**" has the meaning ascribed to such term under "*Securityholder Approval*" – "*Particulars of Matters to be Acted on at the Silver Hammer Meeting*" – "*Appointment of Directors*".

All dollar amounts in this Information Circular are expressed in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING INFORMATION

This Information Circular contains forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “does not expect”, “is expected”, “estimates”, “intends”, “anticipates”, “does not anticipate”, or “believes”, or variations of such words and phrases or states that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken to occur or be achieved.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Silver Hammer, Privcos or the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks include, but are not limited to: risks relating to the Amalgamations, including the ability to satisfy closing conditions, obtain required approvals, and close on the anticipated timeline (or at all); risks that anticipated benefits of the Amalgamations may not be realized; risks relating to mineral exploration, development, financing, commodity prices, environmental and regulatory matters, and permitting; delays or inability to complete the Private Placement; operational risks, competition, title risks, Indigenous rights considerations, reliance on key personnel and consultants; and market risks relating to the Resulting Issuer Shares including volatility in the trading price of the Resulting Issuer Shares on the CSE following the Amalgamations. Although Silver Hammer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Additional factors are noted under the heading “*Risk Factors*” in Appendix “F”.

Known and unknown factors could cause actual results or events to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: that all conditions to completing the Amalgamations will be satisfied in a timely manner; that the Private Placement will be completed on the terms and timeline anticipated; commodity price assumptions; expectations regarding exploration results; the availability of financing on reasonable terms; the timing and receipt of required permits and approvals; the availability of skilled labour, equipment, and contractors; general economic and market conditions; and the absence of significant disruptions (including geopolitical events, public health crises, adverse weather, or supply chain interruptions).

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this Information Circular. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this Information Circular. All subsequent forward-looking information attributable to Silver Hammer, Privcos or the Resulting Issuer herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. Silver Hammer, Privcos or the Resulting Issuer do not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this Information Circular or to reflect the occurrence of unanticipated events, except as may be required under applicable Securities Laws.

SUMMARY

The following is a summary of information relating to Silver Hammer, Privcos and the Resulting Issuer (assuming completion of the Amalgamations) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Information Circular. Reference is made to the Glossary of Terms for the definitions of certain abbreviations and terms used in this Information Circular and in this summary.

This Information Circular is being prepared in accordance with applicable corporate and Securities Laws in connection with the Silver Hammer Meeting being held to approve, among other things, the Amalgamations. The information in this Information Circular is presented as at August 28, 2026, unless otherwise indicated.

THE SILVER HAMMER MEETING

The Silver Hammer Meeting will be held in person at the offices of McMillan LLP, Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7, on September 28, 2026 at 10:00 a.m. (Vancouver time) for, among other things, the purpose of considering and, if deemed advisable, to approve the items of business identified in its Notice of Annual General and Special Meeting of Silver Hammer Shareholders. The business of the Silver Hammer Meeting will include the annual business of Silver Hammer and special business to consider and vote upon.

Matters To Be Considered

Annual Business

The annual business at the Silver Hammer Meeting will consist of the presentation of financial statements, electing the directors to hold office until the earlier of the next annual general meeting of the Company or the closing of the Amalgamations and the appointment of auditors.

Resulting Issuer Board

Silver Hammer Shareholders will be asked, conditional upon completion of the Amalgamations, to fix the number of directors at six (6) and to elect each of Peter A. Ball, Donald Birak, Michael Willett, Dr. Scott Jobin-Bevans, Jeff Kennedy and Conor O'Brien as members of the Resulting Issuer Board, to hold office from the Closing Date until the next annual meeting or until their successors are elected or appointed in accordance with applicable laws and the articles of the Resulting Issuer, unless their office is vacated earlier.

The 2026 Omnibus Equity Incentive Compensation Plan

Subject to Silver Hammer Shareholder approval, Silver Hammer will adopt the 2026 Omnibus Equity Incentive Compensation Plan (the "**Omnibus Plan**") attached to this Information Circular as Appendix "C". The Omnibus Plan permits the grant of Options and Restricted Share Units to eligible Participants. For greater certainty, the Omnibus Plan shall be implemented by Silver Hammer upon approval by the Silver Hammer Shareholders at the Silver Hammer Meeting and shall govern Silver Hammer's equity incentive compensation program from and after such approval, regardless of whether the Transactions are completed. The outstanding Silver Hammer Options shall, from and after such approval, be governed by the Omnibus Plan, and, in the event the Transactions are completed, shall become Resulting Issuer Options.

The Amalgamation Resolution

Subject to approval of the Amalgamation Resolution and subject to the terms and conditions set out in the Definitive Agreements, all of the issued and outstanding Stroud Shares not held by Silver Hammer will be exchanged for Resulting Issuer Shares at the Stroud Exchange Ratio, being 0.777963 Resulting Issuer Shares for each Stroud Share (on a post-Consolidation basis), and all of the issued and outstanding SilverMark Class A Common Shares not held by Silver Hammer will be exchanged for Resulting Issuer Shares at the SilverMark Exchange Ratio, being 0.346154 of one (1) Resulting Issuer Share for each SilverMark Class A Common Share (on a post-Consolidation basis), and all of the issued and outstanding SilverMark Class B Special Shares not held by Silver Hammer will be exchanged for Contingent Value Shares at the Class B Exchange Ratio. The full text of the Amalgamation Resolution is attached as Appendix “A” to this Information Circular.

The Amalgamation Resolution is an ordinary resolution and requires the approval of a simple majority (50% + 1) of the votes cast by holders of Silver Hammer Shares present in person or represented by proxy and entitled to vote at the Silver Hammer Meeting.

In addition to Silver Hammer Shareholder approval, completion of the Amalgamations is also subject to several conditions, including receipt of all required shareholder and regulatory approvals. As set out in the Definitive Agreements, each of the Stroud Amalgamation and SilverMark Amalgamation cannot close unless the other transaction closes.

The CVS Resolution

Subject to approval of the CVS Resolution by the Silver Hammer Shareholders, in connection with the SilverMark Amalgamation Silver Hammer intends to amend its articles to create an unlimited number of Contingent Value Shares. The CVS Resolution is a closing condition to the Transactions: the creation and authorisation of the Contingent Value Shares, and any necessary amendments to the articles of Silver Hammer in connection therewith, must have been approved at the Silver Hammer Meeting in accordance with the provisions and requirements of the BCBCA, the CSE and all applicable laws. The CVS Resolution is an ordinary resolution and requires the approval of a simple majority (50% + 1) of the votes cast by holders of Silver Hammer Shares present in person or represented by proxy and entitled to vote at the Silver Hammer Meeting. The full text of the CVS Resolution is attached as Appendix “B” to this Information Circular.

Recommendation of the Board

The Board, after consulting Silver Hammer's legal and financial advisors and taking into account other factors discussed in this Information Circular, has determined that the Amalgamations are in the best interests of Silver Hammer. Accordingly, the Board, with the exception noted below, unanimously recommends that Silver Hammer Shareholders vote FOR the Amalgamation Resolution and the CVS Resolution.

Peter A. Ball, the President, Chief Executive Officer and a director of Silver Hammer, holds 2,577,778 SilverMark Class A Common Shares and 787,500 SilverMark Class B Special Shares and, accordingly, abstained from voting on the SilverMark Amalgamation in the resolutions of the Silver Hammer Board approving the SilverMark Amalgamation. The Silver Hammer Board's approval of the SilverMark Amalgamation was unanimous among the non-abstaining directors.

Reasons for Recommendation of the Board

The Board consulted with management and Silver Hammer's legal and financial advisors in evaluating the Amalgamations and, in reaching their respective conclusions and formulating their recommendations, reviewed significant information and considered a number of factors, including the following, among others:

(a) The Resulting Issuer will be better positioned to pursue a growth strategy as a result of the Resulting Issuer's larger market capitalization, asset diversification and the likelihood of increased investor interest.

(b) The Resulting Issuer will have a broader shareholder base and expected increased trading liquidity than Silver Hammer currently has.

(c) Silver Hammer's due diligence review and investigations of Privcos.

(d) The Amalgamation Resolution must be approved by a simple majority of the votes cast by Silver Hammer Shareholders present in person or represented by proxy and entitled to vote at the Silver Hammer Meeting.

(e) The risks that the expected benefits of the Amalgamations are not realized.

Dissent Rights

The following description of the Dissent Rights to which registered shareholders of Stroud are entitled under Section 185 of the OBCA, and to which registered shareholders of SilverMark are entitled under Section 190 of the CBCA, as applicable, is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of their Stroud Shares or SilverMark Shares, as applicable, and is qualified in its entirety by the reference to the full text of Section 185 of the OBCA and Section 190 of the CBCA, as applicable. A Dissenting Shareholder who intends to exercise their Dissent Rights should carefully consider and comply with the provisions of the OBCA or the CBCA, as applicable. Failure to adhere to the procedures established therein may result in the loss of all rights thereunder. Accordingly, each Dissenting Shareholder who might desire to exercise Dissent Rights should consult their own legal advisor. Furthermore, the exercise of Dissent Rights by a Dissenting Shareholder may give rise to certain tax liabilities to such Dissenting Shareholder. Accordingly, Dissenting Shareholders should consult their own tax advisors with respect to the tax consequences of exercising Dissent Rights in their particular circumstances.

Dissenting Shareholders are entitled, in addition to any other right such Dissenting Shareholder may have, to dissent and to be paid the fair value of the Stroud Shares or SilverMark Shares, as applicable, held by the Dissenting Shareholder in respect of which such Dissenting Shareholder dissents, determined as of the close of business on the last Business Day before the day on which the Stroud Amalgamation Resolution or SilverMark Amalgamation Resolution from which such Dissenting Shareholder's dissent was adopted. A Dissenting Shareholder may dissent only with respect to all of the Stroud Shares or SilverMark Shares held by such Dissenting Shareholder or on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name. Only registered shareholders may dissent. Persons who are beneficial owners of Stroud Shares or SilverMark Shares registered in the name of a broker, dealer, bank, trust company or other nominee who wish to dissent, should be aware that they may only do so through the registered owner of such shares. A registered shareholder, such as a broker, who holds Stroud Shares or SilverMark Shares as nominee for beneficial holders, some of whom wish to dissent, must exercise the Dissent Rights on behalf of such beneficial owners with respect to all of the Stroud Shares or SilverMark Shares held for such beneficial owners. In such case, the demand for dissent should set forth the number of Stroud Shares or SilverMark Shares covered by it.

Dissenting Shareholders must provide a written objection to the Stroud Amalgamation or SilverMark Amalgamation, as applicable, to Stroud or SilverMark at or prior to the time of the Stroud Meeting, or any adjournment thereof, or effective date of a written consent resolution as applicable, in order to be effective. No shareholder who has voted in favour of the Stroud Amalgamation or SilverMark Amalgamation, as applicable, shall be entitled to dissent with respect to the Stroud Amalgamation or SilverMark Amalgamation, as applicable.

Upon proper notice of dissent having been provided to Stroud or SilverMark, as applicable, Stroud or SilverMark, as applicable, and the Dissenting Shareholder may agree on an amount of the payout value of the Stroud Shares or SilverMark Shares held by the Dissenting Shareholder. In such event, Stroud or SilverMark, as applicable, must promptly (i) pay the amount to the Dissenting Shareholder, or (ii) send a notice to the Dissenting Shareholder that Stroud or SilverMark, as applicable, is unable to lawfully pay such amount as there are reasonable grounds for believing that the company is insolvent, or the payment would render the company insolvent.

In the event that the Dissenting Shareholder and Stroud or SilverMark, as applicable, cannot agree on a payout value for the Stroud Shares or SilverMark Shares then either of the Dissenting Shareholder or Stroud or SilverMark, as applicable, may apply to the Court and the Court may determine the payout value or make an order for the appointment and payment of independent appraisers, and the procedures to be followed by them, and join in the application each Dissenting Shareholder with respect to the payout value of their Stroud Shares or SilverMark Shares. Upon receipt of a Court or other order determining the amount of the payout value of the Stroud Shares or SilverMark Shares held by the Dissenting Shareholder, Stroud must promptly (i) pay the amount to each Dissenting Shareholder governed by such Court or other order, or (ii) send a notice to the Dissenting Shareholders that Stroud or SilverMark, as applicable, is or would after the payment be unable to pay its liabilities as they become due, or the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

Stroud or SilverMark, as applicable, must not make a payment to a Dissenting Shareholder under Section 185 of the OBCA or Section 190 of the CBCA, as applicable, if the corporation is or would after the payment be unable to pay its liabilities as they become due, or the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities. In such event, Stroud or SilverMark, as applicable, shall notify each Dissenting Shareholder that it is unable to lawfully pay Dissenting Shareholders for their shares, as applicable, in which case the Dissenting Shareholder may, by written notice to the company within 30 days after receipt of such notice, withdraw such holder's written objection, in which case the holder shall be deemed to have participated in the Stroud Amalgamation or SilverMark Amalgamation, as applicable. If the Dissenting Shareholder does not withdraw such holder's written objection, such Dissenting Shareholder retains status as a claimant against Stroud or SilverMark, as applicable, to be paid as soon as Stroud or SilverMark, as applicable, is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of Stroud or SilverMark, as applicable, but in priority to its shareholders.

SUMMARY OF TRANSACTIONS

The Stroud Amalgamation

Subject to obtaining all stock exchange approvals, the Stroud Amalgamation will be effected pursuant to Section 174 of the OBCA. Pursuant to the Stroud Agreement, Subco 1 and Stroud will amalgamate and continue as Amalco 1, which will be a wholly-owned subsidiary of the Resulting Issuer, as follows:

(a) Each issued and outstanding Stroud Share held by Silver Hammer shall be cancelled without any repayment of capital in respect thereof; each issued and outstanding Stroud Share held by any other holder (other than Dissenting Shareholders) shall be cancelled and exchanged for Resulting Issuer Shares on the basis of the Stroud Exchange Ratio, being 0.777963 Resulting Issuer Shares for each Stroud Share, on a post-Consolidation basis of the Resulting Issuer Shares. No fractional Resulting Issuer Shares will be issued, and where the aggregate number of Resulting Issuer Shares otherwise issuable to a holder of Stroud Shares would result in a fraction of a Resulting Issuer Share, the number of Resulting Issuer Shares issued to such holder will be rounded down to the nearest whole number;

(b) Each issued and outstanding Subco 1 Common Share outstanding immediately prior to the Stroud Amalgamation becoming effective will be cancelled and exchanged for one (1) fully paid and non-assessable Amalco 1 Common Share; and

(c) Amalco 1 shall issue one (1) Amalco 1 Common Share to the Resulting Issuer for each Subco 1 Common Share cancelled pursuant to the foregoing, and for each Resulting Issuer Share issued to former Stroud Shareholders pursuant to the Stroud Exchange Ratio.

Upon completion of the Stroud Amalgamation, Amalco 1 will be a wholly-owned subsidiary of the Resulting Issuer and will be renamed.

The Stroud Meeting

The Stroud Amalgamation is subject to the approval of the Stroud Shareholders at the Stroud Meeting. At the Stroud Meeting, Stroud Shareholders will be asked to consider and, if deemed advisable, pass the Stroud Amalgamation Resolution, being a special resolution approving the Stroud Amalgamation in accordance with Section 174 of the OBCA. The Stroud Amalgamation Resolution must be approved by not less than two-thirds (2/3) of the votes cast by Stroud Shareholders present in person or represented by proxy and entitled to vote at the Stroud Meeting. The Stroud Meeting is expected to be held on September 28, 2026. Registered Stroud Shareholders who do not vote in favour of the Stroud Amalgamation Resolution will have the right to dissent and to be paid the fair value of their Stroud Shares in accordance with Section 185 of the OBCA. See "*Dissent Rights*" above.

The Stroud Agreement

Silver Hammer, Subco 1 and Stroud entered into the Stroud Agreement for the purpose of effecting the Stroud Amalgamation, pursuant to which Silver Hammer will acquire all of the issued and outstanding shares of Stroud, in exchange for the issuance of Resulting Issuer Shares, at a deemed price of $0.187 per Stroud Share (being the product of the Stroud Exchange Ratio of 0.777963 multiplied by the post-Consolidation closing price of the Silver Hammer Shares on the CSE on July 17, 2026 of $0.24 per Silver Hammer Share (being $0.06 per Silver Hammer Share on a pre-Consolidation basis)), to the Stroud Shareholders. Upon completion of the Stroud Amalgamation, Amalco 1 will be a wholly-owned subsidiary of the Resulting Issuer which will be engaged in the existing business of Stroud.

Completion of the Stroud Amalgamation is subject to a number of conditions, including approval of the Amalgamation Resolution at the Silver Hammer Meeting, approval of the Stroud Amalgamation Resolution at the Stroud Meeting, approval of the TSXV, and completion of the SilverMark Amalgamation and Private Placement.

Upon Closing, Stroud will amalgamate with Subco 1 to form Amalco 1, and Amalco 1 will be a wholly-owned subsidiary of the Resulting Issuer.

The SilverMark Amalgamation

Subject to obtaining CSE approval, the SilverMark Amalgamation will be effected pursuant to Section 181 of the CBCA. Pursuant to the SilverMark Agreement, Subco 2 and SilverMark will amalgamate and continue as Amalco 2, which will be a wholly-owned subsidiary of the Resulting Issuer as follows:

(a) Each issued and outstanding SilverMark Class A Common Share held by Silver Hammer shall be cancelled without any repayment of capital in respect thereof; each issued and outstanding SilverMark Class A Common Share, other than those held by Silver Hammer and Dissenting

Shareholders, shall be cancelled and exchanged for fully paid and non-assessable Resulting Issuer Shares on the basis of the SilverMark Exchange Ratio, being 0.346154 of one (1) Resulting Issuer Share (on a post-Consolidation basis) for each SilverMark Class A Common Share. No fractional Resulting Issuer Shares will be issued, and where the aggregate number of Resulting Issuer Shares otherwise issuable to a holder of SilverMark Class A Common Shares would result in a fraction of a Resulting Issuer Share, the number of Resulting Issuer Shares issued to such holder will be rounded down to the nearest whole number;

(b) Each issued and outstanding SilverMark Class B Special Share, other than those held by Silver Hammer and Dissenting Shareholders, shall be cancelled and exchanged for fully paid and non-assessable Contingent Value Shares on the basis of the Class B Exchange Ratio, being such number of Contingent Value Shares for each SilverMark Class B Special Share as is equal to the quotient obtained by dividing (x) $1,575,000 by (y) the product of the Offering Price multiplied by the number of SilverMark Class B Special Shares outstanding immediately prior to the effective time of the SilverMark Amalgamation, with each Contingent Value Share being convertible into one (1) Resulting Issuer Share upon the occurrence of a Milestone Conversion Event in accordance with the SilverMark Agreement; and

(c) Each issued and outstanding Subco 2 Common Share shall be cancelled and exchanged for one (1) fully paid and non-assessable Amalco 2 Common Share, and Amalco 2 shall issue one (1) Amalco 2 Common Share to the Resulting Issuer for each Subco 2 Common Share so cancelled and for each Resulting Issuer Share and Contingent Value Share issued to former SilverMark Shareholders pursuant to the foregoing.

Upon completion of the SilverMark Amalgamation, Amalco 2 will be a wholly-owned subsidiary of the Resulting Issuer and will be renamed.

<u>The SilverMark Agreement</u>

Silver Hammer, Subco 2 and SilverMark entered into the SilverMark Agreement for the purpose of effecting the SilverMark Amalgamation, pursuant to which Silver Hammer will acquire all of the issued and outstanding shares of SilverMark, in exchange for Resulting Issuer Shares, at a deemed price of $0.083 per SilverMark Class A Common Share (being the product of the SilverMark Exchange Ratio of 0.346154 multiplied by the post-Consolidation closing price of the Silver Hammer Shares on the CSE on July 17, 2026 of $0.24 per Silver Hammer Share (being $0.06 per Silver Hammer Share on a pre-Consolidation basis)), to SilverMark Shareholders.

Completion of the SilverMark Amalgamation is subject to a number of conditions, including the requisite shareholder approval of Silver Hammer, Subco 2 and SilverMark, and the CSE granting approval of the Amalgamation.

Upon Closing, SilverMark will amalgamate with Subco 2 to form Amalco 2, and Amalco 2 will be a wholly-owned subsidiary of the Resulting Issuer, which will be engaged in the existing business of SilverMark.

Private Placement

In connection with the Amalgamations, Silver Hammer will complete the Private Placement, pursuant to which Red Cloud Securities Inc. will act as lead agent and sole bookrunner on behalf of the Agents in connection with a fully marketed private placement of Subscription Receipts for minimum gross proceeds of $7,000,000 and maximum gross proceeds of $10,000,000 (or such greater amount as may be determined by the parties). The Agents have the right to exercise the Over-Allotment Option to sell additional Subscription Receipts at the Offering Price for additional gross proceeds of up to $2,000,000.

Silver Hammer has agreed to pay the Agents a fee comprised of: (a) a cash fee equal to up to 7.0% of the gross proceeds raised from the sale of Subscription Receipts (including Subscription Receipts issued upon exercise of the Over-Allotment Option); and (b) such number of Broker Warrants as is equal to up to 7.0% of the aggregate number of Subscription Receipts sold (including Subscription Receipts issued upon exercise of the Over-Allotment Option). The net proceeds of the Private Placement will be used to fund advancement of the Resulting Issuer's silver project portfolio and for working capital and general corporate purposes.

On Closing, the Resulting Issuer will have Resulting Issuer Shares issued and outstanding comprising the shares held by existing Silver Hammer Shareholders, the shares issued to Stroud Shareholders and SilverMark Shareholders pursuant to the Amalgamations and the Resulting Issuer Shares issued upon conversion of the Subscription Receipts pursuant to the Private Placement, the number of which is to be determined based on the Offering Price.

For additional information on the Private Placement, please see "*The Private Placement*".

THE COMPANIES

Silver Hammer

Silver Hammer was formed pursuant to the BCBCA on May 2, 2017 under the name "Lakewood Exploration Inc.". On October 1, 2021, Silver Hammer changed its name to "Silver Hammer Mining Corp." The Silver Hammer Shares trade on the CSE under the symbol "HAMR". Silver Hammer is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

Stroud

Stroud was incorporated pursuant to the OBCA on March 18, 1983. The Stroud Shares trade on the TSXV under the symbol "SDR". Stroud is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

SilverMark

SilverMark was incorporated pursuant to the CBCA on February 7, 2023 under the name "14748042 Canada Corp." and subsequently changed its name to "SilverMark Resources Inc." on April 22, 2026. SilverMark is a privately owned company and is not a reporting issuer. As at the date of the SilverMark Agreement, SilverMark had 13,888,889 SilverMark Class A Common Shares and 3,937,500 SilverMark Class B Special Shares issued and outstanding. SilverMark is currently holding and developing mining projects in Morocco through the SABI-AIM Option Agreements, which provide SilverMark with the right to acquire up to a 75% interest in the Moroccan Assets, including the Akka Mine, the Group A Properties, the Group B Properties and the Stockpile Properties.

INTERESTS OF INSIDERS

Except as set forth below, Insiders of Silver Hammer will be treated in the same manner as all other Silver Hammer Shareholders in connection with the Transactions.

Peter A. Ball, the President, Chief Executive Officer and a director of Silver Hammer and a proposed director and officer of the Resulting Issuer, holds 2,577,778 SilverMark Class A Common Shares and 787,500 SilverMark Class B Special Shares. Pursuant to the SilverMark Amalgamation, Mr. Ball's SilverMark Class A Common Shares will be exchanged for Resulting Issuer Shares in accordance with the SilverMark Exchange Ratio, and Mr. Ball's SilverMark Class B Special Shares will be exchanged for Contingent Value Shares in accordance with the Class B Exchange Ratio. As a result, Mr. Ball has a material interest in the SilverMark Amalgamation that is in addition to, and distinct from, his interest as a Silver Hammer Shareholder. In light of this interest, Mr. Ball abstained from voting on the SilverMark Amalgamation in the resolutions of the Silver Hammer Board approving the SilverMark Amalgamation. See “*Conflicts of Interest*”.

INTERESTS OF CONTROL PERSONS

To the knowledge of the directors and officers of Silver Hammer, upon completion of the Transactions, no Person will become a Control Person of the Resulting Issuer.

PROPOSED DIRECTORS AND OFFICERS OF THE RESULTING ISSUER

The Resulting Issuer Board is expected to be comprised of six (6) members, three (3) of whom will be nominees of Stroud, expected to be Dr. Scott Jobin-Bevans, Jeff Kennedy (Chairman) and Conor O'Brien, and three (3) of whom will be nominees of Silver Hammer, expected to be Peter A. Ball, Donald J. Birak, and Michael Willett.

For information, including biographical notes, on the members of the Resulting Issuer Board, see “*Information Concerning the Resulting Issuer*” and Appendix “F”.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

As at July 31, 2026, Silver Hammer had a gross working capital of $3,047,899, and the estimated working capital of Stroud was $70,328.

The closing of the Private Placement will allow for additional net proceeds of at least $7,000,000 and up to $10,000,000, or such greater amount as may be determined by the parties (plus up to an additional $2,000,000 pursuant to the Over-Allotment Option), representing net proceeds (after deducting the Agents' cash commission of 7.0%) of at least $6,510,000 and up to $9,300,000 (plus up to an additional $1,860,000 pursuant to the Over-Allotment Option).

It is anticipated that the available funds, together with anticipated revenues to be earned by Silver Hammer and Stroud over the next 12 months, will be sufficient to meet the Resulting Issuer’s operating expenses for the following 12 months and to achieve the Resulting Issuer’s principal purposes as described in this Information Circular. The following table sets forth the estimated working capital of Silver Hammer and Stroud, as at July 31, 2026, before and after giving effect to the Transactions.

Based on Minimum funds raised through Offering - $7,000,000

	Silver Hammer	**Stroud**	**Consolidated Estimate**
Estimated working capital	$3,047,899	$70,328	$3,118,227
Net proceeds from closing of the Minimum ($7M) Private Placement (after deducting Agents' cash commission of 7.0%)	$6,510,000	Nil	$6,510,000
Total	$9,557,899	$70,328	$9,628,227

<u>Based on Maximum funds raised through Offering - $10,000,000</u>

	Silver Hammer	Stroud	Consolidated Estimate
Estimated working capital	$3,047,899	$70,328	$3,118,227
Net proceeds from closing of the Anticipated ($10M) Private Placement (after deducting Agents' cash commission of 7.0%)	$9,300,000	Nil	$9,300,000
Total	$12,347,899	$70,328	$12,418,227

Principal Purpose of Funds

The Resulting Issuer will use the funds available to it upon the completion of the Transactions for the following purposes:

Use of Available Funds	Minimum Amount	Maximum Amount
Mexico Exploration (Santo Domingo Project)	$3,349,500	$4,785,000
Idaho Exploration (Silver Strand Project)	$625,000	$850,000
Idaho Exploration (Fahey Project)	$245,000	$350,000
Nevada Exploration (Eliza Silver Project)	$670,000	$850,000
Morocco Exploration (Akka Mine Project)	$700,000	$1,000,000
Morocco Exploration (Portfolio A Projects)	$200,000	$500,000
Morocco Exploration (Portfolio B Projects)	$100,000	$250,000
Morocco Mill / Processing Plant Due Diligence	$280,000	$400,000
51% Cash Payment Akka Mine / Stockpiles / Group A/B Projects	$915,000	$915,000
General and administrative expenses for the first 12 months including support and service fees, payroll and other operational expenses	$1,925,000	$1,925,000
Unallocated working capital to fund ongoing operations	$618,727	$593,227
TOTAL USES	$9,628,227	$12,418,227

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, the reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives. For more information, see "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of Silver Hammer and Privcos consider it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates. See "*Forward-Looking Information*".

SELECTED *PRO FORMA* CONSOLIDATED FINANCIAL INFORMATION

The following table contains certain financial information for each of Silver Hammer, Stroud and the Resulting Issuer on a *pro forma* basis after giving effect to the Transactions, as of March 31, 2026. The following information should be read in conjunction with the unaudited *pro forma* consolidated statement of financial position of the Resulting Issuer. See Appendix "D" - "*Pro Forma Consolidated Statements of Financial Position of the Resulting Issuer*". All information set forth below has been prepared in accordance with IFRS.

	Silver Hammer	Stroud	*Pro Forma* Consolidated
Cash and Cash Equivalents	$3,776,631	$313,073	$10,299,704
Total Assets	$12,945,820	$341,576	$12,100,234
Total Liabilities	$248,436	$136,781	$385,217
(Shareholder's equity) capital deficit	$12,697,384	$204,795	$11,715,017

MARKET FOR SECURITIES AND MARKET PRICE

The Silver Hammer Shares are listed on the CSE under the trading symbol "HAMR". It is anticipated that the Resulting Issuer Shares will trade on the CSE upon completion of the Amalgamations under the symbol "SLVF".

The Stroud Shares are listed on the TSXV under the trading symbol "SDR". Following the Stroud Amalgamation, the Stroud Shares will be de-listed from the TSXV.

There is no public market for the SilverMark Shares.

CONFLICTS OF INTEREST

Some of the individuals proposed for appointment or acting as directors or officers of the Resulting Issuer upon the completion of the Amalgamations are also directors, officers and/or Promoters of other reporting and non-reporting issuers. There may be potential conflicts of interest to which the directors, officers, and Insiders of the Resulting Issuer may be subject in connection with the operations of the Resulting Issuer, and situations may arise where a director, officer or Insider will be in direct competition with the Resulting Issuer. Other than as disclosed herein, as of the date of this Information Circular and to the knowledge of the directors and officers of Silver Hammer and Privcos, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment or acting as directors or officers following the completion of the Amalgamations. Conflicts of interest will be subject to, and will be resolved in accordance with, the procedures and remedies under the BCBCA.

Peter A. Ball, the President, Chief Executive Officer and a director of Silver Hammer and a proposed director and officer of the Resulting Issuer, holds 2,577,778 SilverMark Class A Common Shares and 787,500 SilverMark Class B Special Shares. As a result, Mr. Ball has an interest in the SilverMark Amalgamation both as a director and officer of Silver Hammer (the acquiror) and as a shareholder of SilverMark (the target). In recognition of this conflict, Mr. Ball abstained from voting on the SilverMark Amalgamation in the resolutions of the Silver Hammer Board approving the SilverMark Amalgamation.

INTEREST OF EXPERTS AND OTHERS

Audit reports of Silver Hammer described or included in this Information Circular were prepared by Manning Elliott LLP, Chartered Professional Accountants, in respect of financial statements of Silver Hammer for the fiscal years ended September 30, 2025 and 2024.

Manning Elliott LLP, Chartered Professional Accountants has confirmed that they are independent of Silver Hammer within the meaning of the Rules of Professional Conduct of the Chartered Accountants of British Columbia.

Audit reports of Stroud described or included in this Information Circular were prepared by McGovern Hurley LLP, in respect of financial statements of Stroud for the fiscal years ended December 31, 2025 and 2024.

McGovern Hurley LLP has confirmed that they are independent of Stroud within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Neither Manning Elliott LLP nor McGovern Hurley LLP beneficially owns, directly or indirectly, any securities or property of Silver Hammer, any of the Privcos, or the Resulting Issuer, or of any Associate or Affiliate thereof.

Moreover, none of the foregoing Persons or any of their respective directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Resulting Issuer or its Associates or Affiliates.

SUMMARY OF RISK FACTORS

Upon completion of the Amalgamations, the Resulting Issuer will carry on the business of Silver Hammer and Privcos, including the development of Santo Domingo. Due to the nature of the proposed operations, the legal and economic climate in which the Resulting Issuer will operate and the present stage of development of the proposed operations, the Resulting Issuer may be subject to significant risks. The Resulting Issuer's future development and actual operating results may be different from those expected as at the date of this Information Circular. There can be no certainty that the Resulting Issuer will be able to implement successfully the strategy set out in this Information Circular. No representation is or can be made as to the future performance of the Resulting Issuer and there can be no assurance that the Resulting Issuer will achieve its objectives. Accordingly, an investment in the Resulting Issuer involves a substantial degree of risk and should be regarded as highly speculative. An investment in the Resulting Issuer will be subject to certain material risks and investors should not invest in securities of the Resulting Issuer unless they can afford to lose their entire investment. The following is a summary only of the material risk factors involved in an investment in Resulting Issuer Shares and this summary is not intended to be an exhaustive list of all risks. Prospective investors should review the risks with their legal and financial advisors when making an investment decision concerning the Resulting Issuer Shares.

AN INVESTMENT IN SECURITIES OF SILVER HAMMER AND, FOLLOWING THE COMPLETION OF THE AMALGAMATIONS, THE RESULTING ISSUER, IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

Silver Hammer Shareholders should consider that Silver Hammer may not realize the anticipated benefits of the Transactions. Other risk factors include risks relating to the Amalgamations, including the ability to satisfy closing conditions, obtain required approvals, and close on the anticipated timeline (or at all); risks that anticipated benefits of the Amalgamations may not be realized; risks relating to mineral exploration, development, financing, commodity prices, environmental and regulatory matters, and permitting; delays or inability to complete the Private Placement; operational risks, competition, title risks, Indigenous rights considerations, reliance on key personnel and consultants; and market risks relating to the Resulting Issuer Shares including volatility in the trading price of the Resulting Issuer Shares on the CSE following the Amalgamations. Although Silver Hammer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

For a comprehensive discussion of the risk factors relating to the Resulting Issuer, see "*Risk Factors*" in Appendix "F" of this Information Circular.

ACCOMPANYING DOCUMENTS

This Information Circular is accompanied by several Appendices and Schedules which are incorporated by reference into, form an integral part of, and should be read in conjunction with this Information Circular. It is recommended that Silver Hammer Shareholders read this Information Circular and the attached Appendices and Schedules in their entirety.

GENERAL PROXY MATTERS

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Silver Hammer for use at the Silver Hammer Meeting. The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of Silver Hammer. The cost of solicitation will be borne by Silver Hammer.

Silver Hammer has distributed or made available for distribution, copies of the Silver Hammer Meeting Materials to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the "**Intermediaries**") for distribution to Silver Hammer Shareholders (the "**Non-Registered Shareholders**") whose shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. The solicitation of proxies from Non-Registered Shareholders will be carried out by the Intermediaries or by Silver Hammer if the names and addresses of the Non-Registered Shareholders are provided by Intermediaries. Silver Hammer will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of these materials.

Non-Registered Shareholders fall into two categories: (a) non-objecting beneficial owners (or "**NOBOs**") who do not object to their name and address being given to Silver Hammer; and (b) objecting beneficial owners (or "**OBOs**") who do object to their name and address being given to Silver Hammer. Silver Hammer does not have access to the names of OBOs.

The Silver Hammer Meeting Materials are being sent to both registered holders of Silver Hammer Shares and Non-Registered Shareholders. If you are a NOBO, Endeavor Trust Corporation has sent the enclosed materials directly to you and has obtained your name, address and information about your holdings of securities in accordance with applicable securities regulatory requirements from the Intermediary holding securities on your behalf. By choosing to send these materials directly to you, Silver Hammer (and not the Intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the enclosed voting instruction form provided by Endeavor Trust Corporation.

If you are an OBO and receive these materials through your broker or through another Intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or other Intermediary.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and directors of Silver Hammer. **A Silver Hammer Shareholder has the right to appoint a person (who need not be a Silver Hammer Shareholder) to attend and act for such Silver Hammer Shareholder and on his, her or its behalf at the Silver Hammer Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to Silver Hammer's transfer agent and registrar, Endeavor Trust Corporation, Suite 702 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4 not later than 10:00 a.m. (Vancouver time) on September 24, 2026. A proxy must be executed by the registered Silver Hammer Shareholder or his or her attorney duly authorized in writing or, if the Silver Hammer Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies given by Silver Hammer Shareholders for use at the Silver Hammer Meeting may be revoked prior to their use:

1. by depositing an instrument in writing executed by the Silver Hammer Shareholder or by such Silver Hammer Shareholder’s attorney duly authorized in writing or, if the Silver Hammer Shareholder is a corporation, under its corporate seal, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing;

2. at the registered office, Suite 300 - 1055 West Hastings Street, Vancouver, BC V6E 2E9, at any time up to and including September 24, 2026;

3. by depositing with the chairman of the Silver Hammer Meeting on the day of the Silver Hammer Meeting or any adjournment or postponement thereof before any vote in respect of which the proxy is to be used shall have been taken; or

4. in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The Persons named in the accompanying form of proxy will vote, or withhold from voting, the Silver Hammer Shares in respect of which they are appointed in accordance with the instructions of the Silver Hammer Shareholders appointing them. If a Silver Hammer Shareholder specifies a choice with respect to any matter to be acted upon, the Silver Hammer Shares will be voted accordingly. **In the absence of such direction, such Silver Hammer Shares will be voted in favour of the passing of the matters set out in the Silver Hammer Notice of Meeting. The form of proxy confers discretionary authority upon the persons named therein with**

respect to amendments or variations to matters identified in the Notice of Silver Hammer Meeting and with respect to other matters which may properly come before the Silver Hammer Meeting or any adjournment thereof. At the time of the printing of this Information Circular, the management of Silver Hammer knows of no such amendments, variations or other matters to come before the Silver Hammer Meeting other than the matters referred to in the Notice of Silver Hammer Meeting. **However, if any other matters which at present are not known to the management of Silver Hammer should properly come before the Silver Hammer Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to a substantial number of Silver Hammer Shareholders who do not hold their Silver Hammer Shares in their own name (referred to in this section as "**Beneficial Shareholders**"). Beneficial Shareholders should note that only proxies deposited by Silver Hammer Shareholders whose names appear on the records of Silver Hammer as the registered holders of shares can be recognized and acted upon at the Silver Hammer Meeting. If Silver Hammer Shares are listed in an account statement provided to a Silver Hammer Shareholder by a broker, then in almost all cases those Silver Hammer Shares will not be registered in such Silver Hammer Shareholder's name on the records of Silver Hammer. Such Silver Hammer Shares will more likely be registered under the name of the Silver Hammer Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Silver Hammer Shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities Inc., which company acts as a nominee of many Canadian brokerage firms. Shares held by brokers, or their nominees, can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of Silver Hammer do not know for whose benefit the Silver Hammer Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires Intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Silver Hammer Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by Silver Hammer to the registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Silver Hammer Meeting. A Beneficial Shareholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote shares directly at the Silver Hammer Meeting - the proxy must be returned to Broadridge well in advance of the Silver Hammer Meeting in order to have the shares voted.

Although Beneficial Shareholders may not be recognized directly at the Silver Hammer Meeting for the purposes of voting Silver Hammer Shares registered in the name of their broker or other intermediary, a Beneficial Shareholder may attend the Silver Hammer Meeting as proxyholder for the registered holder and vote their Silver Hammer Shares in that capacity. Beneficial Shareholders who wish to attend the Silver Hammer Meeting and indirectly vote their own Silver Hammer Shares as proxyholder for the registered holder should enter their own names in the blank space on the management form of proxy or voting instruction form provided to them and return the same to their broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Silver Hammer Meeting. **Beneficial Shareholders should carefully follow the instructions of their intermediaries and their service companies.**

All references to shareholders in this Information Circular and the accompanying form of proxy and Silver Hammer Notice of Meeting are to Silver Hammer Shareholders of record unless specifically stated otherwise.

RECORD DATE AND SHARES ENTITLED TO VOTE

Silver Hammer has fixed the close of business on August 18, 2026 as the "Record Date" for the purposes of determining Silver Hammer Shareholders entitled to receive the Silver Hammer Notice of Meeting and vote at the Silver Hammer Meeting.

Only Silver Hammer Shareholders of record as of the Record Date, who either attend the Silver Hammer Meeting personally or complete and deliver a form of proxy in the manner and subject to the provisions described above, will be entitled to vote or to have their Silver Hammer Shares voted at the Silver Hammer Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS

Silver Hammer's authorized capital consists of an unlimited number of common shares (**"Silver Hammer Shares**") without par value. As at the Record Date, there were 139,922,966 Silver Hammer Shares issued and outstanding, each share carrying the right to one vote.

To the knowledge of the directors and senior officers of Silver Hammer, as of the date of this Information Circular, no person beneficially owns, or controls or directs, directly or indirectly, voting securities of Silver Hammer carrying 10% or more of the voting rights attached to the Silver Hammer Shares.

QUORUM AND VOTES REQUIRED FOR CERTAIN MATTERS

Pursuant to the Articles of Silver Hammer, subject to the special rights or restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is at least one or more persons who are, or who represent by proxy, two or more shareholders entitled to vote at the meeting.

The Amalgamation Resolution and the CVS Resolution require the approval of a simple majority (50% + 1) of the holders of Silver Hammer Shares.

It is a condition precedent to the completion of the Amalgamations that the Silver Hammer Shareholders approve the Amalgamation Resolution.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no "informed person" (as such term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations*) or proposed nominee for election as a director of Silver Hammer or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which Silver Hammer has participated since the commencement of Silver Hammer's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect Silver Hammer.

Peter A. Ball, the President, Chief Executive Officer and a director of Silver Hammer, holds 2,577,778 SilverMark Class A Common Shares and 787,500 SilverMark Class B Special Shares. Pursuant to the SilverMark

Amalgamation, Mr. Ball's SilverMark Class A Common Shares will be exchanged for Resulting Issuer Shares in accordance with the SilverMark Exchange Ratio, and Mr. Ball's SilverMark Class B Special Shares will be exchanged for Contingent Value Shares in accordance with the Class B Exchange Ratio. Mr. Ball accordingly has a direct material interest in the SilverMark Amalgamation. See "*Interests of Insiders*" and "*Conflicts of Interest*".

SECURITYHOLDER APPROVAL

PARTICULARS OF MATTERS TO BE ACTED ON AT THE SILVER HAMMER MEETING

1. Financial Statements and Auditor's Report

At the Silver Hammer Meeting, Silver Hammer Shareholders will consider the financial statements of Silver Hammer for the financial years ended September 30, 2025 and September 30, 2024 and the auditor's report thereon, but no vote by the Silver Hammer Shareholders with respect thereto is required or proposed to be taken. The financial statements and additional information concerning Silver Hammer are available under Silver Hammer's profile on SEDAR+ at www.sedarplus.ca.

2. Appointment of Auditors

Silver Hammer Shareholders will be asked at the Silver Hammer Meeting to appoint Manning Elliott LLP, Chartered Professional Accountants, as Silver Hammer's auditors to hold office until the next annual general meeting of Silver Hammer, and to authorize the directors of Silver Hammer to fix the auditor's remuneration.

3. Fixing the Number of Directors

Although Management is nominating four (4) individuals to stand for election, the names of further nominees for directors may come from the floor at the Silver Hammer Meeting.

Each director of Silver Hammer is elected annually and holds office until the next Annual General Meeting of Silver Hammer Shareholders or until his successor is duly elected, if his office is earlier vacated, in accordance with the Articles of Silver Hammer.

In the absence of instructions to the contrary, the Silver Hammer Shares represented by proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

4. Appointment of Directors

The following table sets out the names of the persons proposed to be nominated by Management for election as a director, the province or state and country in which he or she is ordinarily resident, the positions and offices which each presently holds with Silver Hammer, the period of time for which he or she has been a director of Silver Hammer, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of shares of Silver Hammer which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular.

For biographical information on the proposed directors of Silver Hammer, please see "*Information Concerning the Resulting Issuer*" and Appendix "F".

Name, age and city of residence	Position(s)	Principal occupations held during the last five years	Number and Percentage of Common Shares as at the date of the Information Circular[(1)]	Date Appointed
Peter A. Ball[(3)] Age 58 Vancouver, British Columbia, Canada	President, Chief Executive Officer and Director	President, Chief Executive Officer and Director of Silver Hammer Mining Corp. (February 2023 – present); and prior thereto, executive roles in the resource sector, most recently with Noram Lithium	3,784,128[(5)] (2.70%)	February 15, 2023
Alnesh Mohan[(2)] Age 55 Vancouver, British Columbia, Canada	Chief Financial Officer, Corporate Secretary and Director	Partner, Quantum Advisory Partners LLP (a professional services firm providing outsourced CFO, financial advisory, and accounting services), since 2005	1,989,183[(6)] (1.42%)	May 14, 2021
Donald J. Birak[(2)(3)(4)] Age 73 Coeur d'Alene, Idaho, USA	Independent Director	Independent Consulting Geologist, Registered Member of SME and Fellow of AusIMM	Nil [(7)] (0.00%)	September 27, 2023
Michael Willett[(2)(3)(4)] Age 67 Saskatoon, Saskatchewan, Canada	Independent Director	Director of Silver Hammer Mining Corp. (September 2025 – present); prior thereto, mining executive and independent advisor providing senior-level project evaluation and advisory services to mining companies across North America	Nil [(8)] (0.00%)	September 15, 2025

Notes:
(1) Based on 139,922,966 Silver Hammer Shares issued and outstanding as at the date of the Information Circular, on a pre-Consolidation basis.
(2) Denotes a member of the Audit Committee of Silver Hammer.
(3) Denotes a member of the Corporate Governance Committee of Silver Hammer.
(4) Denotes a member of the Compensation Committee of Silver Hammer.

(5) Such Silver Hammer Shares are held by Ariston Capital Corp., a private company of which Mr. Ball is the principal. Mr. Ball also holds 2,750,000 Silver Hammer Options and 3,584,128 Silver Hammer Warrants through Ariston Capital Corp. and Lolgorian Holdings Inc., each a private company of which Mr. Ball is the principal. See "*Executive Compensation – Stock Options and Other Compensation Securities*" and "*Description of Capital Structure – Warrants*". In addition, Mr. Ball holds 2,577,778 SilverMark Class A Common Shares and 787,500 SilverMark Class B Special Shares. Pursuant to the SilverMark Amalgamation, Mr. Ball's SilverMark Class A Common Shares will be exchanged for approximately 892,307 Resulting Issuer Shares in accordance with the SilverMark Exchange Ratio, and Mr. Ball's SilverMark Class B Special Shares will be exchanged for Contingent Value Shares in accordance with the Class B Exchange Ratio. See "*Interests of Insiders*" and "*Conflicts of Interest*".

(6) 1,814,183 of such Silver Hammer Shares are held by Quantum Advisory Partners LLP, a professional services firm of which Mr. Mohan is a partner. Mr. Mohan also holds 1,385,000 Silver Hammer Options and 1,800,000 Silver Hammer Warrants, the latter held through Quantum Advisory Partners LLP. See "*Executive Compensation – Stock Options and Other Compensation Securities*" and "*Description of Capital Structure – Warrants*".

(7) In addition to the Silver Hammer Shares set out above, Mr. Birak holds 835,000 Silver Hammer Options. Mr. Birak does not hold any Silver Hammer Warrants. See "*Executive Compensation – Stock Options and Other Compensation Securities*".

(8) In addition to the Silver Hammer Shares set out above, Mr. Willett holds 500,000 Silver Hammer Options. Mr. Willett does not hold any Silver Hammer Warrants. See "*Executive Compensation – Stock Options and Other Compensation Securities*".

Other than as disclosed below, no proposed director (including any personal holding company of a proposed director), is:

1. as at the date of the Information Circular, or has been, within 10 years before the date of this Information Circular, a director, Chief Executive Officer or Chief Financial Officer of any company (including Silver Hammer) that:

   (a) was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while such person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer;

   (b) was subject to an order that was issued after such person ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as a director, Chief Executive Officer or Chief Financial Officer;

2. as at the date of the Information Circular, or has been, within 10 years before the date of this Information Circular, a director, Chief Executive Officer or Chief Financial Officer of any company (including Silver Hammer) that:

   (a) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including Silver Hammer) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

   (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

   (c) has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000 or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Alnesh Mohan was a director of Premier Diversified Holdings Inc. (now Aja Health and Wellness Inc.) ("**PDH**") when, on February 2, 2024, the British Columbia Securities Commission and the Ontario Securities Commission issued a CTO. The CTO resulted from PDH's late filing of the annual audited financial statements and the annual management's discussion and analysis certification of the annual filings. On March 1, 2024, the British Columbia Securities Commission issued a second CTO resulting from PDH's late filing of the first quarter interim financial statements and the interim management's discussion and analysis certification of the interim filings. On July 26, 2024, both CTOs were revoked and were no longer in effect. Mr. Mohan resigned as director on April 17, 2025.

Alnesh Mohan was a director of VSBLTY Groupe Technologies Corp. ("**VSBLTY**") when the following CTOs and MCTOs were issued: (a) on May 3, 2023, an MCTO was issued against VSBLTY for failure to file its audited annual financial statements, management discussion and analysis and related certificates for the year ended December 31, 2022. On July 11, 2023, the MCTO was revoked and is no longer in effect; (b) on April 30, 2024, an MCTO was issued against VSBLTY for failure to file its audited annual financial statements, management discussion and analysis and related certificates for the year ended December 31, 2023. On July 23, 2024, the MCTO was revoked and is no longer in effect; (c) on May 1, 2025, an MCTO was issued against VSBLTY, which was replaced on July 16, 2025 by a CTO, in each case for failure to file its audited annual financial statements, management discussion and analysis and related certificates for the year ended December 31, 2024. On March 10, 2026, the CTO was revoked and is no longer in effect; and (d) on May 5, 2026, a CTO was issued against VSBLTY for failure to file its audited annual financial statements, management discussion and analysis and related certificates for the year ended December 31, 2025, which remains in effect as of the date hereof.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of Silver Hammer acting solely in such capacity.

5. Appointment of Directors of the Resulting Issuer Board

Silver Hammer Shareholders will be asked, conditional upon completion of the Amalgamations, to fix the number of directors at six (6) and to elect each of Peter A. Ball, Donald Birak, Michael Willett, Dr. Scott Jobin-Bevans, Jeff Kennedy and Conor O'Brien as members of the Resulting Issuer Board, to hold office from the Closing Date until the next annual meeting or until their successors are elected or appointed in accordance with applicable laws and the articles of the Resulting Issuer, unless their office is vacated earlier.

For information, including biographical notes, on the members of the Resulting Issuer Board, see "*Information Concerning the Resulting Issuer*" and Appendix "F".

6. Amalgamations

Silver Hammer Shareholders will be asked at the Silver Hammer Meeting to consider and, if deemed appropriate, to pass, with or without variation, the Amalgamation Resolution, the full text of which is attached as Appendix “A” to this Information Circular, authorizing and approving: (a) the Stroud Amalgamation and (b) the SilverMark Amalgamation, including the issuance of Silver Hammer Shares and such other securities of Silver Hammer as may be issuable as consideration pursuant to the Amalgamations.

The Amalgamation Resolution requires the approval of a simple majority (50% + 1) of the holders of Silver Hammer Shares.

7. Contingent Value Shares

Silver Hammer is currently governed by the BCBCA. Silver Hammer Shareholders are being asked to consider and, if deemed appropriate, to pass, with or without variation, the CVS Resolution authorizing and approving an alteration to the Articles of Silver Hammer to create, authorize and provide for the issuance of such number of Contingent Value Shares as may be required to be issued to the holders of Class B Special Shares of SilverMark as consideration pursuant to the SilverMark Amalgamation, and any necessary amendments to the articles of Silver Hammer in connection therewith. The full text of the CVS Resolution is set forth in Appendix “B” to this Information Circular.

The CVS Resolution requires the approval of a simple majority (50% + 1) of the holders of Silver Hammer Shares.

See “*Contingent Value Shares*” for additional information on the special rights and restrictions attaching to the Contingent Value Shares.

8. 2026 Omnibus Equity Incentive Compensation Plan

Silver Hammer Shareholders will be asked to pass an ordinary resolution approving the Omnibus Plan. The details of the Omnibus Plan are set forth below. Management recommends, and the Persons named in the enclosed form of proxy intend to vote in favour of, the approval of the Omnibus Plan. The Omnibus Plan shall be implemented by Silver Hammer upon approval by the Silver Hammer Shareholders at the Silver Hammer Meeting and shall govern Silver Hammer's equity incentive compensation program from and after such approval, regardless of whether the Transactions are completed. In the event the Transactions are completed, the outstanding Silver Hammer Options will become Resulting Issuer Options and will continue to be governed by the Omnibus Plan.

- the Omnibus Plan reserves for issuance pursuant to Awards (being Options and Restricted Share Units) a maximum number of Shares equal to 10% of the then issued and outstanding Shares on a rolling basis; to the extent that an Award lapses or the rights of its Participant terminate or are paid out in cash (except in the case of Options which cannot be paid out in cash), any Shares subject to such Award shall again be available for the grant of an Award;

- the total number of Shares issuable pursuant to Awards provided as compensation to all Persons retained to provide Investor Relations Activities (as defined by the CSE) shall not exceed 2% of the issued and outstanding Shares in any 12-month period;

- the Option Price for each Option shall be not less than the FMV of the Shares on the date of grant, and for so long as Silver Hammer is listed on the CSE, such price cannot be less than the last closing price of the Shares on the CSE less any discount permitted by the rules or policies of the CSE;

- unless otherwise specified in an Award Agreement, Options shall vest equally over a four-year period such that 1/4 of the Options shall vest on the first, second, third and fourth anniversary dates of the date of grant;

- unless otherwise specified in an Award Agreement, no Option shall be exercisable later than the tenth (10th) anniversary date of its grant; if the date on which an Option is scheduled to expire occurs during, or within 10 business days after the last day of a Blackout Period applicable to such Participant, then the expiry date for such Option shall be extended to the last day of such 10 business day period;

- the Omnibus Plan also permits the grant of Restricted Share Units ("**RSUs**") to eligible Participants; unless otherwise specified in an Award Agreement, RSUs shall vest equally over a three-year period such that 1/3 of the RSUs granted in an Award shall vest on the first, second and third anniversary dates of the date of grant, provided that no RSU shall vest and be payable after December 31 of the third calendar year following the year of service for which the RSU was granted;

- upon vesting, RSUs may be settled in cash, in Shares issued from treasury, or in a combination thereof, as determined by the Committee in its sole discretion;

- Options and RSUs are non-assignable and non-transferable, other than by will or by the laws of descent and distribution, and all rights with respect to Awards granted to a Participant shall be available during such Participant's lifetime only to such Participant; and

- the Omnibus Plan is governed by the laws of the Province of British Columbia; the Board may, at any time, amend or revise the terms of the Omnibus Plan and any Award Agreement, subject to compliance with applicable law, including the rules of the CSE, provided that no such amendment may materially and adversely impair any rights arising from any Awards previously granted without the consent of the affected Participant.

The outstanding Silver Hammer Options shall, from and after the approval of the Omnibus Plan by the Silver Hammer Shareholders at the Silver Hammer Meeting, be governed by the provisions of the Omnibus Plan, and, in the event the Transactions are completed, shall become Resulting Issuer Options.

The Omnibus Plan is set forth in Appendix "C" of this Information Circular. The text of the resolution to be passed is as follows:

"**BE IT RESOLVED THAT** the 2026 Omnibus Equity Incentive Compensation Plan of the Company be and is hereby approved, with such additional provisions and amendments as the directors of the Company may deem necessary or advisable, provided that such are not inconsistent with the policies of the CSE."

In order to be passed, a majority of the votes cast at the Silver Hammer Meeting or in person or by proxy must be voted in favour of the resolution. The persons named in the enclosed form of proxy intend to vote for such resolution.

RISK FACTORS

There are a number of risk factors associated with Silver Hammer and the Transactions. These risks will also apply to the Resulting Issuer upon Closing. For a full description of the applicable risk factors, please see "*Risk Factors*" under Appendix "F" to this Information Circular. An investment in the securities of the Resulting Issuer involves significant risks. Investors should carefully consider the risks described herein and the other information contained in this Information Circular before making an investment in the Resulting Issuer. Additional risks and uncertainties not presently known to Silver Hammer, or that Silver Hammer currently considers immaterial, may also impair the business and operations of the Resulting Issuer and cause the trading price of the Silver Hammer Shares or the Resulting Issuer Shares to decline. If any of risks described herein occur, the Resulting Issuer's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of the Silver Hammer Shares could decline and you could lose all or part of your investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

An investment in the Resulting Issuer Shares involves a high degree of risk. Investors should carefully consider the cautionary statement under the caption "*Forward-Looking Information*" at the beginning of this Information Circular and the other information included herein, before making an investment in the Resulting Issuer Shares. The risks described in this Information Circular are not the only ones that the Resulting Issuer faces. Additional risks that are not yet known or considered immaterial at this time could also impair the Resulting Issuer's business, financial condition or results of operations in the future. In such case, the trading price of the Resulting Issuer Shares could decline and cause investors to lose all or a portion of their investment.

THE STROUD AMALGAMATION

Parties and Structure

On July 17, 2026, Silver Hammer entered into the Stroud Agreement with Subco 1, and Stroud, a mineral exploration company existing under the laws of the Province of Ontario. Pursuant to the Stroud Agreement, Silver Hammer will acquire all of the issued and outstanding Stroud Shares by way of a three-cornered amalgamation under the OBCA, pursuant to which Subco 1 and Stroud will complete the Stroud Amalgamation, with the resulting amalgamated corporation continuing under the name "Stroud Resources Ltd." as a wholly-owned subsidiary of the Resulting Issuer.

Stroud holds a 100% interest in the Santo Domingo silver-gold property ("**Santo Domingo**") located in the Western Silver-Gold Belt in Jalisco, Mexico, through its wholly-owned subsidiary Compañia Minera San Diego y La Espanola S.A. de C.V. A technical report prepared in accordance with NI 43-101, titled "*National Instrument 43-101 Mineral Resource Estimate on the Santo Domingo Silver-Gold Deposit and Technical Report for the Santo Domingo Project*" and dated effective August 21, 2026 (the "**Technical Report**"), has been filed in respect of the Santo Domingo property under Stroud's profile on SEDAR+. Stroud is a reporting issuer in the provinces of Ontario, British Columbia and Alberta, and the Stroud Shares are listed and posted for trading on the TSXV under the symbol "SDR".

For additional information on Stroud, please refer to "*Information Concerning Stroud Resources Ltd.*" and Appendix "E".

Consideration

Pursuant to the Stroud Agreement, each of the 63,623,199 issued and outstanding Stroud Shares (other than Stroud Shares held by Silver Hammer and Stroud Shareholders who validly exercise dissent rights (as described under "*Dissent Rights*")) will be cancelled and exchanged for Silver Hammer Shares on the basis of 0.777963 of one post-Consolidation Silver Hammer Share for each Stroud Share (the "**Stroud Exchange Ratio**"), resulting in the issuance of approximately 49,496,496 Silver Hammer Shares to Stroud shareholders (on a post-Consolidation basis). No fractional Silver Hammer Shares will be issued in connection with the Stroud Amalgamation; any fractional entitlements will be rounded down to the nearest whole number. Each of the 1,155,000 outstanding Stroud Options will be amended prior to the effective date of the Stroud Amalgamation such that the obligation to issue Stroud Shares on exercise will be replaced with an obligation to issue Resulting Issuer Shares, and the number of Resulting Issuer Shares issuable on exercise and the exercise price therefor will be adjusted in accordance with the Stroud Exchange Ratio, on the same economic terms and conditions, resulting in up to 898,561 Resulting Issuer Shares being issuable upon exercise of such amended Stroud Options, subject to the Omnibus Plan being approved by Silver Hammer Shareholders at the Silver Hammer Meeting. All other terms of the Stroud Options shall remain unchanged.

<u>Shareholder Approval and Voting Support</u>

The Stroud Amalgamation is subject to approval by the Stroud Shareholders at the Stroud Meeting and by Silver Hammer Shareholders at the Silver Hammer Meeting. In connection with the execution of the Stroud Agreement, the Voting Support Agreements were entered into on July 16, 2026 between Silver Hammer and (i) each member of the board of directors of Stroud; (ii) each officer of Stroud; and (iii) each Stroud shareholder holding directly or indirectly more than 10% of the Stroud Shares, to vote their Stroud Shares in favour of the Stroud Amalgamation at the Stroud Meeting. Concurrently, Voting Support Agreements were entered into on July 16, 2026 between Stroud and each member of the Silver Hammer board of directors, each officer of Silver Hammer, and each Silver Hammer Shareholder holding directly or indirectly more than 10% of the Silver Hammer Shares, pursuant to which such persons have agreed, among other things, to vote their Silver Hammer Shares in favour of the Stroud Amalgamation and the other matters to be considered at the Silver Hammer Meeting.

<u>D&O Protection</u>

Directors and officers of Stroud who are asked to resign in connection with the completion of the Stroud Amalgamation will receive indemnification rights and directors' and officers' liability insurance coverage maintained by the Resulting Issuer for a period of not less than six (6) years from the effective date of the Stroud Amalgamation.

<u>Conditions Precedent</u>

Completion of the Stroud Amalgamation is subject to a number of conditions precedent, including the following:

Mutual Conditions

(i) approval of the Stroud Amalgamation at the Stroud Meeting in accordance with the OBCA, the TSXV, and all applicable laws; (ii) approval of the Stroud Amalgamation at the Silver Hammer Meeting in accordance with the applicable requirements of the CSE and all applicable laws; (iii) receipt of all requisite regulatory approvals, including the approvals of the CSE and the TSXV; (iv) completion of the Consolidation; (v) satisfaction or waiver of all conditions precedent to the SilverMark Amalgamation, other than completion of the Stroud Amalgamation itself; (vi) completion of the Minimum Private Placement; (vii) receipt of all required approvals for the listing and posting for trading on the CSE of the Silver Hammer Shares to be issued pursuant to the Stroud Amalgamation; (viii) no order or decree being in force restraining or enjoining the completion of the Stroud Amalgamation; (ix) the distribution of Silver Hammer Shares pursuant to the Stroud Amalgamation being exempt from, or not subject to, prospectus requirements under applicable Canadian securities laws; and (x) the distribution of Silver Hammer Shares in the United States in exchange for Stroud Shares being exempt from registration requirements under applicable U.S. securities laws.

Additional Conditions in Favour of Silver Hammer

(i) all representations and warranties of Stroud being true in all material respects as of the effective date; (ii) Stroud having complied with its covenants under the Stroud Agreement; (iii) receipt of all required third-party and regulatory approvals by Stroud, including approval of the TSXV; (iv) holders of no more than 5% of the Stroud Shares having validly exercised dissent rights; (v) no material adverse effect on Stroud having occurred; (vi) Stroud having no indebtedness, liabilities or obligations of any nature other than those disclosed in its most recent financial statements filed on SEDAR+ or arising in the ordinary course consistent with past practice; (vii) receipt by Silver Hammer of executed releases and resignations from all members of the Stroud board of directors and such officers of Stroud as Silver Hammer may request; and (viii) Silver Hammer having received duly executed written consents from each holder of Stroud Options consenting to the amendment of the Stroud Options as contemplated in the Stroud Agreement, in form and substance satisfactory to Silver Hammer, acting reasonably.

Additional Conditions in Favour of Stroud

(i) all representations and warranties of Silver Hammer being true in all material respects as of the effective date; (ii) Silver Hammer having complied with its covenants under the Stroud Agreement; (iii) receipt of all required third-party and regulatory approvals by Silver Hammer, including approval of the CSE; (iv) no material adverse effect on Silver Hammer having occurred; and (v) the Silver Hammer Shares issued as consideration being issued as fully paid and non-assessable, free and clear of all encumbrances.

There can be no certainty, nor can Silver Hammer provide any assurance, as to if and when all conditions will be satisfied or waived.

Termination

The Stroud Agreement may be terminated in certain circumstances, including: (i) by mutual consent of the parties; (ii) by either party, pursuant to the superior proposal process described below; (iii) by either party, if the other party provides notice of its inability to comply with any covenant, condition or agreement under the Stroud Agreement and provides supporting materials regarding such inability; (iv) by Silver Hammer, if Stroud has breached any representation, warranty, covenant or agreement in any material respect and such breach has not been cured within ten (10) business days of written notice of the breach from Silver Hammer, or such breach is incapable of being cured; (v) by Stroud, if Silver Hammer has breached any representation, warranty, covenant or agreement in any material respect and such breach has not been cured within ten (10) business days of written notice of the breach from Stroud, or such breach is incapable of being cured; (vi) by Silver Hammer, if the Stroud Amalgamation has not been completed by the Termination Date as a result of the failure of one or more conditions in Silver Hammer’s favour to be satisfied or waived, provided that Silver Hammer is not then in material breach of its own obligations; (vii) by Stroud, if the Stroud Amalgamation has not been completed by the Termination Date as a result of the failure of one or more conditions in Stroud’s favour to be satisfied or waived, provided that Stroud is not then in material breach of its own obligations; (viii) by Silver Hammer, if a material adverse effect on Stroud has occurred, or an event, occurrence, circumstance or development that could reasonably be expected to constitute such a material adverse effect has occurred; or (ix) by Stroud, if a material adverse effect on Silver Hammer has occurred, or an event, occurrence, circumstance or development that could reasonably be expected to constitute such a material adverse effect has occurred. Termination of the Stroud Agreement will not relieve any party of obligations that have accrued prior to termination, including payment obligations in respect of the Stroud Compensation Fee (as described below).

No Solicitation

During the term of the Stroud Agreement, each of Silver Hammer and Stroud has agreed not to, directly or indirectly, solicit, initiate, encourage, engage in or respond to any inquiries or proposals regarding any Acquisition Proposal, and not to encourage or participate in any discussions or negotiations, agree to, approve or recommend, or enter into any agreement relating to any Acquisition Proposal. Neither party may withdraw, modify or qualify its board recommendation with respect to the Stroud Amalgamation, other than as expressly permitted under the Stroud Agreement. Notwithstanding the foregoing, a party may engage with a person making a bona fide, unsolicited written Acquisition Proposal if the independent members of that party’s board unanimously conclude in good faith, after consultation with legal and financial advisors, that such action is required for the directors to comply with their fiduciary obligations under applicable law, and the party has given the other party not less than five (5) business days’ written notice of its intention to do so. Any non-public information furnished to such person must be provided to the other party promptly (and in any event within 24 hours).

Superior Proposals

Each party's board of directors may change its recommendation to its shareholders (a "**Recommendation Change**") in respect of a bona fide, unsolicited written Acquisition Proposal received prior to the applicable shareholder meeting if: (i) the board has determined that such Acquisition Proposal constitutes a superior proposal (a "**Superior Proposal**" being an offer for all outstanding shares or all assets of the relevant party that is not conditional on obtaining financing or on the completion of any due diligence by the person making such Acquisition Proposal, is reasonably capable of completion in accordance with its terms having regard to all legal, financial, regulatory and other aspects thereof, and which the independent directors have unanimously determined in good faith, after receiving advice from financial, legal and other advisors, would result in a transaction more favourable to shareholders from a financial point of view than the Stroud Amalgamation); (ii) the party has advised the other party of its intention to make a Recommendation Change and provided a copy of the relevant offer; and (iii) five (5) business days have elapsed from the date on which the other party received the required notice. During that five (5) business day period, the parties shall negotiate in good faith to make such adjustments to the Stroud Agreement as would enable the relevant party's board to comply with its fiduciary duties without making a Recommendation Change. Any modified or amended Acquisition Proposal constitutes a new Acquisition Proposal for these purposes, requiring a fresh five (5) business day matching period.

Compensation Fee

A compensation fee (the "**Stroud Compensation Fee**") in an amount equal to $500,000 will be payable by a party to the other party (and is acknowledged by the parties to be a genuine pre-estimate of the damages of the recipient, and not a penalty) upon the occurrence of either of the following events (each a "**Triggering Event**"): (a) following a Recommendation Change by that party's board, the shareholders of that party do not approve the Stroud Amalgamation at the relevant meeting; or (b) (i) following the date of the Stroud Agreement, that party receives a written Acquisition Proposal that has been publicly announced or disclosed and which is determined to be a Superior Proposal; (ii) that party's shareholders do not approve the Stroud Amalgamation; and (iii) within twelve (12) months following the date of the relevant meeting, that party accepts, approves, recommends or enters into an agreement with respect to a change of control transaction, whether or not it is the Acquisition Proposal that gave rise to the Triggering Event. The Stroud Compensation Fee is payable in immediately available funds within three (3) business days of the occurrence of the relevant Triggering Event. Upon receipt of the Stroud Compensation Fee, the receiving party shall have no further claim against the paying party in respect of the failure to complete the Stroud Amalgamation, except that nothing herein limits either party's right to seek injunctive or specific performance relief, or damages in respect of breaches of the Stroud Agreement occurring prior to termination.

THE SILVERMARK AMALGAMATION

Parties and Structure

Concurrently with the execution of the Stroud Agreement, on July 17, 2026, Silver Hammer entered into the SilverMark Agreement with Subco 2 and SilverMark, a private corporation existing under the laws of Canada. SilverMark does not have any subsidiaries. SilverMark has entered into a series of option agreements with SABI-AIM Minerals, a corporation organized under the laws of Morocco, pursuant to which SilverMark has the right to acquire up to a 75% interest (or the maximum earn-in interest available) in a portfolio of Moroccan mineral assets (collectively, the "**Moroccan Assets**"), including: (i) the past-producing Akka Mine and related mineral properties (the "**Akka Mine**"); (ii) a portfolio of additional mining concessions and permits designated as "**Group A Properties**" and "**Group B Properties**" respectively under the applicable SABI-AIM Option Agreements (as defined below); and (iii) certain stockpile areas and associated ore, tailings and rock (the "**Stockpile Properties**"). Upon completion of the SilverMark Amalgamation, Silver Hammer will assume all of SilverMark's obligations under the SABI-AIM Option Agreements and will succeed to SilverMark's rights to earn into the Moroccan Assets.

Pursuant to the SilverMark Agreement, Silver Hammer will acquire all of the issued and outstanding SilverMark Class A Common Shares and SilverMark Class B Special Shares by way of the SilverMark Amalgamation, with the resulting amalgamated corporation continuing under the name "SilverMark Resources Inc." as a wholly-owned subsidiary of the Resulting Issuer. The SilverMark Amalgamation is expected to occur prior to or concurrently with the Stroud Amalgamation. The SilverMark Amalgamation does not itself require shareholder approval from Silver Hammer Shareholders; however, Silver Hammer Shareholders are required to approve the creation and authorization of the Contingent Value Shares as part of the items to be considered at the Silver Hammer Meeting.

Consideration

As consideration for the SilverMark Amalgamation: (i) each of the 13,888,889 issued and outstanding SilverMark Class A Common Shares (other than shares held by SilverMark Shareholders who validly exercise dissent rights) will be cancelled and exchanged for 0.346154 of one (1) Silver Hammer Share on a post-Consolidation basis (the "**SilverMark Exchange Ratio**"), resulting in the issuance of approximately 4,807,692 Silver Hammer Shares to SilverMark Class A Common Shareholders (on a post-Consolidation basis); and (ii) each of the 3,937,500 issued and outstanding SilverMark Class B Special Shares (other than shares held by SilverMark Shareholders who validly exercise dissent rights) will be cancelled and exchanged for such number of Contingent Value Shares as is equal to the quotient obtained by dividing (x) $1,575,000 by (y) the product of the Offering Price of $0.26 multiplied by the number of SilverMark Class B Special Shares outstanding immediately prior to the effective time of the SilverMark Amalgamation (the "**Class B Exchange Ratio**"). The Class B Exchange Ratio is expected to be approximately 1.5384. No fractional Silver Hammer Shares or Contingent Value Shares will be issued. The Contingent Value Shares will be created and authorized pursuant to an amendment to Silver Hammer's articles, subject to approval by Silver Hammer Shareholders at the Silver Hammer Meeting. For additional information on the Contingent Value Shares, please see "*Contingent Value Shares*".

Milestone Conversion Events

The Milestone Conversion Events and the corresponding number of Contingent Value Shares convertible upon the occurrence of each are set out below:

- the acquisition of a 75% interest (or the maximum earn-in available) in the Akka Mine under the applicable SABI-AIM Option Agreements — 2,500,000 Contingent Value Shares;
- the acquisition of a 75% interest (or the maximum earn-in available) in any one or more Group A Properties under the applicable SABI-AIM Option Agreements — 125,000 Contingent Value Shares;
- the acquisition of a 75% interest (or the maximum earn-in available) in any one or more Group B Properties under the applicable SABI-AIM Option Agreements — 125,000 Contingent Value Shares;
- the acquisition of a 75% interest (or the maximum earn-in available) in any one or more Stockpile Properties under the applicable SABI-AIM Option Agreements — 375,000 Contingent Value Shares;

- the publication of a Mineral Resource Estimate for the Akka Mine reflecting greater than 20,000,000 ounces equivalent in aggregate — 625,000 Contingent Value Shares; and

- the publication of each qualifying resource report containing measured, indicated and/or inferred mineral resources (as such terms are defined in the CIM Definition Standards) generated from any project within the Group A Properties, Group B Properties or Stockpile Properties, published within 60 months of the Closing Date — 62,500 Contingent Value Shares per qualifying report; provided that, for greater certainty, the publication of more than one resource report in respect of the same property group shall not give rise to more than one Resource Report Milestone per such property group.

Conditions Precedent

Completion of the SilverMark Amalgamation is subject to a number of conditions precedent, including the following:

Mutual Conditions

(i) the SilverMark shareholder approval being obtained by written consent resolution in accordance with the CBCA; (ii) the approval of the Silver Hammer Shareholders at the Silver Hammer Meeting, including approval of the CVS Resolution and any required amendments to Silver Hammer's articles; (iii) receipt of all requisite regulatory approvals, including the approval of the CSE; (iv) completion of the Consolidation; (v) satisfaction or waiver of all conditions precedent to the Stroud Amalgamation, other than completion of the SilverMark Amalgamation itself; (vi) completion of the Minimum Private Placement; (vii) receipt of all required approvals for the listing on the CSE of the Silver Hammer Shares issuable pursuant to the SilverMark Amalgamation; (viii) no order or decree being in force restraining or enjoining the completion of the SilverMark Amalgamation; (ix) the distribution of Silver Hammer Shares and Contingent Value Shares pursuant to the SilverMark Amalgamation being exempt from, or not subject to, prospectus requirements under applicable Canadian securities laws; and (x) the distribution of Silver Hammer Shares and Contingent Value Shares in the United States in exchange for SilverMark Shares being exempt from registration requirements under applicable U.S. securities laws.

Additional Conditions in Favour of Silver Hammer

(i) all representations and warranties of SilverMark being true in all material respects as of the effective date; (ii) SilverMark having complied with its covenants under the SilverMark Agreement; (iii) no material adverse effect on SilverMark having occurred; (iv) holders of no more than 5% of the SilverMark Shares having validly exercised dissent rights; (v) the SABI-AIM Option Agreements being in good standing and enforceable and no notice of default having been delivered by any party thereunder; (vi) SilverMark having no undisclosed indebtedness, liabilities or obligations; and (vii) receipt by Silver Hammer of executed releases and resignations from all members of the SilverMark board of directors and such officers of SilverMark as Silver Hammer may request.

Termination

The SilverMark Agreement may be terminated in certain circumstances, including: (i) by mutual consent of the parties; (ii) by either party, if the other party provides notice of its inability to comply with any covenant, condition or agreement to be complied with or satisfied by it under the SilverMark Agreement; (iii) by either party, if the other party is in material breach of any representation, warranty, covenant or agreement that is not cured within ten (10) business days of written notice; (iv) by either party, if the SilverMark Amalgamation has not been completed by November 30, 2026, provided the terminating party is not itself in material breach; (v) by Silver Hammer, if a material adverse effect on SilverMark has occurred; (vi) by SilverMark, if a material adverse effect on Silver Hammer has occurred; or (vii) by Silver Hammer, following a Recommendation Change by the SilverMark board. Termination of the SilverMark Agreement will not relieve any party of obligations that have accrued prior to termination, including SilverMark's payment obligations in respect of the SilverMark Compensation Fee (defined below).

Compensation Fee and D&O Protection

A compensation fee equal to $500,000 (the "**SilverMark Compensation Fee**") is payable by SilverMark to Silver Hammer (and is a genuine pre-estimate of Silver Hammer's damages, and not a penalty) upon the occurrence of any of the following events: (a) following a Recommendation Change by the SilverMark board, the SilverMark shareholder approval is not obtained; (b) the SilverMark shareholder approval is not obtained following a Superior Proposal and, within 12 months of the date on which shareholder approval was sought, SilverMark enters into or consummates an alternative change of control transaction; or (c) SilverMark fails to obtain the SilverMark shareholder approval within 21 days of signing the SilverMark Agreement (or such later date as may be mutually agreed). Directors and officers of SilverMark who are asked to resign upon completion of the SilverMark Amalgamation will receive indemnification rights and directors' and officers' liability insurance coverage maintained by Silver Hammer for a period of not less than six (6) years from the effective date of the SilverMark Amalgamation.

SABI-AIM Option Agreements

Upon completion of the SilverMark Amalgamation, Silver Hammer will assume all of SilverMark's rights and obligations under the SABI-AIM Option Agreements, pursuant to which SilverMark has the right to earn up to a 75% interest (or the maximum earn-in interest available) in each of the Moroccan Assets. The SABI-AIM Option Agreements consist of four separate option agreements, each dated July 16, 2026, between SilverMark (as optionee) and the applicable Moroccan optionor(s) (collectively, "**SABI-AIM**"), in respect of: (i) the Akka Mine exploitation licence and related mineral properties (the "**Akka Mine Agreement**"); (ii) a portfolio of 18 mining exploration permits and one exploitation licence designated as the Group A Properties (the "**Group A Agreement**"); (iii) a portfolio of 14 mining exploration permits designated as the Group B Properties, together with an additional permit and up to 30 further permits comprising the "Subgroup B2 Permits" (the "**Group B Agreement**"); and (iv) the Stockpile Properties, together with an associated processing mill (the "**Stockpile Agreement**", and together with the Akka Mine Agreement, the Group A Agreement and the Group B Agreement, the "**SABI-AIM Option Agreements**").

The share consideration payable under the SABI-AIM Option Agreements is denominated in common shares of the publicly listed entity resulting from the Reverse Takeover contemplated thereunder — being, following completion of the Amalgamations, the Resulting Issuer Shares. Under each agreement, the Resulting Issuer (as successor to SilverMark) is solely responsible for all costs and expenses of every kind in respect of the applicable properties, including upkeep, maintenance, technical work, property holding costs, renewals, governmental charges and operational expenditures, until the final option under each respective agreement is exercised. The Resulting Issuer is also obligated to carry out all operations on the properties in a careful and professional manner, in accordance with recognized industry practices and in full conformity with all applicable mining and environmental laws and regulations of Morocco, and to undertake sufficient work to keep each property in good standing under applicable law.

The earn-in payments under each of the four SABI-AIM Option Agreements are structured as a series of options, each of which the Resulting Issuer may elect to exercise in sequence to earn up to a maximum 75% interest in the applicable property. The share consideration payable at the closing of the Amalgamations is valued at the implied price per Resulting Issuer Share; share consideration payable in respect of any subsequent option payments is valued at the greater of: (i) the volume weighted average price of the Resulting Issuer Shares for the twenty (20) trading days prior to the date of exercise of the applicable option; and (ii) the minimum price at which the applicable stock exchange will permit. No fractional Resulting Issuer Shares will be issued in connection with any share issuance under the SABI-AIM Option Agreements.

The aggregate initial earn-in consideration payable at the closing of the Amalgamations across all four agreements is US$667,647 in cash and US$145,529 in post-Consolidation Silver Hammer Shares, which will result in SilverMark exercising the first earn-ins under each of the SABI-AIM Option Agreements and acquiring a 51% interest in each of the Moroccan Assets except the permits comprising the "Subgroup B2 Permits" governed by the Group B Agreement, in which SilverMark will acquire a 60% interest. If all options under all four agreements are exercised to earn the maximum 75% interest, the combined aggregate earn-in consideration payable by Silver Hammer (inclusive of all closing and subsequent payments) would be approximately US$1,350,000 in cash and US$248,000 in Silver Hammer Shares (subject to applicable pricing mechanics).

Silver Hammer is aware that a third party has made claims against SABI-AIM and alleged that such claims provide them with an interest in the Moroccan Assets. Silver Hammer has not received particulars in support of the claims from the third party. Under the Option Agreement, SABI-AIM have agreed to escrow funds and share consideration from the exercise of the first earn-ins to account for any outstanding liabilities that may impact the Moroccan Assets, including any claims made by third parties or any other factors which could prevent SilverMark from acquiring a 100% interest in the Moroccan entities holding the Moroccan Assets.

The earn-in payment schedule under each agreement, inclusive of the closing payment, is as follows:

Akka Mine Agreement

- (i) First Option (payable at closing of the Amalgamations) — a cash payment of US$240,000 and an issuance of post-Consolidation Silver Hammer Shares having a value of US$40,000 (calculated at the implied price per Silver Hammer Share in the Private Placement), in exchange for a 51% interest in the Akka Mine;
- (ii) Second Option — US$30,000 in cash and US$5,000 in Resulting Issuer Shares, increasing the Resulting Issuer's interest to 65%, exercisable within one year of the First Option closing;
- (iii) Third Option — US$45,000 in cash and US$7,500 in Resulting Issuer Shares, increasing the Resulting Issuer's interest to 70%, exercisable within one year of the Second Option closing; and
- (iv) Fourth Option — US$45,000 in cash and US$7,500 in Resulting Issuer Shares, increasing the Resulting Issuer's interest to 75%, exercisable within one year of the Third Option closing.

The total aggregate earn-in consideration under the Akka Mine Agreement (inclusive of the closing payment) is approximately US$360,000 in cash and US$60,000 in Resulting Issuer Shares.

Group A Agreement

- (i) First Option (payable at closing of the Amalgamations) — a cash payment of US$160,000 and an issuance of post-Consolidation Silver Hammer Shares having a value of US$32,000 (calculated at the Offering Price), in exchange for a 51% interest in the Group A Properties;
- (ii) Second Option — US$20,000 in cash and US$4,000 in Resulting Issuer Shares, increasing the Resulting Issuer's interest to 65%, exercisable within 1.5 years of the First Option closing;

- (iii) Third Option — US$30,000 in cash and US$6,000 in Resulting Issuer Shares, increasing the Resulting Issuer's interest to 70%, exercisable within 1.5 years of the Second Option closing; and

- (iv) Fourth Option — US$30,000 in cash and US$6,000 in Resulting Issuer Shares, increasing the Resulting Issuer's interest to 75%, exercisable within 1.5 years of the Third Option closing.

The total aggregate earn-in consideration under the Group A Agreement (inclusive of the closing payment) is approximately US$240,000 in cash and US$48,000 in Resulting Issuer Shares.

Group B Agreement

- (i) First Option (payable at closing of the Amalgamations) — a cash payment of US$117,647 and an issuance of post-Consolidation Silver Hammer Shares having a value of US$23,529 (calculated at the Offering Price), in exchange for a 60% interest in the Subgroup B1 Permits;

- (ii) Second Option — US$193,891 in cash and US$38,778 in Resulting Issuer Shares, acquiring a 60% interest in the Subgroup B2 Permits (not exercisable prior to 12 months from the date of the Group B Agreement without the optionor's consent);

- (iii) Third Option — US$25,962 in cash and US$5,193 in Resulting Issuer Shares, increasing the Resulting Issuer's interest to 65% of the combined Property, exercisable within 1.5 years of the Second Option closing;

- (iv) Fourth Option — US$56,250 in cash and US$11,250 in Resulting Issuer Shares, increasing the Resulting Issuer's interest to 70%, exercisable within 1.5 years of the Third Option closing; and

- (v) Fifth Option — US$56,250 in cash and US$11,250 in Resulting Issuer Shares, increasing the Resulting Issuer's interest to 75%, exercisable within 1.5 years of the Fourth Option closing.

The total aggregate earn-in consideration under the Group B Agreement (inclusive of the closing payment) is approximately US$450,000 in cash and US$90,000 in Resulting Issuer Shares.

Stockpile Agreement

- (i) First Option (payable at closing of the Amalgamations) — a cash payment of US$150,000 and an issuance of post-Consolidation Silver Hammer Shares having a value of US$50,000 (calculated at the Offering Price), in exchange for a 51% interest in the Polymetallic Stock;

- (ii) Second Option — US$150,000 in cash (no share component), increasing the Resulting Issuer's interest to 75% of the Polymetallic Stock, exercisable within 1.5 years of the First Option closing.

The total aggregate earn-in consideration under the Stockpile Agreement (inclusive of the closing payment) is approximately US$300,000 in cash and US$50,000 in Resulting Issuer Shares.

Under each of the Akka Mine Agreement, Group A Agreement and Group B Agreement, the Resulting Issuer may purchase one six-month extension to exercise any subsequent option for US$5,000 in cash payable to the applicable optionor.

Additional Payment Obligations and Arrangements

In addition to the earn-in payments described above, the SABI-AIM Option Agreements provide for the following additional payment obligations and arrangements:

- (i) Akka Mine — Silver Resource Bonus: The optionor under the Akka Mine Agreement is entitled to receive bonus payments in Resulting Issuer Shares based on the total silver resources contained in a NI 43-101 (or JORC Code) compliant technical report completed by the Resulting Issuer: (a) US$250,000 upon publication of a technical report reflecting a silver resource of 20 million ounces or greater; (b) a further US$250,000 if the technical report reflects a silver resource of greater than 30 million ounces up to 50 million ounces; and (c) a further US$250,000 if the technical report reflects a silver resource in excess of 50 million ounces. The aggregate maximum silver resource bonus payable under the Akka Mine Agreement is US$750,000 in Resulting Issuer Shares.

- (ii) Group A Properties — Technical Report Bonus: The optionor under the Group A Agreement is entitled to receive bonus payments in Resulting Issuer Shares to a maximum aggregate of US$150,000, comprising: (a) US$50,000 upon the filing or public release of a technical report including NI 43-101 compliant mineral resources; and (b) a further US$100,000 upon the filing or public release of a preliminary economic assessment as defined in NI 43-101.

- (iii) Group B Properties — Technical Report Bonus: The optionor under the Group B Agreement is entitled to receive bonus payments in Resulting Issuer Shares to a maximum aggregate of US$150,000, comprising: (a) US$50,000 upon the filing or public release of a technical report including NI 43-101 compliant mineral resources; and (b) a further US$100,000 upon the filing or public release of a preliminary economic assessment as defined in NI 43-101.

- (iv) Stockpile Agreement — Mill Acquisition and Barite Stock: the Resulting Issuer has a 12-month exclusive right to initiate installment payments to acquire a 75% ownership interest in the processing mill associated with the Stockpile Properties, with the Mill's total value to be determined by a qualified independent valuator and capped at US$3,000,000. The Resulting Issuer is required to notify the optionor of its intentions with respect to the Mill within six months of the date of the Stockpile Agreement. The Resulting Issuer also has a 12-month exclusive right to negotiate a transaction with respect to the barite stockpile area owned by Manal Mining (the "**Barite Stock**"), with an extension of a further 12 months available upon payment of a non-refundable deposit equal to 1.75% of the agreed value of the Barite Stock (based on a valuation of US$2.5 million, unless otherwise agreed in writing).

- (v) Administration Contribution: The Resulting Issuer is obligated to pay a combined administration contribution of US$1,500 per month across all four SABI-AIM Option Agreements (i.e., the total amount payable under all agreements in aggregate is US$1,500 per month, not US$1,500 per agreement), which contribution includes access to two staff members of the optionor.

Additional Conditions in Favour of SilverMark

Under the SilverMark Agreement, the following conditions in favour of SilverMark are required to be satisfied prior to closing the SilverMark Amalgamation: (i) all representations and warranties of Silver Hammer being true in all material respects as of the effective date; (ii) Silver Hammer having complied with its covenants under the SilverMark Agreement; (iii) receipt of all required third-party and regulatory approvals by Silver Hammer, including approval of the CSE; (iv) no material adverse effect on Silver Hammer having occurred; and (v) the Silver Hammer Shares and Contingent Value Shares issued as consideration being fully paid and non-assessable, free and clear of all encumbrances.

There can be no certainty, nor can Silver Hammer provide any assurance, as to if and when all conditions will be satisfied or waived.

THE PRIVATE PLACEMENT

In connection with the Amalgamations, SilverMark intends to complete the Private Placement of a minimum of 26,923,077 and a maximum of 38,461,538 Subscription Receipts, at the Offering Price of $0.26 per Subscription Receipt, for aggregate gross proceeds of up to $10,000,000 (or such greater amount as may be determined by the parties), with the Minimum Private Placement amount of $7,000,000 required for the release of escrowed funds. The Private Placement is being conducted on a "best efforts" basis by Red Cloud Securities Inc. as the Lead Agent, together with Research Capital Corp. as co-lead agent and any additional syndicate members appointed by the Lead Agent (collectively, the "**Agents**"). The Lead Agent has also been granted the Over-Allotment Option, exercisable up to 48 hours prior to the closing of the Private Placement Financing, to sell up to an additional 7,692,308 Subscription Receipts at the Offering Price for additional gross proceeds of up to $2,000,000. If the Over-Allotment Option is exercised in full, the aggregate maximum gross proceeds of the Private Placement would be $12,000,000. The net proceeds of the Private Placement are intended to be used to fund advancement of the Resulting Issuer's silver project portfolio and for working capital and general corporate purposes.

All subscription funds received in connection with the Private Placement, net of the Agents' reasonable out-of-pocket expenses, will be held in escrow by a Canadian trust company or other escrow agent acceptable to SilverMark and the Agents (the "**Subscription Receipt Agent**") in an interest-bearing account, pending satisfaction of the escrow release conditions. The escrow release conditions include, among other things: (i) satisfaction or waiver of all conditions precedent to the Amalgamations; (ii) receipt of all required regulatory approvals, including the approval of the CSE; and (iii) such other conditions as may be agreed between SilverMark and the Agents. Upon satisfaction or waiver of the escrow release conditions, each Subscription Receipt will be automatically converted, without payment of additional consideration or further action by the holder, into such number of units of SilverMark as is equal to the reciprocal of the SilverMark Exchange Ratio (being the number obtained by dividing one (1) by the SilverMark Exchange Ratio of 0.346154, being approximately 2.888889 SilverMark Units for each Subscription Receipt), with each unit consisting of: (i) one (1) SilverMark Class A Common Share, and (ii) one (1) SilverMark Warrant. The SilverMark Class A Common Shares and SilverMark Warrants issuable on conversion of the Subscription Receipts will, pursuant to the SilverMark Amalgamation, be exchanged for Resulting Issuer Shares and Resulting Issuer Warrants exercisable for Resulting Issuer Shares, respectively, such that each Subscription Receipt will ultimately result in the issuance of one (1) Resulting Issuer Share and one (1) Resulting Issuer Warrant (calculated as the product of approximately 2.888889 SilverMark Class A Common Shares or SilverMark Warrants, as applicable, multiplied by the SilverMark Exchange Ratio of 0.346154, which in each case equals one (1). Each such Resulting Issuer Warrant will be exercisable to acquire one Resulting Issuer Share at a price of $0.38 per share (on a post-Consolidation basis) for a period of 36 months following the closing date of the Private Placement. No fractional Resulting Issuer Shares will be issued.

In the event that the escrow release conditions are not satisfied or waived prior to October 31, 2026 (or such other date as may be agreed upon by SilverMark, Silver Hammer and the Agents), or if SilverMark advises the Lead Agent or announces to the public that it does not intend to satisfy the escrow release conditions, the Subscription Receipt Agent will return to each holder of Subscription Receipts an amount equal to the aggregate Offering Price of the Subscription Receipts held by such holder, together with such holder's pro rata portion of any interest earned on the escrowed funds (less any applicable withholding taxes). In such circumstances, the Subscription Receipts will be cancelled and of no further force or effect.

In connection with the Private Placement, the Agents will receive a cash commission equal to 7.0% of the gross proceeds from the sale of Subscription Receipts, and broker warrants equal to 7.0% of the number of Subscription Receipts sold, with each broker warrant exercisable to acquire one Resulting Issuer Share at the Offering Price for a period of 24 months following the closing date. The broker warrants will only be exercisable upon satisfaction or waiver of the escrow release conditions.

CONTINGENT VALUE SHARES

In connection with the SilverMark Amalgamation, Silver Hammer's articles will be amended to create an unlimited number of Contingent Value Shares, subject to approval by Silver Hammer Shareholders at the Silver Hammer Meeting. The number of Contingent Value Shares issuable for each SilverMark Class B Special Share is equal to Class B Exchange Ratio. Based on the Offering Price of $0.26 per Subscription Receipt and 3,937,500 SilverMark Class B Special Shares outstanding, up to an aggregate of 6,057,692 Contingent Value Shares are issuable and convertible into Silver Hammer Shares upon the occurrence of all Milestone Conversion Events.

Each Contingent Value Share will be convertible into one (1) fully paid and non-assessable Silver Hammer Share upon the occurrence of the applicable Milestone Conversion Event in accordance with the Milestone Conversion Table described below. Upon the occurrence of a Milestone Conversion Event, Silver Hammer will, within ten (10) business days of the occurrence of such Milestone Conversion Event, provide written notice of conversion to each holder of Contingent Value Shares specifying: (i) the number of Contingent Value Shares to be converted (the "**Converted Contingent Value Shares**") in accordance with the Milestone Conversion Table; and (ii) the date on which such conversion shall be effected (the "**Conversion Date**"), which date shall not be later than twenty (20) business days following the occurrence of the applicable Milestone Conversion Event. On the Conversion Date, without any further act or formality on the part of the holder, each Converted Contingent Value Share shall be converted into one (1) fully paid and non-assessable Silver Hammer Share, and Silver Hammer shall issue to each holder of Converted Contingent Value Shares the number of Silver Hammer Shares to which such holder is entitled and shall deliver to the holder one or more certificates, direct registration statements, notices or acknowledgements registered in the name of the holder representing such Silver Hammer Shares. On the Conversion Date, each Converted Contingent Value Share shall be cancelled and returned to the authorized and unissued capital of Silver Hammer, and the holder's right, title and interest in such Converted Contingent Value Share shall terminate upon such conversion. There is no right of voluntary conversion, and the Contingent Value Shares may only be converted into Silver Hammer Shares upon the occurrence of a Milestone Conversion Event as described above; no holder shall have any right, at any time or in any circumstance, to convert Contingent Value Shares into Silver Hammer Shares or any other securities of Silver Hammer at the holder's election.

The Milestone Conversion Table is as follows:

Milestone Conversion Event	Deemed Equity Value	% of $1,575,000 Pool
Acquisition of a 75% interest (or the maximum earn-in available) in the Akka Mine under the applicable SABI-AIM Option Agreements	$1,000,000	63.492%

Acquisition of a 75% interest (or the maximum earn-in available) in any one or more Group A Properties under the applicable SABI-AIM Option Agreements	\$50,000	3.175%
Acquisition of a 75% interest (or the maximum earn-in available) in any one or more Group B Properties under the applicable SABI-AIM Option Agreements	\$50,000	3.175%
Acquisition of a 75% interest (or the maximum earn-in available) in any one or more Stockpile Properties under the applicable SABI-AIM Option Agreements	\$150,000	9.524%
Publication of a Mineral Resource Estimate for the Akka Mine reflecting greater than 20,000,000 ounces equivalent in aggregate	\$250,000	15.873%
Publication of each qualifying resource report containing measured, indicated and/or inferred mineral resources (as such terms are defined in the CIM Definition Standards) generated from any project within the Group A Properties, Group B Properties or Stockpile Properties, published within 60 months of the Closing Date, subject to a maximum of three (3) qualifying reports (or \$75,000 in the aggregate).	\$25,000 per qualifying report	1.587% per event
TOTAL	**\$1,575,000**	**100%**

No fractional Silver Hammer Shares will be issued upon the conversion of Contingent Value Shares. Any conversion that results in less than a whole number of Silver Hammer Shares will be rounded down to the next whole number, with no cash payment in lieu of fractional shares.

Any Contingent Value Shares that have not been automatically converted by reason of a failure to achieve the applicable Milestone Conversion Event by the date that is 60 months after the Closing Date (the "**Milestone Deadline**") will be redeemable by Silver Hammer at any time thereafter, and Silver Hammer will be entitled to redeem and cancel all such unconverted Contingent Value Shares without notice to the holders thereof and without payment of any consideration. For greater certainty: (a) Contingent Value Shares corresponding to a Milestone Conversion Event that has occurred on or before the Milestone Deadline will not be subject to this redemption provision; and (b) any Contingent Value Shares corresponding to a Milestone Conversion Event that has not occurred by the Milestone Deadline may be redeemed and cancelled by Silver Hammer without any compensation, repayment or entitlement whatsoever.

The Contingent Value Shares will have the following additional rights and restrictions: (i) holders of Contingent Value Shares will not be entitled as of right to receive any dividends; (ii) on the liquidation, dissolution or winding-up of Silver Hammer, whether voluntary or involuntary, or on any other distribution of assets of Silver Hammer among its shareholders for the purpose of winding up its affairs, holders of Contingent Value Shares will not be entitled to receive any assets or other distribution whatsoever; (iii) holders of Contingent Value Shares will not be entitled to receive notice of or to attend any general meeting of Silver Hammer Shareholders and will not be entitled to vote at those meetings, except as otherwise required under the BCBCA; (iv) the

Contingent Value Shares will not be transferable by any holder, whether by sale, assignment, pledge, hypothecation or otherwise, and no transfer of Contingent Value Shares will be registered on the books of Silver Hammer, except for a transfer that occurs solely by operation of applicable laws governing estates or succession upon the death of a holder — any purported transfer in contravention of this restriction will be void and of no force or effect; and (v) the special rights and restrictions attaching to the Contingent Value Shares may not be altered or amended without: (a) the approval of a majority of the holders of the Contingent Value Shares; and (b) the prior written consent of Silver Hammer.

INFORMATION CONCERNING SILVER HAMMER

The following information is presented on a pre-Amalgamation basis and prior to giving effect to the Transactions. See "Information Concerning the Resulting Issuer" and Appendix "F" for pro forma business, financial and share capital information relating to the Resulting Issuer.

NAME AND INCORPORATION

Silver Hammer was incorporated under the laws of the Province of British Columbia under the BCBCA on May 2, 2017 under the name "Lakewood Exploration Inc.". On October 1, 2021, Silver Hammer changed its name to "Silver Hammer Mining Corp.".

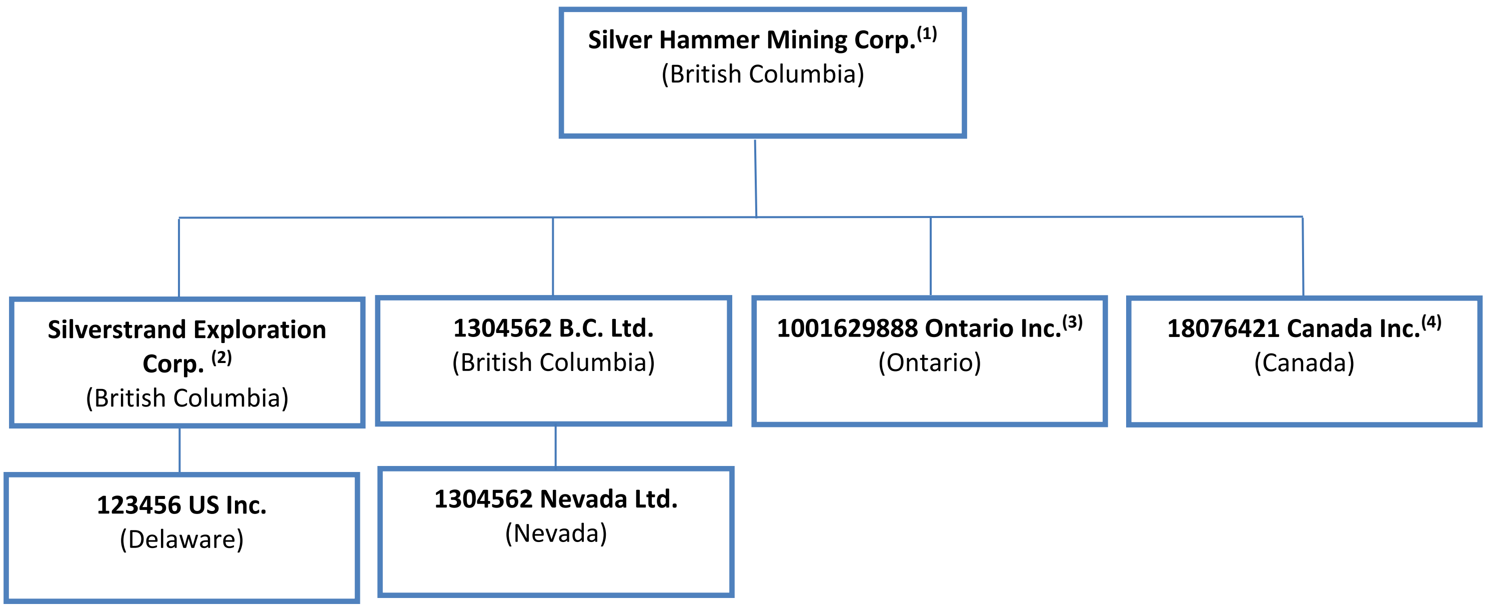
Silver Hammer's head office is located at Suite 300-1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9. Silver Hammer's registered office is located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

The Silver Hammer Shares trade on the CSE under the symbol "HAMR". Silver Hammer is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

INTERCORPORATE RELATIONSHIPS

Silver Hammer has four wholly-owned direct subsidiaries: (i) Silverstrand Exploration Corp. (formerly Silver Hammer Mining Corp.), a company incorporated under the laws of Canada; (ii) 1304562 B.C. Ltd., a company incorporated under the laws of British Columbia; (iii) 1001629888 Ontario Inc., being Subco 1, a company incorporated under the laws of Ontario for the purposes of the Stroud Amalgamation; and (iv) 18076421 Canada Inc., being Subco 2, a company incorporated under the laws of Canada for the purposes of the SilverMark Amalgamation. Silverstrand Exploration Corp. holds one wholly-owned subsidiary: 123456 US Inc., a company incorporated under the Delaware General Corporation Law. 1304562 B.C. Ltd. holds one wholly-owned subsidiary: 1304562 Nevada Ltd., a corporation incorporated under the laws of Nevada.

Silver Hammer's corporate structure is set out in the diagram below.



Notes:
(1) Formerly Lakewood Exploration Inc.
(2) Formerly Silver Hammer Mining Corp.
(3) Incorporated for the purposes of the Stroud Amalgamation.
(4) Incorporated for the purposes of the SilverMark Amalgamation.

GENERAL DEVELOPMENT OF THE BUSINESS

The following is a description of the general development of the business of Silver Hammer over its three most recently completed financial years and up to the date of this Information Circular. The discussion includes the major events or conditions that have influenced that development through the aforementioned period. Silver Hammer's financial year end is September 30. Additional information regarding the matters described below may be found under Silver Hammer's profile on SEDAR+ at www.sedarplus.ca.

History

Year Ended September 30, 2023

In October 2022, Silver Hammer reported soil sampling results at its Eliza Silver Project in White Pine County, Nevada, with a total of 518 soil samples collected from the northern area of the property. The program outlined four distinct target areas – the Passynak, Belmont, California, and a newly identified Western Anomaly – all of which were identified for further evaluation as drill targets.

On November 23, 2022, Morgan Lekstrom resigned as President and Chief Executive Officer of Silver Hammer, and Warwick Smith was appointed as Interim President and Interim Chief Executive Officer, effective immediately.

In January 2023, Silver Hammer reported results from its Phase II drilling program at the Silver Strand Project in the Silver Valley Mining District near Coeur d'Alene, Idaho, comprising nine drill holes from an underground drilling station focused on testing historically mined gold-silver mineralization at greater depth and along strike.

On February 15, 2023, Silver Hammer appointed Peter A. Ball as President, Chief Executive Officer and Director, replacing Warwick Smith as Interim President and CEO. In connection with his appointment, Mr. Ball was granted options to purchase up to 750,000 common shares at an exercise price of $0.24 per share, and Silver Hammer granted an aggregate of 1,000,000 additional options to certain directors, officers, employees and consultants at $0.24 per share.

On March 15, 2023, Silver Hammer appointed Donald Birak as Board Advisor and granted Mr. Birak 185,000 stock options at an exercise price of $0.24 per common share for a period of five years.

In April 2023, Silver Hammer completed a property-wide geophysical compilation at the Silver Strand Project, identifying 15 moderate to priority exploration target zones, with the highest-ranked targets associated with chargeability anomalies within the Revett Formation, which hosts the Silver Strand Mine.

On April 5, 2023, Silver Hammer filed a NI 43-101 compliant technical report titled "*Independent NI 43-101 Technical Report for the Silver Strand Gold-Silver Project, Kootenai County, Idaho, USA*" on SEDAR+. An updated version of the technical report was subsequently filed on May 18, 2023 to make minor corrections and update certain information.

On April 11, 2023, Silver Hammer submitted a Plan of Operations to the United States Forest Service ("**USFS**") for the Silver Strand Project, proposing surface disturbance of 0.15 acres, up to 1,200 metres of drilling, and a comprehensive property-wide exploration program including geophysics, geologic mapping and structural analysis.

On May 2, 2023, Silver Hammer submitted a Plan of Operations to the Humboldt-Toiyabe National Forest Ranger District of the USFS for the Eliza Silver Project in White Pine County, Nevada, proposing 17 drill sites, 1.3 kilometres of road construction and rehabilitation, and up to 2,100 metres of drilling.

In May 2023, Silver Hammer commenced a property-wide airborne magnetic and radiometric survey at its 100%-owned Silverton Silver Mine Project in Nye County, Nevada. The airborne survey at the Eliza Project followed shortly thereafter.

On May 24, 2023, Silver Hammer closed a brokered private placement pursuant to the listed issuer financing exemption under Part 5A of NI 45-106, issuing 7,296,500 units at $0.25 per unit for gross proceeds of $1,824,125. Each unit consisted of one common share and one-half of one transferable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at $0.33 for a period of 24 months from the closing date. The agents received a cash commission of $118,050, 472,200 broker warrants and a corporate finance fee of 120,000 units.

On September 27, 2023, Silver Hammer entered into a definitive share purchase agreement to acquire a 100% interest in the Shafter silver deposit located in Presidio County, Texas from Aurcana Silver Corporation ("**Aurcana**"), together with a proposed corporate reorganization to be implemented by way of a court-approved plan of arrangement under the BCBCA. The consideration included US$800,000 in cash, 23,000,000 shares of a newly incorporated company ("**Newco**"), certain contingent payments, and, for the settlement of existing debt, $4,000,000 in secured convertible debentures and 8,000,000 units of Newco. In connection with the proposed transaction, Silver Hammer appointed Donald J. Birak as a Director, replacing Joness Lang, who stepped down from the Director role but remained as a strategic advisor to Silver Hammer. Trading of Silver Hammer's common shares was halted upon announcement of the proposed transaction in accordance with the policies of the CSE.

Year Ended September 30, 2024

In January 2024, Silver Hammer reported that its Plan of Operations for the Silver Strand Project had been approved by the USFS, subject to payment of a reclamation bond, and that the Silverton Silver Mine Project had been permitted since March 2022 for up to 13 drill sites and 8,530 feet of drilling covering 2.35 acres. Silver Hammer continued to advance permitting at the Eliza Project.

On May 3, 2024, Silver Hammer determined that sufficient capital and investor interest was not available to proceed with the acquisition of the Shafter silver deposit and terminated the definitive share purchase agreement with Aurcana. Following termination, trading of Silver Hammer's common shares resumed on the CSE.

On September 23, 2024, Silver Hammer announced its intention to settle an aggregate of $186,400.02 in outstanding amounts owing for past consulting and accounting services by issuing 3,389,092 common shares at a deemed price of $0.055 per share.

On October 1, 2024, Silver Hammer settled $186,400 in outstanding amounts owing to the President and CEO and CFO by issuing an aggregate of 3,389,092 common shares at a deemed price of $0.055 per share.

On December 16, 2024, Silver Hammer closed a private placement, issuing 3,072,700 units at $0.055 per unit for gross proceeds of $168,998.50. Each unit consisted of one common share and one transferable common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at $0.07 for a period of three years from the closing date. Silver Hammer paid cash finders' fees of $5,285 and issued 96,089 non-transferable finders' warrants exercisable at $0.07 for three years.

Year Ended September 30, 2025

On April 7, 2025, Silver Hammer issued an aggregate of 4,569,956 common shares at a deemed price of $0.055 per share to settle outstanding payables totalling $251,347.56 owing pursuant to past consulting, accounting, legal and other services.

On April 21, 2025, Silver Hammer closed a non-brokered private placement, issuing 572,727 units at $0.055 per unit for gross proceeds of $31,500. Each unit consisted of one common share and one transferable common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at $0.07 for a period of three years from the closing date. No finder's fees were paid in connection with the offering.

On May 1, 2025, Lawrence Roulston resigned as a Director of Silver Hammer.

On August 1, 2025, Silver Hammer closed the first tranche of a non-brokered private placement, issuing 6,026,418 units at $0.055 per unit for gross proceeds of $331,453. Each unit consisted of one common share and one transferable common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at $0.07 for a period of five years from the date of issuance. In connection with the first tranche, Silver Hammer paid cash finders' fees of $7,315 and issued 133,000 finders' warrants exercisable at $0.07 for a period of five years from the date of issuance.

On August 5, 2025, Silver Hammer granted 4,300,000 stock options to directors, officers and consultants at an exercise price of $0.055 per share, exercisable for a period of five years, all of which vested immediately.

On September 15, 2025, Silver Hammer appointed Mr. Michael Willett, P.Eng., as a Director of Silver Hammer, replacing Ron Burk, who resigned as a Director but remained with Silver Hammer as Senior Technical Board

Advisor. Silver Hammer also appointed Mr. Damir Cukor, P.Geo., as Technical Advisor - Projects and Qualified Person. In connection with these appointments, Silver Hammer granted 750,000 stock options at an exercise price of $0.08 per share, exercisable for a period of five years, all of which vested immediately. Also on September 15, 2025, Silver Hammer 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 September 18, 2025, Silver Hammer closed the second and final tranche of a non-brokered private placement, issuing 26,864,491 units at $0.055 per unit for gross proceeds of $1,477,547. Each unit consisted of one common share and one transferable common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at $0.07 for a period of five years from the date of issuance. In connection with the second tranche, Silver Hammer paid cash finders' fees of $44,679 and issued 1,012,353 finders' warrants exercisable at $0.07 for a period of five years from the date of issuance.

During the year ended September 30, 2025, Silver Hammer changed its corporate office and principal place of business from Suite 400-1681 Chestnut Street, Vancouver, British Columbia, V6J 4M6 to Suite 300-1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9.

Subsequent Events

On October 1, 2025, Silver Hammer issued 1,500,000 common shares at a deemed value of $0.0837 per share to settle debt of US$90,684 owing to a former service provider.

On October 10, 2025, Silver Hammer received an updated exploration drill permit for its Silverton Project in Nye County, Nevada, and subsequently posted its reclamation bond with the United States Bureau of Land Management.

On October 20, 2025, Silver Hammer entered into a mining option agreement (the "**Fahey Option Agreement**") with Fahey Group Mines, Inc. ("**Fahey**"), pursuant to which Silver Hammer was granted the right to acquire a 100% legal and beneficial interest in the Fahey Group Property (the "**Fahey Property**"), consisting of 360 acres covered by 18 unpatented US lode claims situated in the Silver Belt portion of the Coeur d'Alene Mining District in Shoshone County, Idaho. Under the terms of the Fahey Option Agreement, Silver Hammer may earn a 100% interest in the Fahey Property by: (i) paying Fahey an aggregate of US$50,000 in cash, payable in two installments of US$25,000 each; (ii) issuing an aggregate of $450,000 worth of common shares of Silver Hammer in installments through December 31, 2030, with each issuance priced at the volume-weighted average trading price of Silver Hammer's common shares on the CSE for the twenty (20) trading days prior to issuance, subject to CSE minimum pricing requirements, and with any shortfall resulting from a deemed price below $0.05 per share payable in cash; and (iii) incurring a minimum of $1,500,000 in eligible exploration expenditures on the Fahey Property, including a minimum of $200,000 on or before December 31, 2027 and a further $1,300,000 on or before December 31, 2030. Silver Hammer may extend the final share payment and exploration expenditure deadlines by one year through the issuance of an additional $50,000 worth of its common shares. Upon exercise of the Fahey Option, Fahey will retain a 2.0% net smelter returns royalty, which may be reduced by 0.5% upon payment of US$1,000,000, and a milestone payment of US$1,500,000 is payable upon commencement of commercial production. The Fahey Option Agreement is an arm's length transaction and no finder's fees are payable in connection therewith.

On October 29, 2025, Silver Hammer engaged Alford Drilling, LLC of Elko, Nevada to complete the Phase 1 drill program at the Silverton Project, comprising up to 5,000 feet in up to eight reverse circulation holes. Drilling commenced on December 3, 2025 and the Phase 1 program was completed in December 2025, comprising 2,420 feet within six reverse circulation holes, with samples submitted to ALS Laboratories in Reno, Nevada for analysis.

On February 17, 2026, Silver Hammer commenced an advanced data compilation of completed property-wide geophysical and geological datasets at both the Eliza and Silverton projects in advance of its 2026 exploration program.

On February 20, 2026, Silver Hammer closed a non-brokered private placement pursuant to the listed issuer financing 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 entitling the holder to purchase one additional common share at $0.15 for a period of 36 months from the closing date. In connection with the offering, Silver Hammer paid cash finders' fees of $147,490 and issued 1,474,900 finders' warrants exercisable at $0.15 for 36 months.

On March 11, 2026, Silver Hammer announced plans for a Phase 1 drill program of up to 15 holes comprising approximately 1,500 metres on its 100%-owned California Patented Claim within the Eliza Silver Project in White Pine County, Nevada, targeting five mineralized structures identified from historical geological data.

On April 7, 2026, Silver Hammer reported positive assay results from its Phase 1 drill program at the Silverton Silver Mine Project in Nye County, Nevada, comprising six drill holes totalling 738 metres.

On May 11, 2026, Silver Hammer announced the commencement of a summer surface reconnaissance program at the Fahey Property, focused on confirming the surface location of the Upper Revett Formation across fault blocks and reviewing mineralization at known adit portals and vein exposures, with a view to filing a Plan of Operations by end of summer to receive a permit for an anticipated deep drill hole program.

On July 15, 2026, Andrew Gillin was appointed Vice President, Corporate Development & Investor Relations of Silver Hammer.

On July 27, 2026, Silver Hammer announced the commencement of a surface exploration program at its Eliza Silver Project located in Elko County, Nevada. The program consists of geological mapping, rock and soil sampling, and prospecting over approximately 2,400 hectares, with results intended to prioritize targets for future drill programs.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Silver Hammer presents its financial statements in accordance with IFRS. The following table sets forth summary financial information of Silver Hammer for the six months ended March 31, 2026, the financial year ended September 30, 2025, and the financial year ended September 30, 2024, and should be read in conjunction with Silver Hammer's financial statements, including the notes thereto.

	Six months ended March 31, 2026 (unaudited)	**Financial Year Ended September 30, 2025 (audited)**	**Financial Year Ended September 30, 2024 (audited)**
Revenues	Nil	Nil	Nil
Net loss for the period	$(556,449)	$(893,896)	$(1,575,755)
Cash and cash equivalent	$3,776,631	$1,248,302	$35,767

Total assets	$12,945,820	$9,595,165	$8,232,803
Total liabilities	$248,436	$430,207	$885,280
Total shareholders' equity	$12,697,384	$9,164,958	$7,347,523

Silver Hammer's financial statements for the six months ended March 31, 2026, the financial year ended September 30, 2025, and the financial year ended September 30, 2024, together with the related MD&A for each such period, are attached hereto as Exhibit "A" and should be read in conjunction with the summary financial information set out above.

The MD&A for Silver Hammer should be read in conjunction with Silver Hammer's financial statements and the accompanying notes thereto. Certain information contained in Silver Hammer's MD&A constitutes forward-looking statements. These statements relate to future events or to Silver Hammer's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause Silver Hammer's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. See "*Note Regarding Forward-Looking Information*" and "*Risk Factors*".

Additional Disclosure for Venture Issuers Without Significant Revenue

As of March 31, 2026, Silver Hammer has generated $nil revenue from operations since incorporation on May 2, 2017.

Additional Disclosure for Venture Issuers

As at March 31, 2026, Silver Hammer had working capital of approximately $3,931,934. There is no guarantee that Silver Hammer will be able to raise any additional funds when and if needed and if such funds would be available on terms favourable to Silver Hammer.

Transactions with Related Parties

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of Silver Hammer as a whole. Silver Hammer has determined its key management personnel to be executive and non-executive officers and directors of Silver Hammer. The compensation paid to these key management personnel for the six months ended March 31, 2026 and 2025 is outlined below:

Six Months Ended March 31st	2026	2025
Salaries and management fees	$162,800	$162,460
Stock-based compensation	Nil	Nil

Commitments

Silver Hammer has no long-term commitments.

Off-Balance Sheet Arrangements

Silver Hammer has not entered into any off-balance sheet arrangements.

Subsequent Events

See "*Information Concerning Silver Hammer*" - "*General Development of the Business*" – "*History*" – "*Subsequent Events*".

DESCRIPTION OF SECURITIES

Common Shares

Silver Hammer's authorized capital consists of an unlimited number of common shares without par value. As of March 31, 2026, a total of 139,922,966 Silver Hammer Shares were issued and outstanding. As of the date hereof, a total of 139,922,966 Silver Hammer Shares are issued and outstanding.

Each common share ranks equally with all other common shares with respect to dissolution, liquidation or winding-up of Silver Hammer and payment of dividends. The holders of Silver Hammer Shares are entitled to one vote for each share of record on all matters to be voted on by such holders and are entitled to receive pro rata such dividends as may be declared by the Board of Directors out of funds legally available therefor and to receive, pro rata, the remaining property of Silver Hammer on dissolution. The holders of Silver Hammer Shares have no redemption, retraction, purchase, pre-emptive or conversion rights. The rights attaching to the Silver Hammer Shares can only be modified by the affirmative vote of at least two-thirds of the votes cast at a meeting of shareholders called for that purpose.

Contingent Value Shares

In connection with the Amalgamations, Silver Hammer's Articles will be amended to create an unlimited number of Contingent Value Shares, which will be issued in exchange for Class B Special Shares of SilverMark in accordance with the Class B Exchange Ratio pursuant to the SilverMark Amalgamation Agreement. The number of Contingent Value Shares issuable for each Class B Special Share is equal to the quotient obtained by dividing (x) $1,575,000 by (y) the product of the Offering Price multiplied by the number of Class B Special Shares outstanding immediately prior to the effective time of the SilverMark Amalgamation. Based on the Offering Price of $0.26 per Subscription Receipt and 3,937,500 Class B Special Shares outstanding, up to 6,057,692 Contingent Value Shares will be issued and outstanding upon completion of the SilverMark Amalgamation. For a description of the special rights and restrictions attached to the Contingent Value Shares, please see "*Contingent Value Shares*".

Warrants

As of March 31, 2026, there were 58,220,763 Silver Hammer Warrants outstanding, each exercisable to acquire one Silver Hammer Share at prices ranging from $0.07 to $0.15, with expiry dates ranging from December 16, 2027 to September 18, 2030.

As of the date of the Circular, there are 58,220,763 Silver Hammer Warrants outstanding, comprised of: (i) 37,177,778 Silver Hammer Warrants exercisable at $0.07, with expiry dates ranging from December 16, 2027 to September 18, 2030; (ii) 19,568,085 Silver Hammer Warrants exercisable at $0.15, expiring February 20, 2029; and (iii) 1,474,900 finder's warrants exercisable at $0.15, expiring February 20, 2029.

Options

As of March 31, 2026, there were 6,755,000 Silver Hammer Options outstanding and exercisable, with exercise prices ranging from $0.055 to $0.62 per share and expiry dates ranging from June 16, 2026 to September 15, 2030. The weighted average exercise price of the outstanding Silver Hammer Options is $0.13 per share and the weighted average remaining contractual life is approximately 3.64 years.

As of the date of the Circular, there are 6,105,000 Silver Hammer Options outstanding.

PRIOR SALES

The following table sets forth information in respect of issuances or purchases of Silver Hammer Shares and securities that are convertible or exchangeable into Silver Hammer Shares within the 12 months prior to the date of the Information Circular, including the price at which such securities have been issued, the number of securities issued, and the date on which such securities were issued:

Date of Issuance	Reason for Issuance	Number and Type of Security	Issuance / Exercise Price
September 15, 2025	Stock option grant(1)	750,000 options	$0.08
September 18, 2025	Private placement(2)	26,864,491 common shares	$0.055
September 18, 2025	Private placement(2)(3)	26,864,491 warrants	$0.07
September 18, 2025	Private placement(4)	1,012,353 finder's warrants	$0.07
October 1, 2025	Debt settlement(5)	1,500,000 common shares	$0.0837
February 20, 2026	Private placement(6)	39,136,170 common shares	$0.10
February 20, 2026	Private placement(6)(7)	19,568,085 warrants	$0.15
February 20, 2026	Private placement(8)	1,474,900 finder's warrants	$0.15

Notes:

(1) Granted pursuant to the Stock Option Plan. All Silver Hammer Options vested immediately upon grant and are exercisable for five (5) years from the date of grant.

(2) Comprised the second tranche of a non-brokered private placement. Each unit consisted of one Silver Hammer Share and one warrant. Securities issued pursuant to this tranche were subject to a four-month statutory hold period expiring January 19, 2026. See "*General Development of the Business*".

(3) Each warrant is exercisable to acquire one Silver Hammer Share at $0.07 per share until September 18, 2030.

(4) Each finder's warrant is exercisable to acquire one Silver Hammer Share at $0.07 for a period of five (5) years from issuance.

(5) Issued at a deemed price of $0.0837 per share (aggregate fair value of $217,500) to settle a debt of US$90,684 owed to a former service provider. Subject to a four-month statutory hold period.

(6) Each unit consisted of one Silver Hammer Share and one-half of one warrant. Completed pursuant to the Listed Issuer Financing Exemption under Part 5A of NI 45-106. No hold period applies to the Silver Hammer Shares issued thereunder. See "*General Development of the Business*".

(7) Each whole warrant is exercisable to acquire one Silver Hammer Share at $0.15 for a period of 36 months from the date of issuance.

(8) Issued to finders in connection with the February 20, 2026 private placement. Each finder's warrant is exercisable to acquire one Silver Hammer Share at $0.15 for 36 months from issuance.

STOCK EXCHANGE PRICE

The principal market on which the Silver Hammer Shares trade on is the CSE. The following table shows the high and low trading prices and monthly trading volume of the Silver Hammer Shares on the CSE for the 12-month period preceding the date of this Information Circular:

Month	High ($)	Low ($)	Volume
August 1-27, 2026	0.095	0.07	8,423,936
July 2026	0.085	0.06	2,566,036
June 2026	0.09	0.055	4,888,051
May 2026	0.095	0.06	6,532,697
April 2026	0.1	0.065	6,196,660
March 2026	0.1	0.065	10,493,848
February 2026	0.125	0.09	15,784,960
January 2026	0.15	0.095	18,138,991
December 2025	0.145	0.08	5,983,429
November 2025	0.11	0.07	3,934,118
October 2025	0.18	0.08	12,085,610
September 2025	0.13	0.045	22,272,046
August 2025	0.065	0.03	2,299,008

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Director compensation and NEO compensation is determined by the Compensation Committee of Silver Hammer in consultation with management. Compensation is reviewed annually around the calendar year end.

The Compensation Committee is established by the board of directors to assist the Board in fulfilling its responsibilities relating to matters of human resources and compensation, including equity compensation, and to establish a plan of continuity and development of senior management. The Committee has responsibility for evaluating and making recommendations to the Board regarding the compensation of Silver Hammer's CEO, the range of compensation for other executives, and the equity-based and incentive compensation plans, policies and programs of Silver Hammer. The Committee will also review and recommend to the Board the compensation payable to directors. The Committee shall review management's annual report on executive compensation for recommendation to the Board for approval and inclusion in Silver Hammer's disclosure documents. The Compensation Committee consists of Donald Birak (Chair) and Michael Willett.

Executive Compensation

For the purposes of this section:

- "**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities; "compensation securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;
- "**external management company**" includes a subsidiary, affiliate or associate of the external management company;
- "**named executive officer**" or "**NEO**" means each of the following individuals: (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer; (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer; (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5), for that financial year; (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year; "plan" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and "underlying securities" means any securities issuable on conversion, exchange or exercise of compensation securities.

During the financial year ended September 30, 2025, based on the definition above, the NEOs of Silver Hammer were: Peter A. Ball, President, CEO and Director, and Alnesh Mohan, CFO, Corporate Secretary and Director. The directors of Silver Hammer who were not NEOs during the financial year ended September 30, 2025 were: Donald J. Birak, Michael Willett, and Ron Burk.

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by Silver Hammer to NEOs and directors of Silver Hammer for the two completed financial years ended September 30, 2025 and September 30, 2024. Options and compensation securities are disclosed under the heading "*Outstanding Share-Based Awards and Option-Based Awards*".

Table of Compensation Excluding Compensation Securities							
Name and Position	**Year[1]**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
	2025	$200,000 [3]	Nil	Nil	Nil	$7,922[4]	$207,922

Peter A. Ball[(2),] President & CEO, Director	2024	$200,000 [(3)]	Nil	Nil	Nil	Nil	$200,000
Alnesh Mohan[(5)] CFO & Corporate Secretary, Director	2025	$125,260 [(6)]	Nil	Nil	Nil	$24,500[(7)]	$149,760
	2024	$132,580 [(6)]	Nil	Nil	Nil	$12,500[(8)]	$145,080
Donald J. Birak Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Michael Willett[(9)] Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Ron Burk[(10)] Senior Technical Board Advisor, Former Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Lawrence Roulston[(11)] Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) For the financial years ended September 30.
(2) Mr. Ball has served as CEO, President and a director of Silver Hammer since February 15, 2023.
(3) Paid to Ariston Capital Corp., a private company of which Mr. Ball is the principal.
(4) Paid to Ariston Capital Corp. for share-issuance costs.
(5) Mr. Mohan has served as CFO and a director of Silver Hammer since May 14, 2021 and as Corporate Secretary of Silver Hammer since October 14, 2021.
(6) Paid to Quantum Advisory Partners LLP, a private company of which Mr. Mohan is a principal.
(7) Paid to Quantum Advisory Partners LLP for share-issuance costs.
(8) Paid to Quantum Advisory Partners LLP for project evaluation costs.
(9) Mr. Willett was appointed as a director of Silver Hammer on September 15, 2025.
(10) Mr. Burk resigned as a director of Silver Hammer effective September 15, 2025 and was appointed as Senior Technical Board Advisor September 15, 2025.
(11) Mr. Roulston resigned as a director of Silver Hammer on May 1, 2025.

Incentive Plan Awards

Other than in respect of the Stock Option Plan described above, Silver Hammer does not have a long term incentive plan, pursuant to which cash or non-cash compensation, intended to serve as an incentive for performance over a period greater than one financial year whereby performance is measured by reference to financial performance or the price of Silver Hammer's securities, was paid to the NEOs during the most recently completed financial year.

Outstanding Share-Based Awards and Option-Based Awards

The following table discloses all compensation securities outstanding to each NEO of Silver Hammer and to a director who was not an NEO of Silver Hammer, or a subsidiary of Silver Hammer, in the most recently completed financial year ended September 30, 2025 for services provided or to be provided, directly or indirectly, to Silver Hammer, or a subsidiary of Silver Hammer.

Compensation Securities							
Name and Position	**Type of Compensation Security(1)**	**Number of Compensation Securities, underlying securities and percentage of class (#)**	**Date of Grant or Issue (mm/dd/yy)(7)**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry Date (mm/dd/yy)**
Peter A. Ball(2) President & CEO, Director	Stock option	750,000	02-15-23	0.240	0.240	0.125	02-15-28
	Stock option	2,000,000	08-05-25	0.055	0.055	0.125	08-05-30
Alnesh Mohan(3) CFO & Corporate Secretary, Director	Stock Option	200,000	06-16-21	0.620	0.620	0.125	06-16-26
	Stock option	185,000	02-15-23	0.240	0.240	0.125	02-15-28
	Stock option	1,200,000	08-05-25	0.055	0.055	0.125	08-05-30
Donald J. Birak(4) Director	Stock option	185,000	03-15-23	0.240	0.230	0.125	03-15-28
	Stock option	650,000	08-05-25	0.055	0.055	0.125	08-05-30
Michael Willett(5) Director	Stock option	500,000	09-15-25	0.080	0.080	0.125	09-15-30
Ron Burk(6) Senior Technical Board Advisor, Former Director	Stock option	185,000	02-15-23	0.240	0.240	0.125	02-15-28
	Stock option	350,000	08-05-25	0.055	0.055	0.125	08-05-30

Notes:

(1) Each stock option is exercisable or redeemable into one Silver Hammer Share.
(2) Lolgorian Holdings Inc., a private company of which Mr. Ball is the principal, held 2,750,000 stock options at the end of the financial year September 30, 2025.
(3) Mr. Mohan held 1,585,000 stock options at the end of the financial year September 30, 2025.
(4) Mr. Birak held 835,000 stock options at the end of the financial year September 30, 2025.
(5) Mr. Willett held 500,000 stock options at the end of the financial year September 30, 2025.
(6) Mr. Burk held 535,000 stock options at the end of the financial year September 30, 2025.
(7) All stock options vested immediately upon grant.

Exercise of Compensation Securities by NEOs and Directors

There were no compensation securities exercised by any of the NEOs or directors of Silver Hammer who were not NEOs in the financial year ended September 30, 2025.

Employment, Consulting and Management Agreements

On February 15, 2023, Silver Hammer entered into an agreement (the "**Ball Agreement**") with Peter A. Ball, the CEO and a director of Silver Hammer. Pursuant to the Ball Agreement, Mr. Ball is entitled to an amount equal to 12 months' of his base fee, plus three additional months of his base fee for each full year of service (pro-rated for any partial year of service and rounded up) after the effective date, up to a maximum of 24 months' of his base fee (the **"Termination Fee"**) and any outstanding options will expire and will cease to be exercisable 90 days following the date of termination. Additionally, if a Change of Control Event occurs, and the Ball Agreement is terminated for any reason during the Change of Control Period (excluding termination for Just Cause), or Mr. Ball terminates the Ball Agreement for Good Reason during the Change of Control Period, Silver Hammer is required to pay Mr. Ball one and one half (1.5) times the Termination Fee that is payable to Mr. Ball pursuant to section 5.3(c) of the Ball Agreement.

On June 22, 2021, Silver Hammer entered into an agreement (the "**Mohan Agreement**") with Alnesh Mohan, the CFO and Corporate Secretary of Silver Hammer. Pursuant to the Mohan Agreement, if Silver Hammer terminates the Mohan Agreement without cause, and such termination occurs either prior to 6 months before or after 12 months following a Change of Control or a Fundamental Transaction effective no later than 30 days following the termination, then Mr. Mohan is entitled to receive a lump sum termination fee equal to 12 months of the service fees, as in effect immediately prior to the termination date of the Mohan Agreement.

Oversight and Description of Director and Named Executive Officer Compensation

The Board of Directors as a whole has the responsibility of determining the compensation for the NEOs, directors and other senior management. Silver Hammer's compensation objectives include the following: to assist Silver Hammer in attracting and retaining highly-qualified individuals; to create among directors, officers, consultants and employees a sense of ownership in Silver Hammer and to align their interests with those of the shareholders; and to ensure competitive compensation that is also financially affordable for Silver Hammer. The compensation program is designed to provide competitive levels of compensation. Silver Hammer recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, Silver Hammer's NEOs may receive compensation that is comprised of three components: salary, wages or contractor payments; stock option grants; and/or bonuses. The objective and reason for this system of compensation is to allow Silver Hammer to remain competitive compared to its peers in attracting experienced personnel. The base salary of a NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration. The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not evaluated against a formal "peer group". The Board relies on the general experience of its members in setting base salary amounts. Stock option grants are designed to reward the NEOs and directors for success on a similar basis as the shareholders of Silver Hammer, although the level of reward provided by a particular stock option grant is dependent upon the volatile stock market. Any bonuses paid to the NEOs are allocated on an individual basis related to the review by the Board of the work planned during the year and the work achieved during the year, including work related to mineral exploration, administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

Pension Disclosure

Silver Hammer has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement. Silver Hammer also does not have any deferred compensation plans relating to any NEO.

NON-ARM'S LENGTH PARTY TRANSACTIONS

Silver Hammer has not entered into any non-arm's length party transactions.

LEGAL PROCEEDINGS

There are no legal proceedings as to which Silver Hammer is, or has been, a party or of which any of its property is, or has been, the subject matter, and to the reasonable knowledge of the management of Silver Hammer, there are no such proceedings contemplated.

AUDITOR, TRANSFER AGENTS AND REGISTRARS

Auditor

The independent auditor of Silver Hammer is Manning Elliott LLP, Chartered Professional Accountants, of Vancouver, British Columbia.

Transfer Agent and Registrar

Silver Hammer's transfer agent and registrar is Endeavor Trust Corporation, Suite 702 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

MATERIAL CONTRACTS

Silver Hammer is not a party to any material contracts, except contracts entered into in the ordinary course of business, other than:

(a) The Stroud Agreement;

(b) The SilverMark Agreement; and

(c) The Voting Support Agreements.

The Stroud Agreement

Silver Hammer, Subco 1 and Stroud entered into the Stroud Agreement for the purpose of effecting the Stroud Amalgamation, pursuant to which Silver Hammer will acquire all of the issued and outstanding shares of Stroud, in exchange for the issuance of approximately 49,496,496 Resulting Issuer Shares to Stroud Shareholders. Upon completion of the Stroud Amalgamation, Amalco 1 will be a wholly-owned subsidiary of the Resulting Issuer which will be engaged in the existing business of Stroud.

Completion of the Stroud Amalgamation is subject to a number of conditions, including approval of the Amalgamation Resolution at the Silver Hammer Meeting, approval of the Stroud Amalgamation Resolution at the Stroud Meeting, approval of the TSXV, and completion of the SilverMark Amalgamation and Private Placement.

Upon Closing, Stroud will amalgamate with Subco 1 to form Amalco 1, and Amalco 1 will be a wholly-owned subsidiary of the Resulting Issuer.

See "*Information Concerning the Resulting Issuer – Summary of Transactions".*

The SilverMark Agreement

Silver Hammer, Subco 2 and SilverMark entered into the SilverMark Agreement for the purpose of effecting the SilverMark Amalgamation, pursuant to which Silver Hammer will acquire all of the issued and outstanding shares of SilverMark, in exchange for the issuance of approximately 4,807,692 Resulting Issuer Shares to holders of SilverMark Class A Common Shares and such number of Silver Hammer Contingent Value Shares to holders of SilverMark Class B Special Shares as is determined in accordance with the Exchange Ratio set out in the SilverMark Agreement. Upon completion of the SilverMark Amalgamation, Amalco 2 will be a wholly-owned subsidiary of the Resulting Issuer which will be engaged in the existing business of SilverMark.

Completion of the SilverMark Amalgamation is subject to a number of conditions, including the requisite shareholder approval of Silver Hammer, Subco 2 and SilverMark, and completion of the Stroud Amalgamation.

Upon Closing, SilverMark will amalgamate with Subco 2 to form Amalco 2, and Amalco 2 will be a wholly-owned subsidiary of the Resulting Issuer.

See "*Information Concerning the Resulting Issuer – Summary of Transactions".*

The Voting Support Agreements

Concurrently with the execution of the Stroud Agreement, Silver Hammer and (i) each member of the board of directors of Stroud; (ii) each officer of Stroud; and (iii) each Stroud shareholder holding directly or indirectly more than 10% of the Stroud Shares entered into the Voting Support Agreements. Pursuant to the Voting Support Agreements, each supporting Stroud Shareholder has agreed to, among other things:

- vote (or cause to be voted) all Stroud Shares beneficially owned or controlled by such Stroud Shareholder in favour of the Transaction and against any Acquisition Proposal or any resolution, action, proposal, transaction, agreement or matter that would reasonably be expected to delay, hinder, prevent, frustrate, interfere with or impede the completion of the Transaction;
- not, directly or indirectly, sell, transfer, gift, assign, pledge, hypothecate, encumber, convert or otherwise dispose of any Stroud Shares or any right or interest therein, or deposit any Stroud Shares into a voting trust or grant any proxy or power of attorney with respect to the voting of any Stroud Shares, except as expressly permitted by the applicable Voting Support Agreement; and not solicit, initiate, knowingly encourage or otherwise facilitate any Acquisition Proposal.

Each Voting Support Agreement shall automatically terminate upon the earlier of: (i) the effective date of the Stroud Amalgamation; and (ii) the mutual written consent of the parties. Each Voting Support Agreement may also be terminated by the applicable Stroud Shareholder in certain other circumstances, including if:

- any representation or warranty of Silver Hammer under such Voting Support Agreement is untrue or incorrect in any material respect and such misrepresentation or breach is not cured within ten (10) business days following written notice thereof from the Stroud Shareholder to Silver Hammer (provided that the Stroud Shareholder is not then in material breach of any of its representations, warranties or covenants under such Voting Support Agreement);

- the form or amount of the consideration offered by Silver Hammer to the holders of Stroud Shares pursuant to the Transaction is reduced or changed and publicly announced by Silver Hammer in any respect that is materially adverse to the applicable Stroud Shareholder;
- the Board of Directors publicly announces its recommendation in support of a Superior Proposal; or
- the Transaction is not completed by November 30, 2026, provided that at the time of such termination, the applicable Stroud Shareholder is not in material default in the performance of its obligations under such Voting Support Agreement and the failure to complete the Transaction by such date was not caused by, or the result of, any breach by such Stroud Shareholder of any of its representations, warranties, covenants or obligations thereunder.

Each Voting Support Agreement also contains customary non-solicitation covenants, pursuant to which each Stroud Shareholder has agreed not to, directly or indirectly, solicit, initiate, knowingly encourage or otherwise facilitate any Acquisition Proposal or engage in discussions or negotiations with any person regarding an Acquisition Proposal, subject to certain limited exceptions consistent with the terms of the Stroud Agreement.

As of the date of this Information Circular, the Stroud Shareholders party to the Voting Support Agreements collectively beneficially own or control approximately 39,053,643 Stroud Shares, representing approximately 61.4% of the issued and outstanding Stroud Shares.

INFORMATION CONCERNING STROUD RESOURCES LTD.

Stroud was incorporated pursuant to the OBCA on March 18, 1983. The head office and registered and records office of Stroud is located at 1090 Don Mills Rd., Suite 404, Toronto, Ontario M3C 5R6.

Stroud is a reporting issuer in the provinces of British Columbia, Alberta, and Ontario. Stroud's common shares are listed for trading on the TSXV under the symbol "SDR". Information relating to Stroud is contained in Appendix "E" to this Circular.

INFORMATION CONCERNING SILVERMARK RESOURCES INC.

The following information has been provided by SilverMark. See "*Information Concerning the Resulting Issuer*" for *pro forma* business, financial and share capital information relating to the Resulting Issuer following the Transactions.

NAME AND INCORPORATION

SilverMark was incorporated under the CBCA on February 7, 2023 under the name "14748042 Canada Corp." and subsequently changed its name to "SilverMark Resources Inc." on April 22, 2026. No securities of SilverMark are currently publicly traded on any stock exchange and SilverMark is not a reporting issuer in any jurisdiction. The head office and registered office of SilverMark is located at 372 Bay Street, Suite 1800, Toronto, Ontario, M5H 2W9.

BUSINESS OF SILVERMARK

SilverMark is a private mineral exploration company currently holding and developing mining projects in Morocco through the SABI-AIM Option Agreements, which provide SilverMark with the right to acquire up to a 75% interest in the Moroccan Assets, including the Akka Mine, the Group A Properties, the Group B Properties and the Stockpile Properties (see "*SilverMark Amalgamation – SABI-AIM Option Agreements – Stockpile Agreement*"). Upon completion of the SilverMark Amalgamation, Silver Hammer will assume all of SilverMark's rights and obligations under the SABI-AIM Option Agreements. See "*Information Concerning the Resulting*

Issuer – Summary of Transactions" and Appendix "F" to this Circular for additional information regarding the business of SilverMark, the Moroccan Assets and the Resulting Issuer following completion of the Transactions.

DESCRIPTION OF SECURITIES

As at the date of the SilverMark Agreement, the authorized capital of SilverMark consisted of an unlimited number of SilverMark Class A Common Shares and an unlimited number of SilverMark Class B Special Shares, of which 13,888,889 SilverMark Class A Common Shares and 3,937,500 SilverMark Class B Special Shares were validly issued and outstanding as fully paid and non-assessable. As at the date of the SilverMark Agreement, SilverMark had 833,333 outstanding warrants to acquire SilverMark Class A Common Shares, with each SilverMark warrant entitling the holder to acquire one SilverMark Class A Common Share at a price of $0.12 per share until May 4, 2028. As at the date of the SilverMark Agreement, SilverMark had no outstanding stock options or other convertible securities, other than the SilverMark warrants.

Each of the 833,333 outstanding SilverMark warrants will, in accordance with its terms, following the effective time of the SilverMark Amalgamation, be adjusted to reflect the SilverMark Exchange Ratio and be exercisable for up to an aggregate of 288,461 Silver Hammer Shares (on a post-Consolidation basis) at an adjusted exercise price reflecting the SilverMark Exchange Ratio. See "I*nformation Concerning the Resulting Issuer – Summary of Transactions*".

INFORMATION CONCERNING THE RESULTING ISSUER

Upon completion of the Transactions, the Resulting Issuer will be a reporting issuer in British Columbia, Alberta and Ontario and will carry on the business of Silver Hammer and the Privcos, including the development of Santo Domingo. The Resulting Issuer Shares will continue to be listed on the CSE. Information relating to the Resulting Issuer after the Transactions is contained in Appendix "F" to this Circular.

GENERAL MATTERS

EXPERTS

Opinions

Except as disclosed in this Information Circular, no Person or company whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Information Circular or as having prepared or certified a report or valuation described or included in this Information Circular holds any beneficial interest, direct or indirect, in any securities or property of Silver Hammer, any of the Privcos or the Resulting Issuer, or of an Associate or Affiliate thereof and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of Silver Hammer, the Privcos or the Resulting Issuer, or of an Associate or Affiliate thereof and no such Person is a Promoter of Silver Hammer, any of the Privcos or the Resulting Issuer, or an Associate or Affiliate thereof.

Interests of Experts

The following opinions or reports have been described or included in this Information Circular:

(a) the audit report of Silver Hammer is provided by Manning Elliott LLP, Chartered Professional Accountants for the fiscal years ended September 30, 2025 and 2024; and

(b) the audit report of Stroud is provided by McGovern Hurley LLP. for the fiscal years ended December 31, 2025 and 2024.

Manning Elliott LLP, Chartered Professional Accountants has confirmed that they are independent of Silver Hammer within the meaning of the Rules of Professional Conduct of the Chartered Accountants of British Columbia.

McGovern Hurley LLP has confirmed that they are independent of Stroud within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Neither Manning Elliott LLP nor McGovern Hurley LLP beneficially owns, directly or indirectly, any securities or property of Silver Hammer, any of the Privcos, or the Resulting Issuer, or of any Associate or Affiliate thereof.

Moreover, none of the foregoing Persons or any of their respective directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Resulting Issuer or its Associates or Affiliates.

OTHER MATERIAL FACTS

Management of Silver Hammer knows of no other matters to come before the Silver Hammer Meeting other than those referred to in the Silver Hammer Notice of Meeting. Should any other matters properly come before the Silver Hammer Meeting, the shares represented by proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy. There are no material facts about Silver Hammer, the Privcos, the Resulting Issuer or the Transactions which are not otherwise disclosed in this Information Circular, including all appendices thereto, and which are necessary in order for this Information Circular to contain full, true and plain disclosure of all material facts relating to Silver Hammer, the Privcos and the Resulting Issuer, assuming completion of the Transactions.

APPROVAL OF THE DIRECTORS

The contents and sending of this Information Circular have been approved by the Board of Directors of Silver Hammer. Where information contained in this Information Circular rests particularly within the knowledge of a Person other than Silver Hammer, Silver Hammer has relied upon information furnished by such Person.

APPENDIX "A"
AMALGAMATION RESOLUTION

"BE IT RESOLVED THAT:

1. The amalgamation of 1001629888 Ontario Inc. ("**Subco 1**"), a wholly-owned subsidiary of Silver Hammer Mining Corp. ("**Silver Hammer**"), with Stroud Resources Ltd. ("**Stroud**"), pursuant to the *Business Corporations Act* (Ontario) (the "**OBCA**") (the "**Stroud Amalgamation**"), and the amalgamation of 18076421 Canada Inc. ("**Subco 2**"), a wholly-owned subsidiary of Silver Hammer, with SilverMark Resources Inc. ("**SilverMark**"), pursuant to the *Business Corporations Act* (Canada) (the "**CBCA**") (the "SilverMark Amalgamation", and together with the Stroud Amalgamation, the "**Amalgamations**"), are hereby approved and authorized, with such restrictions or conditions as may be required by the Canadian Securities Exchange (the "**CSE**"), and with the board of directors of Silver Hammer (the "**Board**") having discretion to modify the terms of the Amalgamations, provided that such terms are not determined to be, in the discretion of the Board, materially adverse to the interests of the shareholders of Silver Hammer at any time prior to the completion thereof, and subject to the approval of the CSE.

2. The issuance of such number of common shares of Silver Hammer (the "**Silver Hammer Shares**") as may be required to be issued to the shareholders of Stroud and SilverMark, respectively, as consideration pursuant to the Amalgamations, including any Silver Hammer Shares issuable upon the exercise or conversion of any securities of Stroud or SilverMark that are adjusted or replaced in connection with the Amalgamations, is hereby approved and authorized.

3. The creation of a new control person of Silver Hammer resulting from the Amalgamations or any transactions connected therewith, namely 2176423 Ontario Ltd. (an entity beneficially owned by Eric Sprott), together with its associates and affiliates, as applicable, is hereby approved and authorized for the purposes of applicable securities laws and the policies of the CSE.

4. Any director or officer of Silver Hammer be and is hereby authorized, instructed and empowered, acting for, in the name of and on behalf of Silver Hammer, to do or to cause to be done all such other acts and things in the opinion of such director or officer as may be necessary or desirable in order to carry out the intent of this resolution and the matters authorized hereby, including, without limitation, the execution and delivery of all agreements, instruments and documents and the taking of all such actions as may be necessary or desirable to complete the Amalgamations, with such modifications, amendments or variations thereto as such director or officer may approve, such approval to be conclusively evidenced by the execution and delivery of any such agreement, instrument or document or the taking of any such action.

5. The Board, without further approval of the shareholders of Silver Hammer, may abandon or terminate either or both of the Amalgamations at any time prior to the effective time of the applicable Amalgamation, notwithstanding the prior approval of the shareholders of Silver Hammer."

APPENDIX “B”
CVS RESOLUTION

“BE IT RESOLVED THAT:

1. The authorized share structure of Silver Hammer Mining Corp. (“**Silver Hammer**”) be and is hereby altered by: (a) creating a new class of shares designated as “Contingent Value Shares”, without par value, Silver Hammer being authorized to issue an unlimited number of such Contingent Value Shares; and (b) creating and attaching Part 27 to the articles of Silver Hammer, representing the special rights and restrictions attached to the Contingent Value Shares as set out in Schedule “A” hereto; and the notice of articles of Silver Hammer be altered accordingly.

2. The alterations to the notice of articles and articles of Silver Hammer contemplated by the foregoing resolution shall not take effect until: (a) these resolutions are passed and adopted at the Meeting and received for deposit at Silver Hammer's records office; (b) the notice of alteration is electronically filed with the Registrar of Companies for British Columbia; and (c) the notice of articles of Silver Hammer is altered to reflect the alterations set out in these resolutions.

3. The issuance of such number of Contingent Value Shares as may be required to be issued to the holders of Class B Special Shares of SilverMark Resources Inc. (“**SilverMark**”) as consideration pursuant to the amalgamation (the “**SilverMark Amalgamation**”) of 18076421 Canada Inc., a wholly-owned subsidiary of Silver Hammer, with SilverMark pursuant to the *Business Corporations Act* (Canada), in accordance with the exchange ratio set out in the amalgamation agreement entered into among Silver Hammer, 18076421 Canada Inc. and SilverMark in connection with the SilverMark Amalgamation, is hereby approved and authorized.

4. Any officer or director of Silver Hammer is hereby authorized, instructed and empowered, acting for, in the name of and on behalf of Silver Hammer, to execute and file a notice of alteration and such other records as may be required, and to take all such steps and actions as may be necessary or desirable to give effect to the alteration of the notice of articles and articles of Silver Hammer to create the Contingent Value Shares and attach thereto the special rights and restrictions substantially in the form set out in Schedule "A" hereto, subject to the approval of the Canadian Securities Exchange.

5. Any director or officer of Silver Hammer be and is hereby authorized, instructed and empowered, acting for, in the name of and on behalf of Silver Hammer, to do or to cause to be done all such other acts and things in the opinion of such director or officer of Silver Hammer as may be necessary or desirable in order to fulfill the intention of this resolution and the matters authorized hereby, including, without limitation, the execution and delivery of all such documents, agreements and instruments and the taking of all such actions as may be necessary or desirable to complete the creation, issuance and listing of the Contingent Value Shares, with such modifications, amendments or variations thereto as such director or officer may approve, such approval to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument or the taking of any such action.

6. The Board, without further approval of the shareholders of Silver Hammer, may abandon or terminate the alterations to the notice of articles and articles of Silver Hammer to create and issue the Contingent Value Shares at any time prior to the effective time of the Amalgamations, notwithstanding the prior approval of the shareholders of Silver Hammer.”

SCHEDULE "A" to APPENDIX "B"

PART 27

SPECIAL RIGHTS AND RESTRICTIONS
CONTINGENT VALUE SHARES

The contingent value shares of the Company (hereinafter referred to as the "Contingent Value Shares") will consist of an unlimited number of Contingent Value Shares, which will have attached thereto the following special rights and restrictions:

Definitions

27.1 In these special rights and restrictions, the following terms have the meanings set out below. Capitalized terms used but not otherwise defined herein have the meanings given to them in the Business Combination Agreement.

(a) "**Business Combination Agreement**" means the business combination agreement dated as of July 17, 2026 among the Company, SilverMark Resources Inc. and 18076421 Canada Inc., as amended from time to time;

(b) "**Business Day**" means any day other than a Saturday, Sunday or federal holiday in Canada or a day on which commercial banks in Vancouver or Toronto are required to or permitted to close;

(c) "**Effective Date**" has the meaning given to it in the Business Combination Agreement;

(d) "**Milestone Conversion Event**" has the meaning given to it in the Business Combination Agreement; and

(e) "**Milestone Deadline**" has the meaning given to it in Section 27.11.

Dividends

27.2 Holders of Contingent Value Shares will not be entitled as of right to receive any dividends.

Liquidation Entitlement

27.3 On the distribution of assets of the Company on the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or on any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, holders of Contingent Value Shares will not be entitled to receive any assets or other distribution whatsoever.

Voting

27.4 The holders of the Contingent Value Shares will not be entitled to receive notice of or to attend any general meeting of shareholders of the Company and, if in attendance, will not be entitled to vote at those meetings, except as otherwise required under the Business Corporations Act (British Columbia).

Alteration to Rights and Restrictions

27.5 The special rights and restrictions attaching to the Contingent Value Shares may not be altered or amended without: (a) the approval of a majority of the holders of the Contingent Value Shares; and (b) the prior written consent of the Company.

Transferability

27.6 The Contingent Value Shares will not be transferable by any holder, whether by sale, assignment, pledge, hypothecation or otherwise, and no transfer of Contingent Value Shares will be registered on the books of the Company, except for a transfer that occurs solely by operation of applicable laws governing estates or succession upon the death of a holder. Any purported transfer of Contingent Value Shares in contravention of this section will be void and of no force or effect, and the Company will not register or otherwise recognize any such purported transfer.

Conversion into Common Shares

27.7 The Contingent Value Share will be convertible into Common shares of the Company in accordance with the terms of the Business Combination Agreement. Upon the occurrence of a Milestone Conversion Event, the Company will, within ten (10) Business Days of the occurrence of such Milestone Conversion Event, provide notice of conversion to each holder of Contingent Value Shares, which will include the number of Contingent Value Shares (the "Converted Contingent Value Shares") being converted and the applicable date of conversion (the "Conversion Date") of such Converted Contingent Value Shares, which date will not be greater than twenty (20) business days following the occurrence of the applicable Milestone Conversion Event.

Share Certificates, Direct Registration Statements, Notices or Acknowledgements for Common Shares

27.8 On the Conversion Date, without any further act or formality on the part of the holder, the Company will issue to each holder of Contingent Value Shares the number of Common shares to which such holder is entitled in respect of the Converted Contingent Value Shares, and will deliver to the holder one or more certificates, direct registration statements, notices or acknowledgements registered in the name of the holder representing such Common shares. There is no right of voluntary conversion and the Contingent Value Shares may only be converted into Common shares upon the occurrence of a Milestone Conversion Event as provided in Section 27.7, and no holder will have any right, at any time or in any circumstance, to convert Contingent Value Shares into Common shares or any other securities of the Company at the holder's election.

Cancellation of Converted Contingent Value Shares

27.9 On the Conversion Date, each Converted Contingent Value Share converted pursuant to Section 27.7 will be cancelled and returned to the authorized and unissued capital of the Company. The holder's right, title and interest in such Converted Contingent Value Share will terminate upon such conversion.

Fractional Shares

27.10 No fractional Common shares will be issued upon the conversion of Contingent Value Shares. Any conversion that results in less than a whole number of Common shares will be rounded down to the next whole number. No cash payment will be made in lieu of fractional shares.

Redemption and Cancellation of Unconverted Contingent Value Shares

27.11 Any Contingent Value Shares that have not been automatically converted pursuant to Section 27.7 by reason of a failure to achieve the applicable Milestone Conversion Event by the date that is 60 months after the Effective Date (the "Milestone Deadline"), will be redeemable by the Company at any time thereafter, and the Company will be entitled to redeem and cancel all such unconverted Contingent Value Shares without notice to the holders thereof and without payment of any consideration. For greater certainty: (a) Contingent Value Shares corresponding to a Milestone Conversion Event that has occurred on or before the Milestone Deadline will not be subject to this redemption provision; and (b) any Contingent Value Shares corresponding to a Milestone Conversion Event that has not occurred by the Milestone Deadline may be redeemed and cancelled by the Company without any compensation, repayment or entitlement whatsoever.

APPENDIX "C"
2026 OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

SILVER FRONTIER RESOURCES CORP.

(formerly Silver Hammer Mining Corp.)

2026 OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

TABLE OF CONTENTS

Page

ARTICLE 1 ESTABLISHMENT, PURPOSE AND DURATION 1

1.1 Establishment of the Plan 1
1.2 Purpose of the Plan 1

ARTICLE 2 ADMINISTRATION 6

2.1 General 6
2.2 Authority of the Committee 6
2.3 Delegation 6

ARTICLE 3 SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS 6

3.1 Maximum Number of Shares Available for Awards 6
3.2 Investor Relations Participation Limits 7
3.3 Adjustments in Authorized Shares 7

ARTICLE 4 ELIGIBILITY AND PARTICIPATION 8

4.1 Eligibility 8
4.2 Actual Participation 8

ARTICLE 5 STOCK OPTIONS 8

5.1 Grant of Options 8
5.2 Award Agreement 8
5.3 Option Price 8
5.4 Vesting of Options 8
5.5 Duration of Options 8
5.6 Blackout Periods 8
5.7 Exercise of Options 9
5.8 Payment 9
5.9 Death, Disability, Retirement and Termination or Resignation of Employment 9
5.10 Nontransferability of Options 10

ARTICLE 6 [INTENTIONALLY DELETED] 11

ARTICLE 7 RESTRICTED SHARE UNITS 11

7.1 Grant of Restricted Share Units 11
7.2 Restricted Share Unit Agreement 11
7.3 Vesting of Restricted Share Units 11
7.4 Black Out Periods 11
7.5 Nontransferability of Restricted Share Units 11
7.6 Dividends and Other Distributions 12
7.7 Death, Disability, Retirement and Termination or Resignation of Employment 12

7.8 Payment in Settlement of Restricted Share Units 13

ARTICLE 8 [INTENTIONALLY DELETED] 13

ARTICLE 9 [INTENTIONALLY DELETED] 13

ARTICLE 10 BENEFICIARY DESIGNATION 13

10.1 Beneficiary 13
10.2 Discretion of the Committee 14

ARTICLE 11 RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE 14

11.1 Employment 14
11.2 Participation 14
11.3 Rights as a Shareholder 14

ARTICLE 12 CHANGE OF CONTROL 14

12.1 Discretion of the Board 14
12.2 Non-Occurrence of Change of Control 15
12.3 Agreement with Purchaser in a Change of Control 15

ARTICLE 13 AMENDMENT AND TERMINATION 15

13.1 Amendment and Termination 15

ARTICLE 14 WITHHOLDING 15

14.1 Withholding 15
14.2 Acknowledgement 16

ARTICLE 15 SUCCESSORS 16

ARTICLE 16 GENERAL PROVISIONS 16

16.1 Delivery of Title 16
16.2 Investment Representations 16
16.3 Uncertificated Shares 16
16.4 No Fractional Shares 17
16.5 Other Compensation and Benefit Plans 17
16.6 No Constraint on Corporate Action 17
16.7 Compliance with Canadian Securities Laws 17
16.8 Compliance with U.S. Securities Laws 17

ARTICLE 17 LEGAL CONSTRUCTION 17

17.1 Gender and Number 17
17.2 Severability 17
17.3 Requirements of Law 18
17.4 Governing Law 18
17.5 Compliance with Section 409A of the Code 18

SILVER FRONTIER RESOURCES CORP.

2026 OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

ARTICLE 1
ESTABLISHMENT, PURPOSE AND DURATION

1.1 Establishment of the Plan. The following is the omnibus equity incentive compensation plan of Silver Frontier Resources Corp. (the "**Company**") pursuant to which stock based compensation Awards (as defined below) may be granted to eligible Participants (as defined below). The name of the plan is the 2026 Omnibus Equity Incentive Compensation Plan (the "**Plan**").

The Plan permits the grant of Options and Restricted Share Units (as such terms are defined below). The Plan was adopted by the Board (as defined below) on [●], 2026 and will be effective on [●], 2026 (the "**Effective Date**").

1.2 Purpose of the Plan. The purposes of the Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants with that of other shareholders of the Company generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Shares (as defined below) as long-term investments.

DEFINITIONS

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

"**Affiliate**" means any corporation, partnership or other entity (i) in which the Company, directly or indirectly, has majority ownership interest or (ii) which the Company controls. For the purposes of this definition, the Company is deemed to "**control**" such corporation, partnership or other entity if the Company possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

"**Award**" means, individually or collectively, a grant under the Plan of Options or Restricted Share Units, in each case subject to the terms of the Plan.

"**Award Agreement**" means either (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (ii) a written statement issued by the Company or an Affiliate of the Company to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan. An Award Agreement need not be identical to other Award Agreements either in form or substance.

"**BCSA**" means the *Securities Act* (British Columbia), as may be amended from time to time.

"**Blackout Period**" means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Company in respect of insider trading.

"**Board**" or "**Board of Directors**" means the Board of Directors of the Company as may be constituted from time to time.

"**Cause**" means (i) if the Participant has a written agreement pursuant to which he or she offers his or her services to the Company and the term "cause" is defined in such agreement, "cause" as defined in such agreement; or otherwise (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) the failure of the Participant to follow the Company's reasonable instructions with respect to the performance of his or her duties; (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Company; (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (E) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee.

"**Change of Control**" means the occurrence of any one or more of the following events:

(i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company as a result of which the holders of Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;

(ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company and/or any of its subsidiaries to any other person or entity, other than a disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Company and its subsidiaries;

(iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;

(iv) an acquisition by any person, entity or group of persons or entities acting jointly or in concert of beneficial ownership of more than 50% of the Shares; or

(v) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

"**Committee**" means the Board of Directors or if so delegated in whole or in part by the Board, the Compensation Committee of the Board of Directors, or any other duly authorized committee of the Board appointed by the Board to administer the Plan.

"**Company**" has the meaning ascribed to it in section 1.1.

"**Consultant**" means, in relation to the Company, an individual (other than an Employee or a Director of the Company) or company that: (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution of securities; (b) provides the services under a written contract between the Company or an Affiliate and the individual or the company, as the case may be; (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and (d) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.

"**Corporate Reorganization**" has the meaning ascribed to it in section 3.3.

"**CSE**" means the Canadian Securities Exchange (CSE) and at any time the Shares are not listed and posted for trading on the CSE, shall be deemed to mean such other stock exchange or trading platform upon which the Shares trade and which has been designated by the Committee.

"**Director**" means any individual who is a member of the Board of Directors of the Company.

"**Disability**" means the disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Company (if one exists) then covering the Participant, provided that the Board may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is permanently disabled for the purposes of the Plan.

"**Dividend Equivalent**" means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.

"**Effective Date**" has the meaning ascribed to it in section 1.1.

"**Employee**" means any employee or officer of the Company or an Affiliate of the Company. Directors who are not otherwise employed by the Company or an Affiliate of the Company shall not be considered Employees under the Plan.

"**FMV**" means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the CSE, a price that is determined by the Committee, provided that as long as the Company is listed on the CSE such price cannot be less than the last closing price of the Shares on the CSE less any discount permitted by the rules or policies of the CSE.

"**Good Reason**" means a resignation or Retirement following a Change of Control shall be considered to be for good reason if any of the following occur without the consent of the Participant:

(i) A substantial and detrimental alteration of his or her position or title or in the nature or status of his or her responsibilities from those in effect immediately prior to the Change of Control,

(ii) A reduction of 10% or more of his or her base salary or target bonus and cancellation of applicable compensation plans and the failure to replace those plans with substantially comparable plans;

(iii) The failure to continue to provide employment benefits and perquisites comparable to those enjoyed immediately prior to the Change of Control; or

(iv) The Participant being relocated to an office or location that is 50 kilometres or more from the current location where he or she is employed.

"**Insider**" shall have the meaning ascribed thereto in Section 1(1) of the BCSA.

"**ITA**" means the *Income Tax Act* (Canada).

"**Non-Employee Director**" means a Director who is not an Employee.

"**Notice Period**" means any period of contractual notice or reasonable notice that the Company or an Affiliate of the Company may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Company or Affiliate elects to pay severance *in lieu* of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

"**Option**" means the conditional right to purchase Shares at a stated Option Price for a specified period of time subject to the terms of the Plan.

"**Option Price**" means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

"**Participant**" means an Employee, Non-Employee Director or Consultant who has been selected to receive an Award, or who has an outstanding Award granted under the Plan.

"**Performance Period**" means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.

"**Period of Restriction**" means the period when an Award of Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

"**Person**" shall have the meaning ascribed to such term in Section 1(1) of the BCSA.

"**Plan**" has the meaning ascribed to it in section 1.1.

"**Restricted Share Unit**" or "**RSU**" means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under Article 7 herein and subject to the terms of the Plan.

"**Retirement**" or "**Retire**" means a Participant's permanent withdrawal from employment or office with the Company or an Affiliate of the Company on terms and conditions accepted and determined by the Board.

"**Shares**" means common shares of the Company.

"**Termination Date**" means the date on which a Participant ceases to be eligible to participate under the Plan as a result of a termination of employment, officer position, board service or consulting arrangement with the Company or any Affiliate of the Company for any reason, including death, Retirement, resignation or termination with or without Cause. For the purposes of the Plan, a Participant's employment, officer position, board service or consulting arrangement with the Company or an Affiliate of the Company shall be considered to have terminated effective on the last day of the Participant's actual and active employment, officer position or board or consulting service with the Company or the Affiliate whether such day is selected by agreement with the individual, unilaterally by the Company or the Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment shall be considered as extending the Participant's period of employment for the purposes of determining his or her entitlement under the Plan.

"**U.S. Participants**" means those Participants that are United States taxpayers.

"**Voting Securities**" shall mean any securities of the Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

ARTICLE 2
ADMINISTRATION

2.1 General. The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties. No member of the Committee will be liable for any action or determination taken or made in good faith with respect to the Plan or Awards granted hereunder. Each member of the Committee shall be entitled to indemnification by the Company with respect to any such determination or action in the manner provided for by the Company and its subsidiaries.

2.2 Authority of the Committee. The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, whether Awards payout in cash or Shares where applicable, determining any performance goals applicable to Awards and whether such performance goals have been achieved, and, subject to Article 13, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and its Affiliates operate.

2.3 Delegation. The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

ARTICLE 3
SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

3.1 Maximum Number of Shares Available for Awards. The maximum number of Shares issuable pursuant to Awards issued under the Plan shall be equal to 10% of the then issued and outstanding Shares on a rolling basis. To the extent that an Award lapses or the rights of its Participant terminate or are paid out in cash (except in the case of Options which cannot be paid out in cash), any Shares subject to such Award shall again be available for the grant of an Award.

3.2 Investor Relations Participation Limits. The total number of Shares issuable pursuant to Awards provided as compensation to all Persons retained to provide Investor Relations Activities (as defined by the CSE) shall not exceed 2% of the issued and outstanding Shares in any 12-month period.

3.3 Adjustments in Authorized Shares. In the event of any corporate event or transaction (collectively, a "**Corporate Reorganization**") (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) such as a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price applicable to outstanding Awards, the limit on issuing Awards other than Options granted with an Option Price equal to at least the FMV of a Share on the date of grant, and any other value determinations applicable to outstanding Awards or to the Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such corporate event or transaction. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan and the applicable Award Agreement) and the holder will then accept on the exercise of such Option, *in lieu* of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with Section 409A of the Code with respect to any U.S. Participants.

Subject to the provisions of Article 11 and any applicable law or regulatory requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under the Plan in connection with any Corporate Reorganization, upon such terms and conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

ARTICLE 4
ELIGIBILITY AND PARTICIPATION

4.1 Eligibility. Awards under the Plan shall be granted only to *bona fide* Employees, Non-Employee Directors and Consultants.

4.2 Actual Participation. Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Employees, Non-Employee Directors and Consultants, those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

ARTICLE 5
STOCK OPTIONS

5.1 Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion.

5.2 Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions, if any, upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.

5.3 Option Price. The Option Price for each grant of an Option under the Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price for an Option shall be not less than the FMV of the Shares on the date of grant.

5.4 Vesting of Options. Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Options, Options shall vest equally over a four year period such that 1/4 of the Options shall vest on the first, second, third and fourth anniversary dates of the date that the Options were granted.

5.5 Duration of Options. Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that, subject to section 5.6, no Option shall be exercisable later than the tenth (10^{th}) anniversary date of its grant.

5.6 Blackout Periods. If the date on which an Option is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Option shall be extended to the last day of such 10 business day period.

5.7 Exercise of Options. Options granted under this Article 5 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

5.8 Payment. Options granted under this Article 5 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment of the Option Price.

The Option Price upon exercise of any Option shall be payable to the Company in full in cash, certified cheque or wire transfer.

As soon as practicable after receipt of a notification of exercise and full payment of the Option Price, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable common shares of the Company. As of the business day the Company receives such notice and such payment, the Participant (or the person claiming through a Participant, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Option was exercised and to receive as promptly as possible thereafter, but in any event, on or before the 15th day of the third month of the year following the year in which the Option was exercised, a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s).

5.9 Death, Disability, Retirement and Termination or Resignation of Employment.

If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

(a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate of the Company:

(i) all unvested Options as at the Termination Date shall automatically and immediately vest; and

(ii) all vested Options (including those that vested pursuant to (i) above) shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

(b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability then all Options remain and continue to vest (and are exercisable) in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.

(c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Options, to determine: (i) whether to accelerate vesting of any or all of such Options, (ii) whether any of such Options shall be cancelled, with or without payment, and (iii) how long, if at all, such Options may remain outstanding following the Termination Date; provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date.

(d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Options, whether vested or not, as at the Termination Date shall automatically and immediately expire and be forfeited.

(e) Termination without Cause or Voluntary Resignation: Subject to section 5.9(f) below, if a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in sections 5.9(a)-(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:

(i) all unvested Options shall automatically and immediately expire and be forfeited, and

(ii) all vested Options shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

(f) <u>Existing Options</u>. Notwithstanding any other provisions herein, in connection with the resignation of the Participants holding Existing Options, the Existing Options shall be exercisable for a period of 90 days after the Termination Date, provided that any Existing Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

5.10 <u>Nontransferability of Options</u>. An Option granted under this Article 5 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all Options granted to a Participant under this Article 5 shall be exercisable during such Participant's lifetime only by such Participant.

ARTICLE 6
[INTENTIONALLY DELETED]

ARTICLE 7
RESTRICTED SHARE UNITS

7.1 Grant of Restricted Share Units. Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

7.2 Restricted Share Unit Agreement. Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, the settlement date for Restricted Share Units, whether such Restricted Share Unit is settled in cash, Shares or a combination thereof or if the form of payment is reserved for later determination by the Committee, and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest later than three years after the date of grant. The Committee shall impose, in the Award Agreement at the time of grant, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to the Plan as it may deem advisable, including, without limitation, restrictions based upon the achievement of specific performance criteria, time-based restrictions on vesting following the attainment of the performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the CSE.

7.3 Vesting of Restricted Share Units. Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Restricted Share Units, Restricted Share Units shall vest equally over a three year period such that 1/3 of the Restricted Share Units granted in an Award shall vest on the first, second and third anniversary dates of the date that the Award was granted, and provided that no Restricted Share Unit granted shall vest and be payable after December 31 of the third calendar year following the year of service for which the Restricted Share Unit was granted.

7.4 Black Out Periods. If the date on which a Restricted Share Unit is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10 business day period.

7.5 Nontransferability of Restricted Share Units. The Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated until the date of settlement through delivery or other payment, or upon earlier satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Award Agreement at the time of grant or thereafter by the Committee. All rights with respect to the Restricted Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

7.6 Dividends and Other Distributions. During the Period of Restriction, Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Restricted Share Units.

7.7 Death, Disability, Retirement and Termination or Resignation of Employment.

If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

(a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:

(i) all unvested Restricted Share Units as at the Termination Date shall automatically and immediately vest; and

(ii) all vested Restricted Share Units (including those that vested pursuant to (i) above) shall be paid to the Participant's estate in accordance with the terms of the Plan and the Award Agreement.

(b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability, then all Restricted Share Units remain and continue to vest in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Restricted Share Units that have not vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.

(c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Restricted Share Units, to determine: (i) whether to accelerate vesting of any or all of such Restricted Share Units, (ii) whether any of such Restricted Share Units shall be cancelled, with or without payment, and (iii) how long, if at all, such Restricted Share Units may remain outstanding following the Termination Date; provided, however, that in no event shall such Restricted Share Units remain outstanding for more than 12 months after the Termination Date. Notwithstanding the above, for U.S. Participants, the treatment of Restricted Share Units upon retirement shall be provided for in the Award Agreement.

(d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Restricted Share

Units, whether vested or not, as at the Termination Date shall automatically and immediately be forfeited.

(e) Termination without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in sections 7.7(a)-(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:

(i) all unvested Restricted Share Units shall automatically and immediately be forfeited, and

(ii) all vested Restricted Share Units shall be paid to the Participants in accordance with the terms of the Plan and the Award Agreement.

7.8 Payment in Settlement of Restricted Share Units. When and if Restricted Share Units become payable, the Participant issued such Restricted Share Units shall be entitled to receive payment from the Company in settlement of such Restricted Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date multiplied by the number of Restricted Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Restricted Share Units being settled, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Restricted Share Units. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) 2½ months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31 of the third year following the year of the grant date.

ARTICLE 8
[INTENTIONALLY DELETED]

ARTICLE 9
[INTENTIONALLY DELETED]

ARTICLE 10
BENEFICIARY DESIGNATION

10.1 Beneficiary. A Participant's "beneficiary" is the person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.

10.2 Discretion of the Committee. Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 10, or both, in favor of another method of determining beneficiaries.

ARTICLE 11
RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE

11.1 Employment. Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or an Affiliate of the Company to terminate any Participant's employment, consulting or other service relationship with the Company or the Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or the Affiliate.

Neither an Award nor any benefits arising under the Plan shall constitute part of an employment or service contract with the Company or an Affiliate of the Company, and, accordingly, subject to the terms of the Plan, the Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without giving rise to liability on the part of the Company or its Affiliates for severance payments or otherwise, except as provided in the Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Company and an Affiliate or among Affiliates of the Company, shall not be deemed a termination of employment. The Committee may provide, in a Participant's Award Agreement or otherwise, the conditions under which a transfer of employment to an entity that is spun off from the Company or an Affiliate of the Company shall not be deemed a termination of employment for purposes of an Award.

11.2 Participation. No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

11.3 Rights as a Shareholder. A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the holder of such Shares.

ARTICLE 12
CHANGE OF CONTROL

12.1 Discretion of the Board. Notwithstanding any other provision of the Plan, in the event of an actual or potential Change of Control, the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards; (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or vested shall be exercisable or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that shareholders of the Company will receive in the Change of Control; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control. With respect to U.S. Participants, the treatment of Awards upon a Change of Control shall be provided for in the Award Agreement.

12.2 Non-Occurrence of Change of Control. In the event that any Awards are conditionally exercised pursuant to section 12.1 above and the Change of Control does not occur, the Board may, in its sole discretion, determine that any (i) Awards so exercised shall be reinstated as the type of Award prior to such exercise, and (ii) Shares issued be cancelled and any exercise or similar price received by the Company shall be returned to the Participant.

12.3 Agreement with Purchaser in a Change of Control. In connection with a Change of Control, the Board may be permitted to condition any acceleration of vesting on the Participant entering into an employment, confidentiality or other agreement with the purchaser as the Board deems appropriate.

ARTICLE 13
AMENDMENT AND TERMINATION

13.1 Amendment and Termination. The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including the rules of the CSE, the Board may also, at any time, amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable. Any amendment that would cause an Award held by a Participant that is a U.S. taxpayer to fail to comply with Section 409A of the Code shall be null and void with respect to such Participant.

ARTICLE 14
WITHHOLDING

14.1 Withholding. The Company or any of its Affiliates shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or the Affiliate, an amount sufficient to satisfy federal, provincial and local taxes or domestic or foreign taxes required by law or regulation to be withheld with respect to any taxable event arising from or as a result of the Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.

14.2 Acknowledgement. Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of the Plan; and (b) does not commit to and is under no obligation to structure the terms of the Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for taxes in more than one jurisdiction.

ARTICLE 15
SUCCESSORS

Any obligations of the Company or its Affiliates under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company or its Affiliates, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Company or the Affiliate, as applicable.

ARTICLE 16
GENERAL PROVISIONS

16.1 Delivery of Title. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

(a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and

(b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Company determines to be necessary or advisable.

16.2 Investment Representations. The Committee may require each Participant receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

16.3 Uncertificated Shares. To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a noncertificated basis to the extent not prohibited by applicable law or the rules of the CSE.

16.4 No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

16.5 Other Compensation and Benefit Plans. Nothing in the Plan shall be construed to limit the right of the Company or an Affiliate of the Company to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

16.6 No Constraint on Corporate Action. Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Company's or its Affiliates' right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Company or its Affiliates to take any action which such entity deems to be necessary or appropriate.

16.7 Compliance with Canadian Securities Laws. All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable. In addition to any applicable resale restrictions under Canadian securities laws, where Awards are granted pursuant to section 2.24 of National Instrument 45-106, the Awards and any Shares issued on the exercise of such Awards must be legended with a four month hold period commencing on the date the Awards were granted, unless written approval is obtained from the CSE.

16.8 Compliance with U.S. Securities Laws. All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to the registration requirements of the U.S. Securities Act of 1933, as amended or an exemption from such registration requirements. If the Awards or Shares are not so registered and no such registration exemption is available, the Company shall not be required to issue any Shares otherwise issuable hereunder.

ARTICLE 17
LEGAL CONSTRUCTION

17.1 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

17.2 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

17.3 Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Company or an Affiliate of the Company shall receive the consideration required by law for the issuance of Awards under the Plan.

The inability of the Company or an Affiliate of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Company or the Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

17.4 Governing Law. The Plan and each Award Agreement shall be governed by the laws of the Province of British Columbia excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

17.5 Compliance with Section 409A of the Code.

(a) To the extent the Plan is applicable to a particular Participant subject to the Code, it is intended that the Plan and any Awards made hereunder shall not provide for the payment of "deferred compensation" within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. The Plan and any Awards made hereunder shall be administered and interpreted in a manner consistent with this intent.

(b) To the extent that any amount or benefit in favour of a Participant who is subject to the Code would constitute "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under the Plan or any Award Agreement by reason of the occurrence of a Change of Control or the Participant's disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless: (i) the circumstances giving rise to such Change of Control, disability or separation from service meet the description or definition of "change in control event," "disability," or "separation from service," as the case may be, in Section 409A of the Code and applicable proposed or final Treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under the Plan or any Award Agreement.

(c) The Committee shall use its reasonable discretion to determine the extent to which the provisions of this section 17.5 will apply to a Participant who is subject to taxation under the ITA.

APPENDIX "D"
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF THE RESULTING ISSUER

SILVER HAMMER MINING CORP.

(TO BE RENAMED SILVER FRONTIER RESOURCES CORP.)

Pro Forma Consolidated Financial Statements

(Unaudited - Prepared by Management of Silver Hammer Mining Corp.)

March 31, 2026

(Expressed in Canadian Dollars)

SILVER HAMMER MINING CORP.

Pro Forma Consolidated Statements of Financial Position (unaudited)
As of March 31, 2026
(Expressed in Canadian Dollars)

	Stroud Resources Ltd. March 31, 2026 $	Silver Hammer Mining Corp. March 31, 2026 $	SilverMark Resources Inc. March 31, 2026 $	Pro forma adjustments $	Note	Pro forma Silver Frontier Resources Corp. (Consolidated) March 31, 2026 $
ASSETS						
Current assets						
Cash and cash equivalents	313,073	3,776,631	-	(300,000)	c	10,299,704
				7,000,000	e	
				(490,000)	e	
Accounts receivable	18,520	27,376	-			45,896
Prepaid expenses	9,983	376,363	-			386,346
	341,576	**4,180,370**	**-**	**6,210,000**		**10,731,946**
Non-current assets						
Reclamation deposits	-	31,483	-			31,483
Exploration and evaluation assets	-	8,733,967	-	(3,455,057)	a	1,336,805
				300,000	c	
				(4,313,940)	c	
				71,835	d	
	-	**8,765,450**	**-**	**(7,397,162)**		**1,368,288**
TOTAL ASSETS	**341,576**	**12,945,820**	**-**	**(1,187,162)**		**12,100,234**
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	136,781	248,436	-			385,217
	136,781	**248,436**	**-**	**-**		**385,217**
Non-current liabilities						
	-	**-**	**-**	**-**		**-**
TOTAL LIABILITIES	**136,781**	**248,436**	**-**	**-**		**385,217**
SHAREHOLDERS' EQUITY						
Common shares	26,894,854	18,517,535	-	(18,517,535)	b	37,177,013
				3,700,324	c	
				71,835	d	
				7,000,000	e	
				(490,000)	e	
Reserves	4,113,462	2,972,344	-	(2,972,344)	b	5,341,525
				1,228,063	c	
Accumulated deficit	(30,805,252)	(8,792,495)	-	(3,455,057)	a	(30,805,252)
				12,247,552	b	
Accumulated other comprehensive income (loss)	1,731	-	-			1,731
TOTAL SHAREHOLDERS' EQUITY	**204,795**	**12,697,384**	**-**	**(1,187,162)**		**11,715,017**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**341,576**	**12,945,820**	**-**	**(1,187,162)**		**12,100,234**

SILVER HAMMER MINING CORP.

Pro Forma Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)
For the three months ended March 31, 2026
(Expressed in Canadian Dollars)

	For the three months ended March 31, 2026					
	Stroud Resources Ltd. $	Silver Hammer Mining Corp. $	SilverMark Resources Inc. $	Pro forma adjustments $	Note	Pro forma Silver Frontier Resources Corp. (Consolidated) $
Revenue, net of royalties	**6,807**	**-**	**-**			**6,807**
Operating expenses	**(4,949)**	**-**	**-**			**(4,949)**
Income from oil and gas operations	**1,858**	**-**	**-**	**-**	**-**	**1,858**
Expenses						
Consulting fees	-	89,917	-			89,917
Exploration and evaluation costs	3,400	-	-	96,280	a	99,680
Foreign exchange gain (loss)	-	8,121	-	61,466	a	69,587
General and administrative expenses	19,122	8,651	-			27,773
Licences and fees	8,933	-	-			8,933
Director fees	15,000	-	-			15,000
Professional fees	15,018	72,629	-			87,647
Project evaluation costs	-	677	-			677
Rent	1,211	-	-			1,211
Shareholder information and investor relations	-	90,614	-			90,614
Transfer agent, regulatory and filing fees	-	13,142	-			13,142
Travel	-	14,042	-			14,042
Total expenses	**(62,684)**	**(297,793)**	**-**	**(157,746)**	**-**	**(518,223)**
Other income (expenses)						
Finance income	137	-	-			137
Net income (loss)	**(60,689)**	**(297,793)**	**-**	**(157,746)**	**-**	**(516,228)**
Other comprehensive income (loss)						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation differences for foreign operations	-	61,835	-			61,835
Income (loss) and comprehensive income (loss)	**(60,689)**	**(235,958)**	**-**	**(157,746)**	**-**	**(454,393)**
Basic and diluted loss per share for the period attributable to common shareholders ($ per common share)						**(0.00)**
Weighted average number of common shares outstanding - basic and diluted						**116,980,430**

SILVER HAMMER MINING CORP.

Pro Forma Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)
For the year ended December 31, 2025
(Expressed in Canadian Dollars)

	For the year ended December 31, 2025					
	Stroud Resources Ltd. $	Silver Hammer Mining Corp. $	SilverMark Resources Inc. $	Pro forma adjustments $	Note	Pro forma Silver Frontier Resources Corp. (Consolidated). $
Revenue, net of royalties	**24,620**	**-**	**-**			**24,620**
Operating expenses	**(21,699)**	**-**	**-**			**(21,699)**
Income from oil and gas operations	**2,921**	**-**	**-**	**-**	**-**	**2,921**
Expenses						
Consulting fees	-	206,250	-			206,250
Depreciation	-	809	-			809
Exploration and evaluation costs	18,084	-	-	328,655	a	346,739
Foreign exchange gain (loss)	2,449	82,916	-	(150,743)	a	(65,378)
General and administrative expenses	78,699	26,284	-			104,983
Licences and fees	14,048	-	-			14,048
Director fees	48,750	-	-			48,750
Professional fees	100,098	253,055	-			353,153
Project evaluation costs	-	10,006	-			10,006
Rent	4,724	-	-			4,724
Share-based payments	110,000	218,285	-			328,285
Shareholder information and investor relations	-	42,034	-			42,034
Transfer agent, regulatory and filing fees	-	20,989	-			20,989
Travel	-	32,021	-			32,021
Total expenses	**(376,852)**	**(892,649)**	**-**	**(177,912)**	**-**	**(1,447,413)**
Other income (expenses)						
Finance income	256	-	-			256
Finance costs	(7,991)	-	-			(7,991)
Loss on debt settlement	-	(105,904)	-			(105,904)
Total other income (expenses)	**(7,735)**	**(105,904)**	**-**	**-**	**-**	**(113,639)**
Net income (loss)	**(381,666)**	**(998,553)**	**-**	**(177,912)**	**-**	**(1,558,131)**
Other comprehensive income (loss)						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation differences for foreign operations	**-**	**(67,578)**	**-**			**(67,578)**
Income (loss) and comprehensive income (loss)	**(381,666)**	**(1,066,131)**	**-**	**(177,912)**	**-**	**(1,625,709)**
Basic and diluted loss per share for the period attributable to common shareholders ($ per common share)						**(0.01)**
Weighted average number of common shares outstanding - basic and diluted						**116,980,430**

1. DESCRIPTION OF OPERATIONS

Silver Hammer Mining Corp. ("Silver Hammer" or the "Company"), which will be renamed Silver Frontier Resources Corp. ("Silver Frontier" or the "Resulting Issuer"), is a publicly traded Canadian mineral exploration and development company listed on the Canadian Securities Exchange (CSE). The Company focuses on acquiring, exploring, and advancing precious-metal assets, with an emphasis on silver and gold projects. Silver Hammer operates in Canada and the United States and pursues growth through strategic transactions, including the acquisitions of SilverMark Resources Inc. and Stroud Resources Ltd. The Company's strategy centers on consolidating high-potential mining assets, advancing exploration programs, and leveraging public-market access to capital to fund development.

Stroud Resources Ltd. ("Stroud") is a publicly traded Canadian mineral exploration company listed on the TSX Venture Exchange (TSXV). Stroud's primary assets are held through its subsidiaries, including Compañia Minera San Diego y La Española S.A. de C.V., which operates in Mexico. Stroud focuses on the exploration and development of silver and gold projects, with its Mexican subsidiary holding substantially all operational mineral interests. Stroud maintains effective control over its subsidiaries and has historically advanced exploration programs through technical studies, drilling, and resource delineation. Following the business combination with Silver Hammer, Stroud becomes a wholly owned subsidiary, contributing its Mexican mineral portfolio to Silver Hammer's consolidated asset base.

SilverMark Resources Inc. ("SilverMark") is a private Canadian mineral exploration company holding a portfolio of significant mining option agreements known as the SABI-AIM Option Agreements ("SABI-AIM Agreements"). The SABI-AIM Agreements provide SilverMark with earn-in rights to multiple mineral properties in Morocco, these concessions include land, mineral rights, technical data, and stockpiled ore. SilverMark's business model is centered on advancing these earn-in projects toward defined milestones such as resource estimates and ownership thresholds. Through the business combination with Silver Hammer, SilverMark becomes a wholly owned subsidiary, enabling public-market funding for the advancement of its Moroccan portfolio.

2. SIGNIFICANT ACCOUNTING POLICIES

These unaudited pro forma consolidated financial statements have been compiled using the significant accounting policies as set out in the audited consolidated financial statements of Stroud as of December 31, 2025. Management has determined that no material pro forma adjustments are necessary to conform the Company's accounting policies to the accounting policies used by Stroud in the preparation of its audited financial statements.

3. BASIS OF PRESENTATION

The unaudited pro forma consolidated financial statements of the Resulting Issuer have been prepared by management of Silver Hammer for inclusion in the information circular in connection with the proposed transaction described in Note 4, as of March 31, 2026.

The pro forma consolidated financial statements of the Resulting Issuer have been compiled from the following financial statements:

- The unaudited financial statements of Silver Hammer as at and for the six months ended March 31, 2026;
- The audited financial statements of Silver Hammer as at and for the year ended September 30, 2025;
- The unaudited financial statements of Stroud as at and for the three months ended March 31, 2026; and
- The audited financial statements of Stroud as at and for the year ended December 31, 2025.

3. BASIS OF PRESENTATION (CONTINUED)

These unaudited pro forma consolidated financial statements are not necessarily indicative of the Resulting Issuer's financial position on closing of the proposed transaction. In preparing these unaudited pro forma consolidated financial statements, no adjustments have been made to reflect additional costs or savings that could result from the transaction described in Note 4. Actual amounts recorded upon approval of the transaction will likely differ from those recorded in the unaudited pro forma consolidated financial statements.

The accompanying unaudited pro forma consolidated financial statements of the Resulting Issuer have been prepared by management from information derived from the financial statements, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), of Silver Hammer, Stroud and SilverMark to show effect of the proposed transaction as discussed in Note 4.

The unaudited pro forma consolidated financial statements should be read in conjunction with the following:

- The unaudited financial statements of Silver Hammer as at and for the six months ended March 31, 2026;
- The audited financial statements of Silver Hammer as at and for the year ended September 30, 2025;
- The unaudited financial statements of Stroud as at and for the three months ended March 31, 2026; and
- The audited financial statements of Stroud as at and for the year ended December 31, 2025.

4. PROPOSED TRANSACTIONS

On July 17, 2026, Silver Hammer entered into two definitive business combination agreements: (i) a Business Combination Agreement with SilverMark and 18076421 Canada Inc. ("SM Subco"), a wholly owned subsidiary of Silver Hammer; and (ii) a Business Combination Agreement with Stroud and 1001629888 Ontario Inc. ("SDR Subco"), also a wholly owned subsidiary of Silver Hammer (collectively, the "Agreements"). Pursuant to the Agreements, Silver Hammer will acquire all of the issued and outstanding shares of SilverMark and all issued and outstanding shares of Stroud not already owned by Silver Hammer (together, the "Transactions").

- **Stroud Transaction**

  On or immediately prior to the completion of the Stroud Transaction, it is anticipated that:

  a) SDR Subco will amalgamate with Stroud under the OBCA to form an amalgamated corporation ("Stroud Amalco").
  b) All issued and outstanding Stroud common shares (other than those already held by Silver Hammer and those held by dissenting shareholders) will be exchanged for post-Consolidation Silver Hammer Shares at an exchange ratio of 0.777963 Silver Hammer Shares per Stroud Share.
  c) All outstanding Stroud options will be amended such that, upon completion of the Transaction, they become exercisable for Silver Hammer Shares, adjusted in accordance with the exchange ratio.
  d) Stroud Amalco will become a wholly owned subsidiary of Silver Hammer and will continue under the name "Stroud Resources Ltd."

4. PROPOSED TRANSACTIONS (CONTINUED)

- **<u>SilverMark Transaction</u>**
  On or immediately prior to the completion of the SilverMark Transaction, it is anticipated that:

  a) SM Subco will amalgamate with SilverMark under the CBCA to form an amalgamated corporation ("SilverMark Amalco").
  b) All issued and outstanding Class A common shares of SilverMark will be exchanged for post-Consolidation Silver Hammer common shares based on an exchange ratio of 0.346154 Silver Hammer Shares per SilverMark Class A Share.
  c) All issued and outstanding Class B special shares of SilverMark will be exchanged for Silver Hammer contingent value shares ("CV Shares"), with the number of CV Shares determined in accordance with the Exchange Ratio formula set out in the Agreement.
  d) All outstanding SilverMark warrants will become exercisable for Silver Hammer Shares, adjusted in accordance with their terms.
  e) SilverMark Amalco will become a wholly owned subsidiary of Silver Hammer and will continue under the name "SilverMark Resources Inc." or such other name Silver Hammer may determine.

  In connection with the SilverMark Transaction, SilverMark is expected to complete a concurrent financing of subscription receipts for gross proceeds of $7,000,000 to $10,000,000 (the "Concurrent Financing"). Each subscription receipt will convert into one SilverMark Class A common share immediately prior to closing of the Transaction.

In addition, immediately prior to the completion of the Stroud Transaction and SilverMark Transaction, Silver Hammer will complete a consolidation of its common shares on a 1 post-consolidation share for 4 pre-consolidation shares basis.

Following completion of both Transactions, Silver Frontier will continue as the parent company of SilverMark Amalco and Stroud Amalco and will carry on the combined business of Silver Hammer, SilverMark, and Stroud (the "Resulting Issuer"). The Resulting Issuer will hold mineral exploration and development assets in Canada, Morocco, Mexico, and the United States through its subsidiaries.

5. ACCOUNTING FOR RTO

Silver Hammer does not meet the definition of a business nor does this transaction meet the definition of a business combination under IFRS 3. The acquisition of Stroud by Silver Hammer constitutes a reverse asset acquisition where purchase of Silver Hammer's net assets is considered an equity-settled share-based payment under IFRS 2 (Share-based Payment) by Stroud. Accordingly, as a result of the transaction, the pro forma financial statements have been adjusted for the elimination of Silver Hammer's equity balances.

The pro forma adjustments and allocations of the estimated consideration transferred are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of the Company's net assets to be acquired pursuant to the Agreements will ultimately be determined after the closing of the transactions.

(Expressed in Canadian Dollars)

6. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

a) To expense Silver Hammer’s historical exploration and evaluation expenditures in order to align its accounting policy with that of Stroud.

b) To eliminate Silver Hammer's historical shareholders’ equity balances with the following adjustments:

- A reduction in share capital of $18,517,535;
- A reduction of $2,972,344 in reserves; and
- An adjustment of $ 8,792,495 of accumulated deficit.

c) Based on Silver Hammer’s consolidated statements of financial position as of March 31, 2026, Stroud will be acquiring net assets with the estimated fair market value as follows:

	$
Consideration transferred	
34,980,742 shares a fair value of $0.093 per share issued to the shareholders of Silver Hammer Mining Corp.	3,253,209
4,807,692 shares a fair value of $0.093 per share issued to the shareholders of SilverMark Resources Inc.	447,115
14,555,191 warrants issued to the shareholders of Silver Hammer Mining Corp.(1)	1,095,799
1,526,250 options issued to the shareholders of Silver Hammer Mining Corp.(2)	113,923
288,461 options issued to the shareholders of SilverMark Resources Inc.(3)	18,341
Transaction costs	300,000
	5,228,387
Cash and cash equivalents	3,776,631
Accounts receivable	27,376
Prepaid expenses	376,363
Reclamation deposits	31,483
Exploration and evaluation assets	1,264,970
Accounts payable and accrued liabilities	(248,436)
	5,228,387

(1) Valued using the Black-Scholes Option Pricing Model using volatility of 172%, strike price of $0.40, risk free rate of 2.93%, expected life of 3.72 years and dividend yield of 0%.
(2) Valued using the Black-Scholes Option Pricing Model using volatility of 170%, strike price of $0.39, risk free rate of 2.98%, expected life of 3.82 years and dividend yield of 0%.
(3) Valued using the Black-Scholes Option Pricing Model using volatility of 185%, strike price of $0.35, risk free rate of 2.79%, expected life of 2.10 years and dividend yield of 0%.

d) To record the common shares issued per the SABI-AIM Agreements.

e) To record the Concurrent Financing requires recognizing $7,000,000 of gross proceeds and a 7% cash commission of $490,000, resulting in net proceeds of $6,510,000.

(Expressed in Canadian Dollars)

7. PRO FORMA SHARE CAPITAL

Shares in the unaudited pro forma consolidated financial statements are comprised of the following:

	Note	Number of shares	Share capital ($)
Silver Hammer Mining Corp.'s common shares outstanding - January 31, 2025 post 1 for 4 consolidation of Silver Hammer Mining Corp.'s shares		**34,980,742**	**18,517,535**
Reverse takeover adjustment - Silver Hammer Mining Corp.'s common shares		-	(18,517,535)
Common shares issued to Stroud Resources Ltd.'s shareholders		49,496,496	26,894,854
Common shares issued to SilverMark Resources Inc. 's shareholders	6(b)	4,807,692	447,115
Consideration transferred to shareholders of Stroud Resources Ltd.		-	3,253,209
Common shares issued per option agreement	6(c)	772,423	71,835
Common shares issued in private placement	6(d)	26,923,077	7,000,000
Share issuance costs	6(d)	-	(490,000)
Pro forma consolidated share capital		**116,980,430**	**37,177,013**

The business combination agreement with SilverMark includes a contingent consideration arrangement whereby additional Resulting Issuer common shares ("Contingent Value Shares") may be issued to former SilverMark shareholders upon the achievement of specified milestone events. Management has evaluated the likelihood of these milestone events occurring based on information available as of the pro forma reporting date and determined that the probability of achievement is remote. Accordingly, no amount related to the Contingent Value Shares has been included in the pro forma purchase consideration or reflected in the pro forma financial information.

APPENDIX "E"
INFORMATION CONCERNING STROUD RESOURCES LTD.

References to the "Corporation" in this Appendix "E" are references to Stroud. All capitalized terms otherwise used in this Appendix "E" and not defined herein have the meaning ascribed to such terms in the "Glossary of Terms" or elsewhere in the Information Circular. The information contained in this Appendix "E", unless otherwise indicated, is given as of the date of the Information Circular. Unless otherwise indicated herein, references to "$" are to Canadian dollars and references to "US$" are to United States dollars.

Corporate Structure

Stroud is a corporation existing under the OBCA, which was incorporated on March 18, 1983. Its head and registered office is located at 1090 Don Mills Road, Suite 404, Toronto, Ontario M3C 5R6.

Stroud has two subsidiaries, as follows: (i) Compañia Minera San Diego y La Espanola S.A. de C.V. (the "**SDLE**"), of which Stroud holds, directly or indirectly, 99.999985% of the issued and outstanding equity securities, with the remaining 0.000015% held by a nominee solely to satisfy the minimum shareholder requirements under applicable Mexican corporate law, and that nominee holds such equity securities for the benefit of Stroud; and (ii) Grande Pleiad Oil Ltd., a corporation existing under the laws of the Province of Alberta of which Stroud holds all of the issued and outstanding equity securities.

General Description of the Business

The following is a description of the general development of the business of Stroud over its three most recently completed financial years and up to the date of this Circular. The discussion includes the major events or conditions that have influenced that development through the aforementioned period. Stroud's financial year end is December 31. Additional information regarding the matters described below may be found under Stroud's profile on SEDAR+ at www.sedarplus.ca.

History

Year Ended December 31, 2023

On May 9, 2023, Stroud provided a summary of its 2021-2022 drilling program on the Santo Domingo property. The 2021-2022 exploration drilling program consisted of approximately 9,936 m in 32 diamond drill holes. The drilling program was designed to explore the extent of known epithermal vein-hosted silver mineralization on the Santo Domingo property and to begin to define additional silver mineralized zones and vein systems which were anticipated to run parallel to the existing La Raya and Guadalupe silver vein systems.

On May 29, 2023, Stroud announced that it had closed a private placement, which consisted of the issuance of a convertible debentures in the amount of $600,000, bearing interest of 14% and maturing 90 days from the date of issuance. In accordance with their terms, the convertible debentures would convert into units at a price of at $0.10 per unit. Each unit was comprised of one common share and one common share purchase warrant, with each warrant being exercisable into one common share at a price of $0.10 for a period of three from closing. Eric Sprott, through 2176423 Ontario Ltd., a corporation which is beneficially owned by him which at the time held approximately 49% of the issued and outstanding Stroud Shares, acquired the convertible debenture. The convertible debentures were converted and the units were issued on September 12, 2023.

Year Ended December 31, 2024

During the year ended December 31, 2024, Stroud continued to advance its Santo Domingo Silver-Gold Project in Jalisco, Mexico, and maintained its mineral concessions in good standing through the incurrence of minimum annual exploration expenditures and payment of semi-annual concession fees to the Secretaría de Economía. Stroud continued to hold its 3.75% working interest in six natural gas wells in central Alberta, operated by Gran Tierra Canada Ltd. (formerly I3 Energy Inc.), which generated ongoing revenue net of royalties and operating expenses.

Year Ended December 31, 2025

On September 24, 2025, Stroud announced the appointment of Conor O'Brien as an independent director, as well as the grant of Stock Options exercisable for an aggregate of 1,005,000 Stroud Shares at an exercise price of $0.12 for a period of five years.

In November 2025, Eric Sprott, through 2176423 Ontario Ltd., exercised 3,000,000 common share purchase warrants (originally issued in connection with the September 2023 conversion of the convertible debenture referenced above) at $0.10 per warrant, for gross proceeds to the Company of $300,000.

On September 24, 2025, Stroud granted stock options to certain officers and directors of the Company, exercisable at $0.12 per Stroud Share and having a five-year term, with an aggregate grant date fair value of $110,000.

During the year, the Company received an unsecured loan of $75,000 from 2176423 Ontario Ltd., bearing interest at 12% per annum, which was repaid in full prior to year end.

The Company continued to maintain its Santo Domingo mineral concessions in good standing and its 3.75% working interest in six natural gas wells in central Alberta.

Subsequent Events

Subsequent to year end, on March 27, 2026, 2176423 Ontario Ltd. exercised its remaining 3,000,000 common share purchase warrants at an exercise price of $0.10 per Stroud Share, for gross proceeds to the Company of $300,000.

On July 17, 2026, Stroud entered into the Stroud Agreement.

Significant Acquisitions

Stroud has not completed any significant acquisitions during its most recently completed financial year for which disclosure is required under Part 8 of NI 51-102.

Summary Description of the Business

Overview

Stroud is a Canadian mineral exploration company whose principal asset is an effective 100% interest in the Santo Domingo silver-gold property located in the Western Silver-Gold Belt in Jalisco, Mexico, held through SDLE. Stroud's principal activities are focused on the exploration of the Santo Domingo property. Stroud's strategy is to enhance shareholder value through the acquisition and advancement of exploration stage properties with the potential to host significant economic mineralization in established and prospective mining districts in Mexico.

Principal Products or Services

Stroud is an exploration-stage company and does not currently mine, produce, or sell any mineral products. The Santo Domingo property hosts a current NI 43-101 Mineral Resource Estimate (as disclosed in the Technical Report), but does not contain any known mineral reserves as defined under applicable securities legislation. Stroud's exploration activities are focused primarily on silver.

Production and Sales

Stroud has no producing properties and therefore has no production or sales activities at this time.

Specialized Skills and Knowledge

Mineral exploration and development requires a broad range of specialized skills and expertise, including geology, engineering, environmental compliance, drilling, logistical planning, project management, finance, accounting, and legal. Stroud relies on both internal personnel and external consultants who possess these skills, including in Mexico, being the jurisdiction in which Stroud's primary mineral property is located.

Competitive Conditions

The precious metals exploration and mining industry is extremely competitive, and Stroud competes with other mining companies for precious metals properties, for joint venture partners and opportunities and for the acquisition of investments in other mining companies.

Specifically, as a mineral exploration and development company, Stroud may compete with other entities in the mineral exploration and development business in various aspects, including: (a) seeking out and acquiring mineral exploration and development properties; (b) obtaining the resources necessary to identify and evaluate mineral properties and to conduct exploration and development activities on such properties; and (c) raising the capital necessary to fund its operations. The mining industry is intensely competitive in all its phases, and Stroud may compete with other companies that have greater financial resources and technical facilities. Competition could adversely affect Stroud's ability to acquire suitable properties or prospects in the future or to raise the capital necessary to continue with operations. See "*Risk Factors*."

Cycles

The mineral exploration industry is cyclical. Stroud's ability to raise capital and advance exploration programs is heavily influenced by global economic conditions and by fluctuations in the prices of commodities, particularly silver and gold. These prices have experienced substantial volatility in recent years and are difficult to forecast. Periods of declining commodity prices can reduce investor interest in exploration companies, restrict access to capital, and negatively impact the economic potential of Stroud's mineral projects.

External events, including global economic disruptions, financial market instability, geopolitical developments, and public health emergencies, may further exacerbate commodity price volatility and financing challenges. Such conditions may affect Stroud's ability to implement its business plans. See "*Risk Factors*."

Economic Dependence

As an exploration-stage company with no producing assets or significant operating revenue, Stroud is economically dependent on its ability to obtain external financing to fund its operations and exploration programs. Stroud's future business prospects are dependent on the successful advancement of the Santo Domingo property. These additional properties will expand the Resulting Issuer's geographic and jurisdictional exposure significantly, including to jurisdictions that carry materially different political, regulatory, and operational risks. See “*Risk Factors*”.

Stroud may additionally depend on a limited number of consultants, contractors, and service providers to carry out key exploration and technical activities. Any disruption in access to financing, Stroud’s mineral projects, or essential third-party services could have a material adverse effect on Stroud’s business and planned exploration activities.

Environmental Protection

Stroud’s exploration and evaluation activities are subject to environmental laws and regulations, which are continually evolving and may become more stringent over time. Stroud has incurred, and expects to continue to incur, expenditures to maintain such compliance. In particular, Stroud is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates (including in particular, in Mexico), including provisions relating to property reclamation, discharge of hazardous materials and other matters. Stroud may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties. Stroud conducts its mineral exploration activities in compliance with applicable environmental protection legislation, and management of Stroud believes that it is, in all material respects, in compliance with applicable environmental legislation. Stroud is not aware of any existing environmental problems related to any of its properties that may result in material liability to Stroud.

Future changes to environmental laws or regulations, or more stringent enforcement, could result in increased costs, operating restrictions, or delays in planned exploration activities. Additional information on environmental risks is provided under “*Risk Factors*”.

Employees

As of the date hereof, Stroud has no permanent full-time and no part-time employees. Stroud’s operations are managed by its directors and officers, and Stroud anticipates engaging consultants in geology, exploration, and related technical and administrative fields as required.

Foreign Operations and Emerging Markets Considerations

Stroud’s operations are carried out in Mexico, which is considered to be an emerging market, and as such, Stroud’s operations may be affected by possible political or economic instability and government regulations relating to the mining industry and foreign investors therein. Mineral exploration and mining activities may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of property, environmental legislation, land use, land claims of local people, water use and property safety. The effect of these factors on Stroud cannot be accurately predicted. See also “*Risk Factors – Risks Related to the Company’s Business*” for more information about the risk and uncertainties concerning Stroud’s foreign operations.

Corporate Structure Controls

The risks of the corporate structure of Stroud and its subsidiaries are risks that are typical and inherent for issuers who have material assets and property interests held indirectly through foreign subsidiaries and located in foreign jurisdictions. As a result, Stroud’s business and operations are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction such as difference in laws, business cultures and practices, banking systems and internal control over financial reporting.

Such risks are mitigated by the use of local experts (legal, accounting, tax and directors), by maintaining local bank accounts with "as needed cash balances" with accredited banking institutions and exercising controls over the use of cash, performing regular reviews of the consolidated books and records at Stroud's head office and frequent personal inspection and visits to the offices and project location of the foreign subsidiaries by Stroud's key management on a regular basis.

Board Oversight

Stroud has implemented a system of corporate governance, internal controls over financial matters, and disclosure controls and procedures that apply to Stroud and its subsidiaries, which are overseen by the Board and implemented by senior management.

While the exploration operations of each of Stroud's Mexican subsidiaries are managed locally, the Board is responsible for the overall stewardship of Stroud and, as such, supervises the management of the business and affairs of Stroud and each of its subsidiaries. More specifically, the Board is responsible for reviewing the strategic business plans and corporate objectives, and approving acquisitions, dispositions, investments, capital expenditures, and other transactions and matters that are material to Stroud including those of its subsidiaries.

The Board has effective oversight of Stroud's, including Stroud's bank accounts. Stroud has put in place senior management in Mexico, and members of Stroud's executive management are directors of the subsidiaries.

Executive management of Stroud meets with the Board at least on a quarterly basis and generally more frequently on an informal basis to discuss any relevant or key topics in Mexico as they relate to operations, and with respect to potential merger and acquisition transactions and corporate opportunities. Key topics include social and environmental licenses, and government influence at the federal, state, and municipal levels. Stroud holds minimal cash in Mexican bank accounts and funds the Mexican operations from Canada on a monthly basis.

Board and Management Experience

Key members of Stroud's management team and Board have extensive experience running public and private business operations in North and South America.

Dr. Scott Jobin-Bevans (Age: 59), the interim Chief Executive Officer and a director of Stroud since 2014, is also the Managing Director and Principal Geoscientist of Caracle Creek Chile SpA and Principal Geoscientist and a Director of Caracle Creek International Consulting Inc. (Canada), both international private geological and geophysical consulting companies. Dr. Jobin-Bevans has spent nearly 30 years building and operating exploration platforms across emerging jurisdictions, including Chile, the Dominican Republic, South Africa, and Zambia, and has served as an officer, director, or technical advisor to numerous public and private issuers with assets across Latin America and Africa, including involvement in taking several private companies public. He is also a Director of International Prospect Ventures Ltd. (also VP Exploration), Northern Shield Resources Inc., Vision Lithium Inc., Thunder Gold Corp., Sienna Resources Inc., EV Minerals Corporation, and Makenita Resources Inc.Dr. Jobin-Bevans spends approximately 10% of his time providing services to Stroud.

Mirsad Jakubovic (Age: 64) has served as Chief Financial Officer, Corporate Secretary and a director of Stroud since 2010, during which time Stroud has focused on the discovery and exploration of silver deposits in Mexico. His broader career reflects sustained financial and operational experience across emerging markets, including his roles as CFO of mPath Therapeutics Corp. and Seven-10 Pharmaceuticals Ltd., both GMP-certified pharmaceutical operations based in Jamaica producing for export to the EU, Brazil, Mexico, and CARICOM markets. He has also held CFO roles with Medifocus Inc. (TSX-V/NASDAQ) and 48 North Cannabis Corp., and holds an MBA from the Richard Ivey School of Business, University of Western Ontario, and a Chartered Accountant designation from ICAO. Mr. Jakubovic spends approximately 35% of his time providing services to Stroud.

William "Jeff" Kennedy (Age: 67), a director of Stroud, also currently serves as Chair and Director of Jaguar Mining Inc., a TSX-listed gold producer with all of its mining operations based in Brazil, giving him board-level oversight of emerging-market operating risk. Previously, Mr. Kennedy served as a director of Uranium Participation Corp, eventually serving as Chair, from the inception in 2005 until the corporation was reconfigured as a commodity trust in 2021. From 1998 onwards, Mr. Kennedy held senior executive roles at Sprott Securities and its successor Cormark Securities Inc. until retiring in 2019. Mr. Kennedy spends about 5% of his time providing services to Stroud.

Conor O'Brien (Age: 49), a director of Stroud, has held senior executive roles in various entities managed by Eric Sprott Family Office. His more than 20 years in global capital markets have centered on financing and advising junior mining issuers whose projects are frequently located in emerging and frontier jurisdictions across Latin America, Africa, and elsewhere, giving him direct exposure to the financing and risk dynamics of emerging-market resource development. Mr. O'Brien spends about 5% of his time providing services to Stroud.

Internal Control Over Financial Reporting

Stroud maintains internal control over financial reporting with respect to its Mexican operations by taking various measures. Differences in banking systems and controls between Mexico and Canada are addressed by having controls over cash in both locations; particularly over access to cash, cash disbursements, appropriate authorization levels, and performing and reviewing bank reconciliations on a monthly and quarterly basis. The Chief Financial Officer of Stroud reviews and approves the financial statements of Stroud on a monthly basis.

Stroud maintains various cash and investment accounts with Mexican and Canadian banks under the direction of the Chief Financial Officer of Stroud. Payments to Mexican and Canadian creditors are reviewed and approved by the Chief Financial Officer, who has the appropriate level of approval authority. All expenditures that are unbudgeted or outside the normal course of business are referred to Stroud's management in Canada for approval and/or payment where appropriate.

The difference in cultures and practices between the two countries is addressed by employing competent staff and consultants in both countries who are familiar with the local laws, business culture and standard practices, have local language proficiency, are experienced in working in the respective jurisdictions and dealing with the local government authorities, and have experience and knowledge of the local banking systems and treasury requirements. Stroud documents and assesses the design of internal controls over financial reporting on an annual basis. Furthermore, key controls for the accounts in scope are tested across Stroud on an annual basis. This process is undertaken by the Chief Financial Officer of Stroud.

Stroud has adopted formal policies and procedures for the evaluation of related party transactions, including, but not limited to, ensuring that in camera sessions are held at Board meeting with only independent directors present on an ad hoc basis; and establishing a process for independent vetting by the Audit Committee of any related party arrangements or transactions.

Legal Framework

The Mexican legal framework is based in a civil law system, and therefore the majority of legal principles are set out in written codes and laws. Written codes and laws are the main source for law, leaving case law and customs as a limited and secondary source of interpretation. This, as opposed to common law systems, provides a fairly stable legal environment, allowing citizens and corporations to have a clear understanding of their rights and obligations.

Notwithstanding the foregoing, certain matters may be subject to case law interpretations, which usually relate to a mining title owner's ability to perform activities under the rights granted under its properties and assets, than to the good standing of its properties and assets. The following matters are the most common issues subject to judicial and administrative interpretation: (i) the presence of ethnic minorities in the territory covering a mining right, and the need for public hearings prior to the commencement of certain mining activities; and (ii) the presence of environmental areas of special interest, or those restricted from mining and the possibility to perform mining activities in overlapping areas. These matters have been widely considered under Mexican constitutional case law, setting a clear understanding of its scope and framework.

Permits and Approvals

Stroud has experienced senior management, who have extensively dealt with permitting, licensing, and other regulatory approvals on a consistent basis in Mexico and are in continuous contact with government authorities to ensure all are in place in order to operate under Mexican laws. There are currently no restrictions or conditions imposed by the government on Stroud, nor does Stroud anticipate and restrictions or conditions to be imposed.

Lending Operations, Investment Policies and Restrictions

Stroud has not adopted any specific investment or lending policies but will ensure that any investment or debt-related activities undertaken are consistent with the interests of Stroud and its shareholders.

Bankruptcy and Similar Procedures

There is no bankruptcy, receivership or similar proceedings against Stroud, nor is management of Stroud aware of any such pending or threatened proceedings. There have not been any voluntary bankruptcy, receivership or similar proceedings by Stroud since incorporation or currently proposed for the current financial year.

Reorganizations

There have been no material reorganizations of or involving Stroud within the three most recently completed financial years or during the current financial year. Stroud has proposed the Amalgamation, which, if completed, may constitute a material reorganization of Stroud. The Amalgamation has not yet been completed as at the date of the Information Circular. See "*The Amalgamation*" for further details.

Social or Environmental Policies

At its current stage of development and activities, Stroud has limited financial obligations in meeting applicable environmental standards. This may change as Stroud advances its projects. Environmental regulations applicable to Stroud cover a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. While Stroud does not currently expect the impact of costs and other effects related to compliance with environmental, health and safety regulations to have a material adverse effect on its financial condition or results of operations, such regulations are evolving in a manner which is likely to result in stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their directors and employees. Such stricter standards could impact Stroud's costs and have an adverse effect on results of operations. Furthermore, an environmental, safety or security incident could impact Stroud's reputation in such a way that the result could have a material adverse effect on its business and on the value of its securities.

Trends, Commitments, Events or Uncertainties

There are significant uncertainties related to the price of silver, gold, and other minerals, as well as the availability of equity financing required to support current and future mineral exploration and development activities. Mineral prices have experienced substantial volatility in recent years, and similar fluctuations are expected to continue. There is no guarantee that Stroud will be able to secure the financing necessary to advance its exploration programs or pursue new opportunities. Any inability to raise funds on a timely basis may constrain Stroud's ability to grow and execute its business strategy. Apart from these risks and those identified under "*Risk Factors*", Stroud is not aware of any additional trends, commitments, events, or uncertainties that are reasonably likely to have a material adverse effect on its business, financial condition, or results of operations.

Santo Domingo

As at the date of the Circular, the Santo Domingo property is Stroud's only material mineral property. On August 28, 2026 Stroud filed on SEDAR+ the Technical Report titled "*National Instrument 43-101 Mineral Resource Estimate on the Santo Domingo Silver-Gold Deposit and Technical Report for the Santo Domingo Project*" and dated effective August 21, 2026 for the Santo Domingo Project.

The information contained below is substantially reproduced from the summary section of the Technical Report. Such information is subject to certain assumptions, qualifications and procedures described in the Technical Report and is qualified in its entirety by the full text of the Technical Report, which is incorporated by reference herein and is available on SEDAR+ (www.sedarplus.ca) under Silver Hammer and Stroud's issuer profiles. Capitalized terms and abbreviations used in this section have the meanings ascribed to such terms and abbreviations as set forth in the Technical Report.

Property Description, Location and Access

Stroud owns 100% of the Santo Domingo II and Nombre de Dios mining concessions, together the Santo Domingo Project, located in the mining district of Hostotipaquillo, Jalisco State, Mexico. Hostotipaquillo is located approximately 100 km by road, west of Guadalajara. These mining concessions are located along the south side of the Grand Rio de Santiago river valley, centred at approximately 21°6'21"N Latitude, 103°58'45"W Longitude or 606023 mE, 2334200 mN (WGS84 Zone 13N).

The Property consists of two mining concessions (together the "**Mining Concessions**") registered 100% to Compañía Minera San Diego y La Española, S.A. de C.V. ("**SDLE**"), a wholly-owned subsidiary of Stroud (Table 1-1).

Table 1-1. Summary of information for the Santo Domingo Mining Concessions (Atticus, 2026).

Name	**Title No.**	**Area (ha)**	**Holder**	**Type**		**Date Granted**	**Expiry (dd/mm/yyyy)**
Santo Domingo II	186469	40	SDLE	Exploitation		2 April 1990	02/04/2040
Nombre de Dios	187901	95	SDLE	Exploitation		22 November 1990	22/11/2040

	Total:	**135**					

The Property comprises two exploitation concessions held by SDLE. Both were granted in 1990 under the mining law then in force, which provided for a term of fifty years. As of the Effective Date of this report, both concessions are paid up to the current period. Declarations for the second half of 2026 were filed with the Servicio de Administración Tributaria on 24 July 2026.

The surface rights over the Santo Domingo II and Nombre de Dios concessions, and the surrounding area, is held by the Ejido of Santo Domingo de Guzmán. The ejido settlement of the same name lies approximately 1.9 km from the centre of the concessions.

Stroud holds a surface access agreement with the Ejido of Santo Domingo de Guzmán through November 2033.

The Property is accessed by paved road from Magdalena to Hostotipaquillo and then on to La Labor de Guadalupe. Magdalena is approximately 70 km via the Guadalajara-Tepic toll-highway west of Guadalajara. From La Labor, a single lane, dirt road joins to Santo Domingo De Guzman. The Property is approximately 5 km by road from Santo Domingo de Guzman, along a road that leaves from the local school and winds down into the Valley of the Grand Rio de Santiago.

The Ejido of Santo Domingo de Guzman owns the surface rights covering the Mining Concessions and surrounding area. Stroud has not had any issues with entering the Project and conducting exploration work on the Property.

The Project district climate is made up of a dry season (November to May) and a wet season (June to October). The rainy/wet season brings overcast skies, high humidity, and frequent afternoon thunderstorms. While mornings can be sunny, precipitation is highly likely during the latter half of the day.

In general, all types of exploration work can be conducted year-round with the best times of year from late April to mid-June and from mid-October to early November. Although climatic conditions do not impose significant operational constraints, exploration programs in the rainy/wet season may be somewhat compromised.

The Property lies within the Municipality of Hostotipaquillo, which has a population of approximately 8,700. The municipal seat, Hostotipaquillo, lies 9.5 km from the Property and had a population of 8,732. Hostotipaquillo, Magdalena (22 km from the Property with a population of just over 33,049), and the largest nearby population centre, Tequila (29 km away with a population of around 44,353) have varied hospitality, communications, education, and health services Santo Domingo de Guzmán, the nearest community to the Property, is a village with a population of around 250 with basic services (Instituto Nacional de Estadística y Geografía, 2020).

The State Capital of Guadalajara lies approximately 82 km east-southeast of the Property in direct distance. The city had a population of approximately 1.39 million at the most recent census, and its metropolitan area a population of approximately 5.3 million (Instituto Nacional de Estadística y Geografía, 2020). Guadalajara is served by an international airport.

The La Yesca hydroelectric project, officially the Proyecto Hidroeléctrico Ing. Alfredo Elías Ayub, lies approximately 16 km downstream of the Property on the Río Grande de Santiago. Grid power is available in the district. The nearest mapped high-voltage transmission line lies approximately 6.0 km from the concessions, and the nearest mapped substation approximately 14.2 km. A 22,860 V distribution line crosses the Property and a 112.5 kVA substation stepping down to 480 V is installed on SDLE's concessions at the river side (Dolbear, 2010).

An old cyanide mill from past underground mining programs can be found on the Property, but it is not operational (Dolbear, 2010). Water is available year-round from the Río Grande de Santiago, down slope to the northeast from the main adit and showing area at a distance of approximately 500 vertical metres.

History

The Mining Concessions occur in an area of established silver-gold epithermal mineral occurrences and a prolific Spanish mining production history (McBride, 2017). Mineral exploration and mining in the Hostotipaquillo region goes back to the beginning of seventeenth century, when the Spanish targeted high-grade ore shoots easily accessible for mining by hand. The town of Hostotipaquillo was settled and became the centre for mining activity.

Mineral rights are held 100% by Compañía Minera San Diego y La Española, S.A. de C.V. ("**SDLE**"), a wholly-owned subsidiary of Stroud. Stroud optioned the Property in 1999 from the original founders of SDLE. On 18 April 2002 (amended 27 September 2002), Stroud and its 50% joint-venture partner New Bullet Group Inc. ("**NBG**") purchased a 91.3% stake in SDLE, with NBG able to earn 50% of Stroud's interest by matching Stroud's US$1,000,000 investment. NBG became Amerix Precious Metals Corporation ("**Amerix**") on 31 May 2004. Stroud acquired the remaining 8.7% minority interest by private settlement in 2005 and bought out Amerix's entire interest on 8 August 2006 for C$1,800,000, subject to a 5% NSR capped at C$1,000,000, at which point SDLE became wholly-owned by Stroud. On 20 July 2026, Silver Hammer announced a definitive arm's length business combination agreement of 17 July 2026 to acquire Stroud.

Mining took place in two principal phases. Prior to the 1850s, high-grade quartz-calcite veins carrying galena, sphalerite and chalcopyrite were mined by hand from surface exposures and followed underground by adits. The La Raya vein system was traced 500 m from the Nombre de Dios Mine to Bella Vista, and the Socavon III-Guadalupe system was traced over more than 800 m horizontally. Workings seldom extend more than 150 m into the hillside, and mineralization was followed to roughly 100 m depth. McBride (2017) estimates 150,000 to 250,000 tonnes were mined during this period at an estimated 30 troy ounces of silver per tonne (about 933 g/t Ag). A second phase, identified by metal tools and drill holes, drove the El Cobre and La Esperanza cross-cuts and carried out limited mining. A small processing plant dated to the late nineteenth or early twentieth century shows that refining was attempted, but no evidence of significant production was recorded.

Noranda Mines completed 11 diamond drill holes in 1954 and 1973-1974, three of them underground from the La Esperanza tunnel, returning intervals of interest including 2 m at 1,835 g/t Ag and 3 g/t Au in hole E-8. No follow-up was done. The Comisión de Fomento Minero completed technical studies and chip sampling in the latter 1970s and 1988. In 1994, the Consejo de Recursos Minerales sampled the mine dumps from 64 pits and 77 samples and estimated 21,595 tonnes grading 308 g/t Ag and 1.53 g/t Au. A US$93,000 FIFOMI loan from 1990 became a lien against the concessions and was removed on 8 March 2004 following a US$200,000 settlement by SDLE.

Behre Dolbear de México, S.A. de C.V. reported the first estimate on 25 January 2010, based on 30 core holes totalling 5,335.60 m: Measured 1,846,352 t at 0.46 g/t Au and 90 g/t Ag, Indicated 2,501,382 t at 0.39 g/t Au and 88 g/t Ag, and Inferred 3,424,622 t at 0.33 g/t Au and 83 g/t Ag. Derek McBride Geological and Management Services Ltd. updated the estimate on 17 November 2017 to include the 2011 and 2012 drilling, using a 45 g/t AgEq cut-off, a 72:1 gold to silver ratio and assumed 100% metallurgical recovery: Measured and Indicated 6,081,799 t at 134.91 g/t AgEq containing 25,738,178 oz AgEq, and Inferred 3,482,160 t at 119.56 g/t AgEq containing 13,387,222 oz AgEq. Neither estimate considered Reasonable Prospects for Eventual

Economic Extraction. A Qualified Person has not independently confirmed these estimates and is not treating them as current. They are presented for historical context only and should not be relied upon.

Geological Setting and Mineralization

The Project lies in the southern Sierra Madre Occidental ("**SMO**"), a Cenozoic silicic volcanic province extending more than 1,200 km from near the United States border to its intersection with the Trans-Mexican Volcanic Belt ("T**MVB**") near Guadalajara (Ferrari et al., 2007). The volcanic pile averages more than 1,000 m thick, and the Project lies approximately 25 km north of the SMO-TMVB boundary. The SMO comprises an Eocene to Oligocene Lower Volcanic Group of intermediate to mafic lavas and an Upper Volcanic Group dominated by felsic ash-flow tuffs, the latter erupted principally during ignimbrite flare-ups at approximately 32 to 28 Ma and 24 to 20 Ma (Ferrari et al., 2002; Ferrari et al., 2007). The southern termination of the province is occupied by the Tepic-Zacoalco Rift, and the Project lies near the northwestern part of the Plan de Barrancas-Santa Rosa graben, in the vicinity of the regional Cinco Minas normal fault. The SMO hosts one of the largest epithermal precious-metal provinces in the world, and the Cinco Minas, Bolaños, and San Martín de Bolaños districts lie closest to the Project.

The Río Grande de Santiago has incised the volcanic section, exposing the oldest rocks at approximately 500 mASL. These are commonly termed andesites, though they may be more basaltic, and Behre Dolbear (2010) considered them likely to belong to the Lower Volcanic Group near its contact with the Upper Volcanic Group. Above the andesites, an essentially conformable rhyolitic sequence extends to approximately 1,200 m asl and includes porphyritic tuff, a similar non-porphyritic cherty unit, and a rhyolite agglomerate. The agglomerate is the most important unit on the Property, as most of the better mineralization identified to date occurs within it. The La Raya, Jazmine, Guadalupe, and La Zopilote vein systems appear capped by a thick rhyolitic ash unit, while the Santa Fe and Santa Clara systems occur in the agglomerate where it dips off to the northwest. The sequence is generally flat lying, with local dips of up to 30 degrees. Major faulting has been postulated along the Río Grande de Santiago but is difficult to document; the capping ash-fall tuffs show no obvious displacement across the river, and the mud seams observed in core and workings represent minor, post-mineralization normal faults (McBride, 2017). At the district scale, a northwest-trending zone of fracturing and pervasive silicification striking N30°W to N45°W and dipping 70 to 75 degrees northeast hosts the quartz-calcite veins over a strike length of approximately 900 m and a width of 20 m to 30 m (Behre Dolbear, 2003; Behre Dolbear, 2010).

Mineralization is concentrated in northwest-southeast striking, steeply east-dipping quartz-carbonate vein systems and their halos, hosted principally by the rhyolite agglomerate. Six vein systems have been identified: La Raya, Jazmine, Guadalupe, La Zopilote, Santa Fe, and Santa Clara. High-grade shoots lie within broad zones of quartz veining up to 30 m wide dipping about 60 degrees east. Vein-hosted and disseminated mineralization includes argentite (acanthite), sphalerite, galena, and minor native gold in silicified rock and quartz veins, with total sulphide content below 1 to 2 percent by volume and secondary oxides including malachite common near surface. Veins are commonly laminated and vuggy, with brecciation of quartz in a calcite matrix characteristic. Drilling prior to 2017 returned widths in excess of 40 m grading 30 g/t to 60 g/t Ag in fresh-appearing agglomerate, and mineralized widths of up to 97 m combining vein and disseminated material. The veins narrow or stop downward in the underlying andesites, and at La Zopilote the upper vein margin carries iron and manganese oxides without sulphides, interpreted to record venting at a paleosurface later buried by ash-fall tuff (McBride, 2017). Drilling by Stroud in 2021 and 2022, approximately 9,936 m in 32 diamond drill holes, confirmed continuity of the La Raya and Guadalupe systems and identified the parallel Zopilote Zone west of La Raya (Stroud Resources Ltd., 2023).

Deposit Types

Santo Domingo is a volcanic-hosted, low to intermediate sulphidation epithermal silver-gold vein system, consistent with the district-scale characterization of the Hostotipaquillo district, where the nearby Cinco Minas and Gran Cabrera deposits are classified as low-sulphidation adularia-sericite systems (Munroe, 2006; Behre Dolbear, 2010; Camprubí et al., 2016). Epithermal gold-silver deposits form at depths generally less than about 1.5 km and temperatures generally below about 300°C in subaerial hydrothermal systems associated with arc magmatism (Simmons et al., 2005; John et al., 2018). Low-sulphidation systems form from reduced, near-neutral pH, meteoric-dominated fluids, with precious metals deposited principally in response to boiling, producing crustiform and colloform banding, bladed calcite, hydrothermal breccias, and adularia-bearing gangue (Hedenquist et al., 2000; Simmons et al., 2005). Because boiling is depth-controlled, ore is commonly restricted to a vertical interval of a few hundred metres. Camprubí and Albinson (2007) showed that low- and intermediate-sulphidation styles are not mutually exclusive in Mexico, and the association of silver with galena and sphalerite at Santo Domingo suggests intermediate-sulphidation stages may be present within a dominantly low-sulphidation system. District mapping reports fluid inclusion homogenization temperatures of approximately 236°C and salinity of approximately 0.4 wt% NaCl equivalent (Servicio Geológico Mexicano, 2006).

The most important recorded production in the area is from Cinco Minas, approximately 9.5 km southeast along a parallel regional structure, where Munroe (2006) reports approximately 1.083 Mt averaging 3.17 g/t Au and 476 g/t Ag was produced between 1922 and 1928, with mining reaching approximately 700 m depth. Adularia from banded veins at Cinco Minas yielded 40Ar/39Ar ages of 24.50 ± 0.07 Ma and 23.46 ± 0.26 Ma (Camprubí et al., 2016). The Santo Domingo veins have not been dated; a latest Oligocene to early Miocene age is considered likely by analogy, but this remains an inference. The model has direct implications for exploration: the productive boiling interval and associated high-grade shoots may extend below the historically mined levels, and the occurrence of the Santa Fe and Santa Clara systems beneath or at the margin of the capping tuffs indicates that additional blind vein systems may be concealed beneath the ash cover (McBride, 2017).

Exploration

Stroud first worked on the Property in 1997 and secured its option over the Mining Concessions in 1999. Exploration has since been carried out intermittently. Work other than drilling has comprised reconnaissance chip sampling of the accessible adits and surface exposures, surface and underground geological mapping, channel and chip sampling of the mapped workings, investigation of the historical mine workings for target definition, and supporting petrographic and mineralogical studies.

Drilling

Diamond drilling is the principal subsurface exploration method completed at the Santo Domingo Silver-Gold Project and all drilling was completed by Stroud. The drilling has tested epithermal vein-hosted silver-gold mineralization associated with the La Raya, Guadalupe, Jazmine and Zopilote vein systems, together with broader mineralized intervals developed within the favourable rhyolitic agglomerate host rock.

The drilling database currently comprises 85 diamond drill holes for 18,184.05 metres. Historical drilling from 1999 to 2011 defined the La Raya and Guadalupe vein systems and established the basis for the geological interpretation. The 2021 and 2022 drilling campaigns extended testing across the established mineralized corridor and identified the Zopilote vein system west of, and broadly parallel to, the La Raya and Guadalupe systems. (Stroud Resources, 2023).

Downhole deviation measurements were taken approximately every 50 m to 100 metres. Measurements were taken by running the tool down the drill barrel. Readings with magnetic intensity values between 39,000 nT and 43,000 nT were considered acceptable and not significantly affected by local magnetism. Survey data were exported from the Champ Discoverer and Reflex EZ-Trac tools as Excel files, reviewed, cleaned and imported into the drilling database. For the 2021-2022 drilling database, 26 holes were measured using downhole survey tools. The remaining six unmeasured holes, including three abandoned holes, were assigned the planned azimuth and dip.

The 2021 and 2022 drilling confirmed the extension and geological interpretation of the La Raya and Guadalupe vein systems and identified the Zopilote vein system to the west. The Zopilote system was the principal focus of the 2022 drilling campaign. (Stroud Resources, 2023)

Selected intersections from the 2021 and 2022 drilling include high-grade narrow intervals in the Guadalupe East Zone, broader mineralized intersections in the La Raya Zone, and significant silver-equivalent intervals in the newly identified Zopilote Zone.

Important intersections include 625 g/t AgEq over 1.55 m in SD-21-49 and 680 g/t AgEq over 1.65 m in SD-21-74 in the Guadalupe East Zone; 230 g/t AgEq over 10.35 m in SD-21-50, 159 g/t AgEq over 36.80 m in SD-21-71, 152 g/t AgEq over 34.70 m in SD-21-75, and 196 g/t AgEq over 15.10 m plus 233 g/t AgEq over 6.45 m in SD-21-52 in the La Raya Zone; and 173 g/t AgEq over 1.05 m in SD-21-58 and 147 g/t AgEq over 32.15 m in SD-21-81 in the Zopilote Zone (Stroud Resources, 2023). Silver Equivalent (AgEq) was calculated using a silver to gold price ratio of 75:1, metal prices of US$1,500/oz Au and US$20/oz Ag, and presumed recoveries of 100%.

Sampling, Analysis and Data Verification

Sample Preparation, Analysis and Security

The sampling and analytical procedures used for the Project include geological logging, geotechnical recording, selection of sample intervals, core splitting, sample dispatch, laboratory preparation, laboratory analysis, insertion of QA/QC control samples and validation of assay data.

The 2021 and 2022 drilling campaigns provide the principal recent drill core sample dataset for the Project. Historical drilling and sampling data from the 1999 to 2011 campaigns remain part of the Project database and have been reviewed to support geological interpretation and assessment of data reliability. Historical sample preparation, analytical, security and verification procedures are summarised in this section where relevant to the use of the historical drill hole data. (McBride, 2017)

The procedures described are considered appropriate for the style of mineralization and the current stage of exploration and resource evaluation at the Project. Overall, the sample preparation, analytical and security procedures are considered adequate for use in geological interpretation and mineral resource evaluation. The main issue identified is the need for continued monitoring of silver precision, particularly in high-grade intervals where the distribution of silver minerals may be irregular.

Data Verification

The Authors reviewed historical and current data relating to past and recent exploration work completed on the Property. The data reviewed included drill hole collar records, downhole survey data, lithological logs, assay records, assay certificates, alteration and mineralization logs, RQD information, historical databases and supporting technical documentation.

The 2021 and 2022 drilling campaigns were supported by complete digital datasets and laboratory certificates. These data included drill hole logs, assay certificates and database validation records, allowing detailed review of the recent drilling information.

Historical drill hole data from the 1999 to 2011 campaigns were checked against available information supplied by Stroud, including historical Access database files, Excel drill logs and published project technical reports. The historical dataset is less complete than the recent drilling dataset, but the available records provide sufficient support for the historical drilling information retained in the database.

Overall, the data verification completed for the Santo Domingo Project supports the use of the drilling, sampling and assay database for geological modelling, mineralized domain interpretation and mineral resource estimation.

Mineral Processing and Metallurgical Testing

The Author (QP) is not aware of any mineral processing and metallurgical testwork done on material from the Property by Stroud, Silver Hammer or of any historical testwork having been completed.

Mineral Resources

Atticus Geoscience Consulting Ltd. (Atticus) was retained by Silver Hammer and Stroud to prepare a NI 43-101 compliant Mineral Resource Estimate ("**MRE**") for the Santo Domingo Silver-Gold Project, located in the Hostotipaquillo area of Jalisco State, Mexico. The MRE incorporates the available drill hole, geological, analytical, density and topographic information that could be confidently verified, including the 2021 and 2022 diamond drilling completed by Stroud Resources.

The MRE was prepared under the direction of Simon Mortimer, Qualified Person and Author, with assistance from Luis Huapaya, geologist/geostatistician, Sheyla Pinto, geologist and Ronaldo Cabezas Cortez, data management scientist. Mr. Mortimer was responsible for the geological interpretation and construction of the lithological, structural and mineralized-domain models, with geological modelling support from Ms. Pinto. Mr. Huapaya completed the statistical analysis, geostatistical studies, grade interpolation and density modelling. Mr. Cabezas Cortez supported database management and data integration throughout the estimation process.

The Resource Database supporting the Santo Domingo Mineral Resource Estimate was compiled from historical and recent diamond drilling completed by Stroud Resources between 1999 and 2022. The database includes collar, downhole survey, lithology, assay, alteration, mineralization, vein system and RQD information, where available. The drill hole database currently comprises 85 diamond drill holes for a total of 18,184.05 m.

The Mineral Resource is reported for the Guadalupe, La Raya and Zopilote vein systems. The estimate is constrained within the interpreted mineralized domains and is based on the regularised underground reporting model developed to consider a minimum underground working width. The Mineral Resource Statement is presented in Table 1-2, effective 21 August 2026.

Table 1-2. Santo Domingo Mineral Resource Statement, reported above a break-even underground US$90/t NSR cut-off.

Category	**NSR Cut-Off (US$/t)**	**Tonnes**	**SG**	**Grades**				**Contained Metal**		
				Ag (ppm)	**Au (ppm)**	***AgEq (ppm)**	**NSR (US$/t)**	**Ag (koz)**	**Au (koz)**	***AgEq (koz)**
Guadalupe Vein										

Indicated	90.00	740,000	2.65	63	0.20	77	139	1,500	5	1,800
Inferred	90.00	1,500,000	2.65	61	0.24	78	141	2,900	11	3,700
La Raya Vein										
Measured	90.00	1,200,000	2.65	97	0.51	132	240	3,730	19	5,040
Indicated	90.00	3,700,000	2.65	76	0.43	106	192	9,100	51	13,000
Measured + Indicated:	**90.00**	**4,920,000**	**2.65**	**81**	**0.45**	**112**	**203**	**12,800**	**71**	**18,000**
Inferred	90.00	2,000,000	2.65	69	0.35	93	169	4,400	23	6,000
Zopilote Vein										
Inferred	90.00	460,000	2.65	68	0.36	92	168	1,000	2	1,100
Total Resources										
Measured + Indicated:	**90.00**	**5,660,000**	**2.65**	**79**	**0.42**	**108**	**195**	**14,300**	**76**	**20,000**
Inferred:	**90.00**	**3,900,000**	**2.65**	**66**	**0.31**	**87**	**159**	**8,300**	**36**	**11,000**

- *AgEq = Ag + Au *68.85 (calculated using a silver to gold price ratio of 75:1, metal prices of US$1,500/oz Au and US$20/oz Ag, and presumed recoveries of 100%); Significant Figures (SF): 3 SF Measured Resources and 2 SF for Indicated and Inferred resources.

<u>Notes to Table 1-2:</u>

1. The independent Qualified Person for the Mineral Resource Estimate (MRE), as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), is Mr. Simon Mortimer (FAIG #7795) of Atticus Geoscience Consulting Ltd. The effective date of the Mineral Resource Estimate is August 21, 2026.
2. The MRE was prepared following the CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines (2019) and the CIM Definition Standards for Mineral Resources & Mineral Reserves (2014). Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
3. The quantity and grade of the mineral resources reported in this exploration study are sufficient to define them as Inferred, Indicated, or Measured mineral resources. It is reasonably expected that the

majority of the Inferred and Indicated mineral resources may be reclassified as Indicated or Measured mineral resources with continued exploration and drilling.

4. Estimation domains were built from geological data of drill holes, surface mapping and using Ag grade thresholds of 15 ppm Ag based on statistical analysis of the core assay.
5. The Mineral Resource Statement is reported at a break-even cut-off of US$90.00/t NSR, based on commodity prices, metallurgical recoveries, selling costs, operating costs, and appropriate underground mine modifying factors.
6. Geological and block models for the MRE used data from a total of 61 surface drill holes, completed by Stroud Resources Ltd. The drill hole database was validated prior to resource estimation and QA/QC checks were made using industry-standard control charts for blanks, core duplicates and commercial certified reference material inserted into assay batches by Stroud.
7. Tonnes, grades and contained metal values have been rounded; totals may not sum exactly due to rounding. Estimates have been rounded to 3 SF for Measured Resources and 2 SF for Indicated and Inferred resources.
8. A 2 m x 2 m x 2 m block model was created, and samples were composited at 1.5 m intervals. Grade estimation from drill hole data was carried out for Ag and Au using the Inverse Distance Weight interpolation method in Micromine software. The final resource was reported using a regularized block model with a block size of 2 m x 2 m x 2 m, which was deemed appropriate for the mineralization style and potential mining selectivity.
9. The MRE is reported above a base economic cut-off grade of US$90.00/t NSR, based on the continuity of mineralized blocks within the model. The following parameters were applied to define this economic threshold:
    - Mining costs and revenues reported in US dollars (US$).
    - Metal prices: US$73/oz silver (with a US$7.30/oz selling cost) and US$4,550/oz gold (with a US$455.00/oz selling cost).
    - Underground operational cost assumptions totaling US$90.00/t, consisting of US$60.00/t for selective underground mining and US$30.00/t for processing and G&A, for a 3k tpd operation.
    - Recovery percentage for the metals: Ag = 86% and Au = 95% (benchmarked to similar deposits in the area and economic studies).
10. The Mineral Resource Statement reports resources using both calculated AgEq and NSR. Block value was calculated as:
    - NSR ($/t) = Ag (ppm) * 1.82 + Au (ppm) * 125.07.
    - AgEq (ppm) = Ag (ppm) + Au (ppm) * 68.85.
11. The NSR values for each metal was determined using the metal prices and recoveries stated in point 9.
12. Grade estimation was validated by comparison of input and output statistics (Nearest Neighbour and Inverse Distance Squared methods), swath plot analysis, cross-plots of declustered samples, and by visual inspection of the assay data, block model, and grade shells in cross-sections.
13. The density estimate is based on historical reference density information obtained from similar deposits. An average density of 2.65 g/cm³ (t/m³) was applied.

<u>Interpretation and Conclusions</u>

The Santo Domingo Silver-Gold Project database was verified and no material errors were identified. The sample preparation, analytical, security and verification procedures are considered appropriate for the style of mineralization and the current stage of the Project. The principal QA/QC issue identified is reduced precision in Ag pulp duplicate results, particularly relevant to high-grade silver intervals where silver-bearing minerals may be irregularly distributed. Continued monitoring of silver precision and laboratory duplicate performance is recommended during future drilling programs.

The Mineral Resource Estimate was prepared in accordance with the CIM Definition Standards (CIM, 2014), with consideration of the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (CIM, 2019), and is reported above an underground NSR cut-off of US$90/t. The Mineral Resource comprises 5.7 Mt of Measured and Indicated material and 3.9 Mt of Inferred material (*see* Table 1-2), with an effective date of 21 August 2026. The Author (QP) considers the Mineral Resource classification appropriate for the current stage of the Project.

No Mineral Reserves have been declared for the Project, and no mining method, recovery method, market study, capital or operating cost estimate, or economic analysis has been prepared at the current stage of study. The principal gaps in the supporting information are the absence of Project-specific metallurgical testwork and the limited density database. The metallurgical recovery assumptions used for NSR and AgEq reporting are benchmarked from adjacent or similar deposit types and should be confirmed through metallurgical testwork on representative Santo Domingo mineralized material during future work programs.

The vein systems remain open along strike and down dip. The Jazmine, Santa Fe and Santa Clara systems are not included in the current Mineral Resource Estimate, and the historical workings reach only approximately 80 m to 100 m below surface compared with the approximately 700 m depth extent of the analogous Cinco Minas ore shoot. The current Mineral Resource Estimate provides a reasonable basis for further technical work, including resource conversion drilling, extension drilling, metallurgical testwork, density data collection, environmental and permitting review, and future updates to the geological and Mineral Resource models.

The Property currently holds no active environmental authorizations, and any future exploration or drilling program will require the necessary authorizations before work is undertaken. The Project's location within C.A.D.N.R. 043 Estado de Nayarit should be reviewed in relation to the current environmental and protected-area regulatory framework before future field programs are advanced. It is the opinion of the Author (QP) that the geological setting, the character of the silver and gold mineralization delineated to date, and the potential of the vein systems that remain open along strike and down dip are of sufficient merit to justify further exploration expenditure.

Recommendations

It is the opinion of the Author (QP), that the geological setting, current Mineral Resource Estimate, mineralization style and exploration potential of the Santo Domingo Silver-Gold Project are of sufficient merit to justify further technical work, subject to confirmation of the environmental, permitting and surface-access pathway. The recommended work program is intended to improve confidence in the current Mineral Resource, test strike and depth extensions of known mineralization, advance selected untested or partly tested vein systems, refine the geological and structural model, and provide the technical information required to assess whether the Project should advance toward a future Preliminary Economic Assessment ("**PEA**") or similar conceptual study.

The first priority should be to confirm the permitting, environmental and surface-access requirements for renewed field programs. This is particularly important because the Project lies within C.A.D.N.R. 043 Estado de Nayarit, a federally administered protected natural area. A new Manifestación de Impacto Ambiental (MIA) or Environmental Impact Statement is expected to be required in connection with future drill pad permitting, and the permitting review should confirm the applicable SEMARNAT, CONAGUA, protected-area, water-use, access-road, drill-pad and field-program requirements before drilling is undertaken.

The recommended initial work should include targeted geological mapping and rock sampling, together with a property-wide surface geophysical program. The geophysical work should include 2D induced polarization ("**IP**") surveying, with selected 3D IP coverage in areas where the geology and mineralization are better understood, particularly around known vein systems. This work should be used to refine the structural interpretation, identify possible extensions of known vein systems, develop new targets, and improve the ranking of drill targets before the next drilling phase is finalized.

Subject to receipt of the necessary permits and confirmation of access requirements, the next stage of work should include diamond drilling at La Raya, Guadalupe and Zopilote. The drilling should be designed to test continuity of mineralization along strike and down dip, support possible Mineral Resource conversion, and test extensions of known mineralized zones. Additional drill testing should also be considered for new targets generated from geological mapping, surface sampling and geophysical interpretation. Future drilling should include systematic density sampling, QA/QC monitoring, structural and geotechnical logging, and collection of representative material for metallurgical and mineralogical testwork.

The geological model should be updated after completion of the recommended drilling, geophysical review and supporting technical work. Particular attention should be given to improving the structural model, volcanic stratigraphic model, mineralized-domain geometry, alteration interpretation and integration of field mapping data. Faults, lineaments, possible offsets and apparent structural movements should be reviewed in 3D and, where possible, confirmed using drilling or field evidence. The updated interpretation should be used to review the mineralized domains, estimation parameters, density assignment, NSR and AgEq assumptions, Mineral Resource classification and the potential for future conversion of Inferred Mineral Resources to Indicated Mineral Resources.

Project-specific metallurgical and mineralogical testwork is recommended as a priority technical item because the current NSR and AgEq assumptions are based on benchmarked recovery assumptions and have not yet been confirmed using representative Santo Domingo mineralized material. The testwork should include representative samples from La Raya, Guadalupe and Zopilote and should assess mineralogy, silver and gold deportment, oxidation state, sulphide content, vein style, host-rock influence and preliminary recovery response. The results should be used to review the current recovery, cut-off grade, NSR and AgEq assumptions used for Mineral Resource reporting.

Environmental baseline work and community engagement should be advanced in parallel with the permitting review. The Company should continue communication with the Ejido of Santo Domingo de Guzmán and local stakeholders before field activities restart. The scope of engagement should include planned work programs, access requirements, water use, environmental controls, local employment opportunities, site rehabilitation and any compensation arrangements that may be required.

Proposed Work Program and Budget

The recommended work program is divided into two phases. Phase 1 should include permitting and legal review, environmental baseline scoping, surface access and community engagement, access and site preparation, exploration camp maintenance, geological mapping and sampling, property-wide geophysical surveys, data compilation, reporting and target generation. Phase 2 should include diamond drilling, metallurgical and mineralogical testwork, density sampling, geotechnical logging, QA/QC monitoring, database validation, geological model updates, a Mineral Resource update, conceptual mining review and study-readiness assessment. **Phase 2 should only proceed once the required permitting pathway, environmental requirements, surface-access arrangements and practical field constraints have been confirmed.**

The recommended 2-Phase work program, with Phase 2 contingent on permitting and results of Phase 1, is estimated at approximately US$3.95 million (~C$5.5M), including a 10% contingency. The Phase 1 budget is estimated at approximately US$1.05M and the Phase 2 budget is estimated at approximately US$2.6M, both before contingency (Table 1-3).

Table 1-3. Summary of recommended 2-Phase work program budget for the Santo Domingo Silver-Gold Project, Mexico.

Work Program Component	**Estimated Cost (US$)**
Phase 1: Permitting, environmental and access review, low-impact exploration, geological mapping, geophysical surveys, data compilation and targeting	$1,045,000
Phase 2: Diamond drilling, metallurgical and mineralogical testwork, density sampling, geotechnical logging, database validation, geological modelling, Mineral Resource update and study-readiness review	$2,550,000
Sub-total:	$3,595,000
Contingency:	$359,500
Total Estimated (US$):	**$3,954,500**

The budget is preliminary and should be considered an order-of-magnitude planning allowance only. It should be refined after receipt of specialist legal and environmental advice, confirmation of the permitting pathway, drill contractor quotations, assay and metallurgical laboratory quotations, geophysical contractor quotations, geological modelling quotations, access requirements, field logistics requirements and final drill collar locations.

Consolidated Capitalization

The following table summarizes Stroud's capitalization as at March 31, 2026 and as at the date of the Information Circular. The table should be read in conjunction with the financial statements of Stroud which can be found on Stroud's SEDAR+ profile at www.sedarplus.ca.

Security	**Amount Authorized**	**Outstanding as at March 31, 2026 (unaudited)**	**Outstanding as at the date of the (unaudited)**	**Outstanding after giving effect to the Amalgamation (unaudited)**
Common Shares	Unlimited	63,623,199 Stroud Shares	63,623,199 Stroud Shares	49,496,494 Stroud Shares(1)
Stroud Options	Unlimited	Nil	898,561	898,561(1)

Stroud Warrants	Nil	Nil	Nil	Nil

Notes:
(1) Includes Stroud Shares held by existing Stroud Shareholders (63,623,199) and Stroud Shares issuable in exchange for securities of Silver Hammer pursuant to the Amalgamation and the SilverMark Amalgamation.

Financial Statements and Management's Discussion and Analysis

The following documents are available on SEDAR+ under Stroud's profile at www.sedarplus.ca and are attached as schedules to this Appendix "E":

- The annual financial statements of Stroud for the years ended December 31, 2025 and December 31, 2024, attached hereto as Schedule "E-1";
- Management's discussion and analysis of Stroud for the year ended December 31, 2025, attached hereto as Schedule "E-2";
- The interim financial statements of Stroud for the three-month period ended March 31, 2026, attached hereto as Schedule "E-3"; and
- Management's discussion and analysis of Stroud for the three-month period ended March 31, 2026, attached hereto as Schedule "E-4".

Selected Financial Information and Management's Discussion and Analysis of Stroud

Stroud presents its financial statements in accordance with IFRS. The following table sets forth summary financial information of Stroud for the three months ended March 31, 2026, the financial year ended December 31, 2025, and the financial year ended December 31, 2024, and should be read in conjunction with Stroud's financial statements, including the notes thereto, attached to this Appendix "E".

	Three months ended March 31, 2026 (unaudited)	**Financial Year Ended December 31, 2025 (audited)**	**Financial Year Ended December 31, 2024 (audited)**
Revenues	$6,807	$24,620	$26,070
Net loss for the period	$60,689	$381,666	$315,737
Cash and cash equivalent	$313,073	$119,035	$37,319
Total assets	$341,576	$134,033	$75,607
Total liabilities	$136,781	$168,549	$138,457
Total shareholders' equity (deficit)	$204,795	($34,516)	($62,850)

Stroud's financial statements for the three months ended March 31, 2026, the financial year ended December 31, 2025, and the financial year ended December 31, 2024, together with the related MD&A for each such period, can be found on Stroud's SEDAR+ profile at www.sedarplus.ca and are attached to this Appendix "E", and should be read in conjunction with the summary financial information set out above.

The MD&A for Stroud should be read in conjunction with Stroud's financial statements and the accompanying notes thereto. Certain information contained in Stroud's MD&A constitutes forward-looking statements. These statements relate to future events or to Stroud's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause Stroud's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. See "*Note Regarding Forward-Looking Information*" and "*Risk Factors*".

Additional Disclosure for Venture Issuers Without Significant Revenue

As of March 31, 2026, Stroud has generated $nil revenue from operations since incorporation on March 18, 1983. See "*Risk Factors*".

Additional Disclosure for Venture Issuers

As at July 31, 2026, Stroud had an estimated working capital of approximately $70,328. There is no guarantee that Stroud will be able to raise any additional funds when and if needed and if such funds would be available on terms favourable to Stroud. See "*Risk Factors*".

Ownership of Securities by Directors and Officers

The following table sets out the number of Stroud Shares and Stroud Options beneficially owned, or over which control or direction is exercised, by each director and officer of Stroud as at the date of this Circular:

Name	Number of Stroud Shares	Percentage of Issued and Outstanding	Number of Stroud Options
Mirsad Jakubovic	1,480,200	2.33%	235,000
Dr. Scott Jobin-Bevans	295,666	0.46%	300,000
William J. (Jeff) Kennedy	Nil	0.00%	385,000
Conor O'Brien	Nil	0.00%	235,000
Total	**1,775,866**	**2.79%**	**1,155,000**

Description of Capital Structure

Common Shares

Stroud's authorized capital consists of an unlimited number of common shares without par value. As of the date hereof, a total of 63,623,199 Stroud Shares are issued and outstanding.

Each Stroud Share ranks equally with all other Stroud Shares with respect to dissolution, liquidation or winding-up of Stroud and payment of dividends. The holders of Stroud Shares are entitled to one vote for each share of record on all matters to be voted on by such holders and are entitled to receive pro rata such dividends as may be declared by the Board of Stroud out of funds legally available therefor and to receive, pro rata, the remaining property of Stroud on dissolution. The holders of Stroud Shares have no redemption, retraction, purchase, pre-emptive or conversion rights. The rights attaching to the Stroud Shares can only be modified by the affirmative vote of at least two-thirds of the votes cast at a meeting of shareholders called for that purpose.

Warrants

During the three months ended March 31, 2026, Stroud issued 3,000,000 Stroud Shares for pursuant to the exercise of common share purchase warrants. Subsequent to the exercise of the warrants, no remaining common share purchase warrants were outstanding after exercise and as at the date of this Circular.

Options

As of March 31, 2026, there were 1,155,000 Stroud stock options outstanding and exercisable, with exercise prices ranging from $0.12 to $0.55 per Stroud Share and expiry dates ranging from September 30, 2026 to September 24, 2030. The weighted average exercise price of the outstanding options is $0.176 per Stroud Share and the weighted average remaining contractual life is approximately 4.0 years.

As of the date of the Circular, there are 1,155,000 Stroud stock options outstanding.

Trading Price and Volume

The following table showing the monthly high and low intra-day prices and volumes of the Stroud Shares on the TSXV for the 12 months preceding the date of this Circular, together with the closing price on the last trading day before announcement of the Transaction (July 17, 2026):

Month	High ($)	Low ($)	Volume
August 2025	0.095	0.080	163,975
September 2025	0.185	0.075	774,759
October 2025	0.185	0.110	859,876
November 2025	0.160	0.095	1,048,684
December 2025	0.260	0.125	1,041,676
January 2026	0.270	0.180	964,200
February 2026	0.225	0.135	704,742
March 2026	0.180	0.100	1,507,983
April 2026	0.135	0.100	748,039
May 2026	0.230	0.090	358,551
June 2026	0.140	0.090	322,361

July 2026	0.160	0.095	1,013,030
August 2026 (partial)	0.180	0.140	542,353

Prior Sales

The following table sets forth information in respect of issuances or purchases of Stroud Shares and securities that are convertible or exchangeable into Stroud Shares within the 12 months prior to the date of the Circular, including the price at which such securities have been issued, the number of securities issued, and the date on which such securities were issued:

Date of Issuance	Reason for Issuance	Number and Type of Security	Issuance / Exercise Price
March 27, 2026	Exercise of warrants	3,000,000 Common Shares	$0.10
November 13, 2025	Exercise of warrants	3,000,000 Common Shares	$0.10

Escrowed Securities and Resale Restrictions

Escrowed Securities

To the knowledge of the directors and officers of Stroud, as of the date of this Circular, there are no Stroud Shares or other securities of Stroud held in escrow or subject to any escrow agreement.

Contractual Resale Restrictions

To the knowledge of the directors and officers of Stroud, as of the date of this Circular, there are no Stroud Shares or other securities of Stroud subject to any contractual resale restrictions.

Dividend Policy

Stroud has not paid any dividends on the Stroud Shares. There are no restrictions in Stroud's articles on its ability to pay dividends, and Stroud has no present intention of declaring or paying dividends.

PROMOTERS

Stroud does not have, and has not had within the two years immediately preceding the date of the Circular, any promoters within the meaning of applicable securities legislation.

Expenses of the Transaction

The aggregate expenses of Stroud in connection with the Transaction are estimated to be approximately $60,000, including legal fees, accounting fees, transfer agent and depositary fees, printing and mailing costs and filing fees.

Legal Proceedings

There are no legal proceedings outstanding, threatened or pending, as of the date hereof, by or against Stroud or to which Stroud is a party or to which its properties are subject, nor to Stroud's knowledge are any such legal proceedings contemplated which could become material to a purchaser of Stroud Shares.

Stroud is not currently aware of any:

- penalties or sanctions imposed against Stroud by a court relating to provincial and territorial securities legislation or by a securities regulatory authority since its incorporation;

- other penalties or sanctions imposed by a court or regulatory body against Stroud, the disclosure of which are necessary for this Circular to contain full, true and plain disclosure of all material facts relating to the securities being distributed; or

- settlement agreements Stroud entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of the Circular.

Risk Factors

Whether or not the Amalgamation is completed, Stroud will continue to face many of the risks it currently faces with respect to its business and affairs. Certain of these risks are described below and in the documents incorporated by reference in this Circular. See also "*Risk Factors Relating to the Amalgamation*".

Risks Related to the Company's Business

There are significant uncertainties and risks related to the exploration and development of Stroud's projects

Stroud is subject to inherent uncertainties and risks related to the development and potential construction of its projects, the principal of which include:

- hiring of key personnel for exploration;
- availability and timely delivery of critical equipment;
- delays associated with contractors;
- budget overruns due to changes in the cost of fuel, power, materials and supplies;
- potential opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent activities.

Calculations of mineral resources are estimates and are subject to uncertainty

Stroud's calculations of mineral resources are estimates and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be inaccurate. Actual recoveries of gold and silver from mineralized material may be lower than those indicated by test work. Any material changes in the quantity of mineralization, grade or stripping ratio, may affect the economic viability of the Santo Domingo property.

In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Notwithstanding pilot plant tests for metallurgy and other factors, there remains the possibility that the ore may not react in commercial production in the same manner as it did in testing. Mining and metallurgy are inexact sciences and, accordingly, there always remains an element of risk that a mine may not prove to be commercially viable.

Until a deposit is actually mined and processed, the quantity of mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on, among other things, metal prices, cut-off grades and operating costs. Any material change in quantity of mineral resources or grade may affect the economic viability of the Santo Domingo property.

Resource Exploration and Development is a Speculative Business

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by Stroud will be affected by numerous factors beyond its control. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Stroud not receiving an adequate return on invested capital.

Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit, even it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body which can be legally and economically exploited. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

General economic conditions may adversely affect our growth and profitability

Recent events in global financial markets have had a profound impact on the global economy. Many industries, including the precious and base metals mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect Stroud's growth and profitability.

Stroud will require additional capital to finance other acquisitions and current projects. If Stroud obtains equity financing, existing shareholders may suffer dilution. There can be no assurance that Stroud would be successful in overcoming these risks or any other problems encountered in connection with such financings. Stroud anticipates that further financing will be required for its projects to be successful.

Changes in the market price of gold, silver and other metals, which in the past have fluctuated widely, could negatively affect the profitability of Stroud's operations and financial condition

The commercial viability of Stroud's properties is dependent on, among other things, the market price of gold, silver and other base and precious metals. A reduction in the market price of gold, silver and other base and precious metals may prevent Stroud's properties from being economically mined or result in the write-off of assets whose value is impaired as a result of low metals prices.

The market price of gold, silver and other base and precious metals is volatile and is impacted by numerous factors beyond Stroud's control, including, among others:

- international economic and political conditions;
- expectations of inflation or deflation;
- national currency exchange rates;
- imposition of tariffs;
- interest rates;
- global or regional consumptive patterns;
- speculative activities;
- levels of supply and demand;
- increased production due to new mine developments;
- improved mining and production methods;
- availability and costs of metal substitutes;
- metal stock levels maintained by producers and others; and
- inventory carrying costs.

The effect of these factors on the price of precious and base metals cannot be accurately predicted and there can be no assurance that the market price of these metals will remain at current levels or that such prices will improve. A decrease in the market price of gold, silver and other precious metals could affect Stroud's ability to finance the exploration and development of its properties, which would have a material adverse effect on its business, financial condition, results of operations and prospects.

Stroud will need to raise additional capital

Stroud will need to raise additional capital to fund future property option payments, acquisitions or joint ventures. Additional capital may not be available, at such times or in amounts, as needed. Even if capital is available, it might be on adverse terms. There can be no assurance that unforeseen developments or circumstances will not alter Stroud's requirements for capital. Any additional equity financing will be dilutive to Stroud's shareholders. If access to sufficient capital is not available as and when needed, Stroud's business may be impaired.

There can be no guarantee that Stroud's title to its properties will not be challenged

Although Stroud has received or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Stroud's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by unidentified or unknown defects. Stroud has conducted as thorough an investigation as possible on the title of properties that it has acquired or will be acquiring to be certain that there are no other claims or agreements that could affect its title to the properties.

Stroud's operations are subject to political and country risk

Stroud conducts mineral exploration activity in Mexico. These operations are potentially subject to a number of political, social, economic and other risks. Stroud is not able to quantify the impact of political, social, economic or other risks on its future financial position, including:

- cancellation or renegotiation of contracts;
- changes in foreign laws or regulations;
- changes in tax laws;

- royalty and tax increases or claims by governmental entities;
- retroactive tax or royalty claims;
- expropriation or nationalization of property;
- inflation of costs that is not compensated by a currency devaluation;
- restrictions on the remittance of dividend and interest payments offshore;
- environmental controls and permitting;
- risks of loss due to civil strife, acts of war, guerrilla activities, insurrection and terrorism; and
- other risks arising out of foreign sovereignty over the areas in which Stroud's operations are conducted.

Furthermore, in the event of a dispute arising from such activities, Stroud may be subject to the exclusive jurisdiction of courts outside Canada or may not be successful in subjecting persons to the jurisdiction of the courts in Canada, which could adversely affect the outcome of a dispute.

Stroud is subject to government regulation

Exploration on Stroud's properties is affected to varying degrees by political stability and government regulations relating to such matters as environmental protection, health, safety and labour, mining law reform, tax increases, maintenance of claims, tenure, and expropriation of property. There is no assurance that future changes in such regulations, if any, will not adversely affect Stroud's operations. The activities of Stroud require licenses and permits from various governmental authorities. While Stroud currently has been granted the requisite licenses and permits to enable it to carry on its existing business and operations, there can be no assurance that Stroud will be able to obtain all the necessary licenses and permits which may be required to carry out exploration, development and mining operations for its projects.

Stroud may not have adequate land and/or surface rights

Stroud may require additional surface rights to exploit the resources on its properties. Stroud will require access to additional land beyond that currently owned, which will require negotiations with private landowners for the additional ownership and/or surface rights in order for Stroud to fully operate. Surface rights may also be regulated and restricted by applicable law. There is no assurance that Stroud will be able to obtain the required surface rights or negotiate successfully with private landowners to allow it to develop its properties and establish commercial mining operations on a timely basis.

Environmental risks and other hazards

All phases of a company's mining operations are typically subject to environmental regulation in the various jurisdictions in which operations take place. Environmental legislation in many countries is evolving and the trend has been toward stricter standards and enforcement, increased fines and penalties for non compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees.

Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in its intended activities. There can be no assurance that future changes in environmental regulations will not adversely affect Stroud's business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of Stroud's business, causing Stroud to re-evaluate those activities at that time.

Mining involves various other types of risks and hazards, including industrial accidents; metallurgical and other processing problems; unusual or unexpected rock formations; structural cave-ins or slides; flooding; fires; metals losses; and periodic interruptions due to inclement or hazardous weather conditions.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury, death to contractors or employees, delays in mining, increased production costs, monetary losses and possible legal liability. Stroud may be subject to liability for clean-up work. Stroud currently carries insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured include environmental pollution and mine flooding. Therefore, Stroud may suffer a material adverse impact on its business if it incurs losses related to any significant events that are not covered by its insurance policies.

Stroud depends on key management personnel and may not be able to attract and retain qualified personnel

Stroud is dependent on a number of key management personnel, including the services of certain key employees. Stroud's ability to manage its operations, exploration and development activities, and hence its success, will depend in large part on the ability to retain current personnel and attract and retain new personnel, including management, technical and unskilled workforce. The loss of the services of one or more key management personnel could have a material adverse effect on Stroud's ability to manage and expand its business.

Stroud may experience growth in its number of employees or contractors as a result of its growth strategy. This growth will place substantial demands on Stroud and its management. Stroud's ability to recruit and assimilate new personnel will be critical to its performance. Stroud will be required to recruit additional personnel and to train, motivate and manage its employees and contractors. The international mining industry is very active and Stroud is facing increased competition for personnel in all disciplines and areas of operation, and there can be no assurance that it will be able to retain current personnel and attract and retain new personnel.

Stroud operates in Mexico and is subject to risks relating to foreign operations

Stroud's operations are currently conducted through subsidiaries principally in Mexico. As such, its operations are exposed to various levels of political, economic and other risks and uncertainties which could result in work stoppages, blockades of Stroud's mining operations and appropriation of assets. Some of Stroud's operations are located in areas where suspected Mexican drug cartels operate. Criminal activity and violence are well documented in Mexico and have increased over time in certain areas. These risks and uncertainties vary from region to region and include, but are not limited to: terrorism; hostage taking; local drug gang activities; military repression; expropriation and nationalization; extreme fluctuations in currency exchange rates; changes in royalty regimes, including the elimination of tax exemptions; underdeveloped industrial and economic infrastructure; unenforceability of judgements; prohibitions on restrictions for carrying out mining activities due to legal actions by Indigenous communities; high rates of inflation; labour unrest; the risks of war or civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions arising from changes in government and otherwise, currency controls, import and export regulations and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Criminal activity such as kidnapping and extortion is a possible concern and may lead to a delay or suspension in operations at the Santo Domingo property, increased security and operational costs, and result in harm to our employees, contractors, visitors or community members, all of which could materially and adversely affect Stroud's operations and financial results. Local opposition to mine development projects could arise in Mexico and such opposition could be violent. If Stroud were to experience resistance or unrest in connection with its Mexican operations, it could have a material adverse effect on its operations and profitability. To the extent that Stroud acquires mineral properties in jurisdictions other than Mexico, it may be subject to similar and additional risks with respect to its operations in those jurisdictions. Mexico is currently subject to political instability, changes and uncertainties, which may cause changes to existing governmental regulations affecting mineral exploration and mining activities. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability in Mexico are beyond the control of Stroud and may adversely affect Stroud's business.

Stroud is dependent on Mexican legal counsel, consultants and contractors

Stroud's material mineral property is located in Mexico. The banking system and controls, legal and regulatory requirements applicable to companies conducting mineral exploration activities, local business culture and practices in Mexico are different from those in Canada. Although some members of management and the Board have previous experience working and conducting business in Mexico, the officers and directors of Stroud must rely, to a great extent, on Stroud's Mexican legal counsel and local consultants and contractors retained by Stroud in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect its business operations, and to assist Stroud with its governmental relations. Stroud also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing and tax matters in Mexico. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices in Mexico are beyond the control of Stroud and may adversely affect its business.

Uninsured or Uninsurable Risks

Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. Stroud may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. Stroud may elect not to insure where premium costs are disproportionate to Stroud's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Risks Related to Ownership of Stroud Shares

Global financial conditions are volatile

Global financial conditions continue to be characterized as volatile. In recent years, global markets have been adversely impacted by various credit crises and significant fluctuations in fuel and energy costs and metals prices, including as a result of inflation rates, interest rates and significant fluctuations in commodity prices as a result of the ongoing military conflicts in the Middle East, the Russian invasion of Ukraine and the economic sanctions imposed on Russia in connection therewith. Many industries, including the mining industry, have been impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to international events, as government authorities may have limited resources to respond to future crises. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, tariffs, supply chain disruptions, sovereign debt crises, fuel and energy costs, economic recession, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect Stroud's growth and profitability. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability (such as the Russian invasion of Ukraine and the ongoing conflicts in the Middle East), changes to energy prices or sovereign defaults. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on commodity prices, demand for metals, the strength and confidence in the U.S. dollar, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect Stroud's business and the market price of Stroud's securities.

Stroud has not paid dividends

Stroud has not paid dividends in the past and given the nature and stage of its development and does not anticipate paying dividends in the foreseeable future.

An investment in Stroud is highly speculative

An investment in Stroud carries a high degree of risk and should be considered as a speculative investment. Stroud has a very limited history of earnings, limited cash reserves, has not paid dividends, and is unlikely to pay dividends in the foreseeable future.

General Business Risks

Stroud's directors and officers may be subject to conflicts of interest

Certain of Stroud's directors and officers are, and may continue to be, involved in the mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of Stroud. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with Stroud's interests. Directors and officers of Stroud with conflicts of interest will be subject to and must follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies. Notwithstanding this, there may be corporate opportunities which Stroud is not able to procure due to a conflict of interest of one or more of Stroud's directors or officers.

Changes in tax regulations may negatively impact Stroud

Stroud strives to run its business in as tax efficient a manner as possible. It is incorporated in Canada, has material subsidiaries incorporated under the laws of Mexico and holds assets in Mexico, and therefore may be subject to taxation in multiple jurisdictions. The tax systems in certain of the jurisdictions where Stroud and its subsidiaries are incorporated and where Stroud does business are complicated and subject to change. For this reason, the possibility of future negative effects on the results of Stroud due to changes in tax regulations cannot be excluded. Repatriation of any future earnings to Canada from other jurisdictions may be subject to withholding taxes. Stroud has no control over withholding tax rates.

Internal controls cannot provide absolute assurance with respect to the reliability of financial reporting and financial statement preparation

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

There are uncertainties relating to enforcements of legal rights

Stroud has material subsidiaries organized under the laws of Mexico. Given that the majority of its material assets are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against Stroud, any judgments issued by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or other laws of Canada. Similarly, in the event a dispute arises in connection with Stroud's foreign operations, Stroud may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada.

*Stroud's operations depend on information technology ("**IT**") systems*

Information systems and other technologies, including those related to Stroud's financial and operational management, and its technical and environmental data, are an integral part of Stroud's business activities. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. Stroud's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in IT system failures, delays or increase in capital expenses. The failure of IT systems or a component of IT systems could, depending on the nature of any such failure, adversely impact Stroud's reputation and results of operations. Although to date Stroud has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that Stroud will not incur such losses in the future. Stroud's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, Stroud may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Risks Related to General Economic Factors

The global economy is subject to volatility that may negatively impact Stroud's business

Economic uncertainty in many parts of the world has adversely affected businesses and industries in almost every sector in more significant and unpredictable ways than in more stable economic times. Prolonged depressed economic conditions and volatility in the worldwide economy may continue to adversely affect individuals and institutions investing in junior mineral exploration and development companies, which could negatively affect Stroud's business and prospects.

Stroud maintains cash and cash equivalents in accounts with major banks, and Stroud's deposits at these institutions, may at times, exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where Stroud maintains its cash and cash equivalents, there can be no assurance that Stroud would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect Stroud's business and financial position.

Stroud's business and operations may be negatively impacted by global tariffs

On February 1, 2025, the United States' Trump Administration issued executive orders imposing broad based tariffs at the rate of 25% on all goods exported from Canada and Mexico into the United States, which were to come into effect on March 4, 2025, and were subsequently amended to allow for an exemption on U.S. tariffs for any products of Canada and Mexico that are CUSMA-compliant. The situation has continued to evolve rapidly since such time, including pursuant to a variety of administrative and judicial proceedings.

Amendments and modifications to tariffs have already been, and may continue to be, implemented on an irregular and ad-hoc basis, which makes the determination of the impact on Stroud's business difficult to predict. More broadly, these tariffs, and any changes to these tariffs or imposition of any new tariffs, taxes or import or export restrictions or prohibitions, could have a material adverse effect on the Canadian and Mexican economies, the Mexican mining industry and Stroud's business and operations. Furthermore, there is a risk that the tariffs imposed by the United States on other countries will trigger a broader global trade war, which could have a material adverse effect on the Canadian, Mexican and global economies, and by extension the Canadian mining industry and Stroud.

Auditor, Transfer Agent and Registrar

The auditor of Stroud is McGovern Hurley LLP, Chartered Professional Accountants, of 251 Consumers Road, Suite 800, Toronto, Ontario M2J 4R3, first appointed on April 19, 2016. They have advised Silver Hammer that they are independent of Stroud within the meaning of the ethical requirements that are relevant to their audit of the consolidated financial statements in Canada.

The transfer agent and registrar for the Stroud Shares is TSX Trust Company at its office in Toronto, Ontario.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed herein, no director, executive officer or persons or companies who beneficially own, control or direct, directly or indirectly, more than ten percent of any class of outstanding voting securities of Stroud, nor any associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transactions with Stroud within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to have a material effect on Stroud, other than ordinary course participation in private placement financings.

MATERIAL CONTRACTS

There are no contracts of Stroud, other than contracts entered into in the ordinary course of business, that are material to Stroud, other the Combination Agreement dated July 17, 2026 between Stroud, 1001629888 Ontario Inc. and Silver Hammer and the Voting Support Agreements.

Electronic Copies of the Combination Agreement and the Voting Support Agreements are available on the SEDAR+ website under Stroud's profile.

STATEMENT OF EXECUTIVE COMPENSATION

The Corporation is a "venture issuer" as defined in NI 51-102 and provides the disclosure required by Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* in respect of the financial years ended December 31, 2025 and December 31, 2024.

Introduction

All direct and indirect compensation provided to certain executive officers and directors for, or in connection with, services they have provided to the Corporation or a subsidiary of the Corporation must be disclosed in this Circular pursuant to the requirements of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**"). The Corporation is required to disclose annual and long-term compensation for services in all capacities to the Corporation and its subsidiaries for the two most recently completed financial years in respect of the individuals comprised of the CEO, the CFO and the most highly compensated executive officers of the Corporation whose individual total compensation for the most recently completed financial year exceeds $150,000, and any individual who would have satisfied these criteria but for the fact that the individual was not serving as an officer at the end of the most recently completed financial year (the "**Named Executive Officers**" or "**NEOs**").

Director and NEO compensation is disclosed below in accordance with Form 51-102F6V under the following tables: (1) table of compensation excluding compensation securities; (2) stock options and other compensation securities; and (3) exercise of compensation securities by directors and NEOs.

Named Executive Officers of the Corporation for the Years Ended December 31, 2025 and 2024

During the financial years ended December 31, 2025 and December 31, 2024, the Corporation had two NEOs: (i) Dr. Scott Jobin-Bevans, interim Chief Executive Officer and director; and (ii) Mirsad Jakubovic, President, Chief Financial Officer, Secretary and director.

Director and Named Executive Officer Compensation

The following table (and the notes thereto) states the name of each NEO and director and his annual compensation, consisting of salary, consulting fee, bonus and other annual compensation, excluding compensation securities, for each of the Corporation's two most recently completed financial years.

Name and position	Year	Salary, consulting fee, retainer, commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Dr. Scott Jobin-Bevans, interim CEO and director(1)	2025	$15,000	N/A	N/A	N/A	$32,837	$47,837
	2024	$15,000	N/A	N/A	N/A	N/A	$15,000
Mirsad Jakubovic, CFO, Secretary and director(2)	2025	$75,000	N/A	N/A	N/A	$25,721	$100,721
	2024	$75,000	N/A	N/A	N/A	N/A	$75,000
Jeff Kennedy, director(3)	2025	$15,000	N/A	N/A	N/A	$25,721	$40,721
	2024	$15,000	N/A	N/A	N/A	N/A	$15,000

Conor O'Brien, director[(4)]	2025	$3,750	N/A	N/A	N/A	$25,721	$29,471
	2024	nil	N/A	N/A	N/A	N/A	nil

Notes:
(1) Dr. Scott Jobin-Bevans was appointed interim CEO effective July 22, 2019 and a director effective July 2014.
(2) Mr. Mirsad Jakubovic was appointed CFO effective November 2011 and a director effective December 2013. Mirsad Jakubovic, is entitled to six (6) months' compensation, in the aggregate amount of $30,000, in the event of his retirement or upon a change of control of the Corporation.
(3) Mr. Jeff Kennedy was appointed director effective January 12, 2021.
(4) Mr. Conor O'Brien was appointed director effective September 24, 2025.

Stock Options and Other Compensation Securities

The stock option plan of Stroud (the "**Stroud Stock Option Plan**") provides for the acquisition of Stroud Shares by directors, officers, employees or consultants of the Corporation, or any affiliated entity of the Corporation, for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of key employees and directors, and to secure for the Corporation and the Stroud Shareholders the benefits inherent in the ownership of Stroud Shares by key employees and directors.

The following table sets out, for each director and NEO, all compensation securities granted or issued during the year ended December 31, 2025, including the date of issue, exercise price, the closing price of the underlying security on the date of grant and at financial year end, and the expiry date.

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price ($)	Closing price of underlying security on date of grant ($)	Closing price of underlying security at year end ($)	Expiry date
Dr. Scott Jobin-Bevans, interim CEO and director	Options to purchase Stroud Shares	300,000 .0047% of class	September 24, 2025	$0.12	$0.12	$0.20	September 24, 2030
Mirsad Jakubovic, CFO, Secretary and director	Options to purchase Stroud Shares	235,000 .0037% of class	September 24, 2025	$0.12	$0.12	$0.20	September 24, 2030

Jeff Kennedy, Director	Options to purchase Stroud Shares	150,000 235,000 .0061% of class	September 24, 2025	$0.55 $0.12	$0.55 $0.12	$0.20 $0.20	September 30, 2026 September 24, 2030
Conor O'Brien, Director	Options to purchase Stroud Shares	235,000 .0037% of class	September 24, 2025	$0.12	$0.12	$0.20	September 30, 2030

Exercise of Compensation Securities by Directors and NEOs

During the financial years ended December 31, 2025 and December 31, 2024, no compensation securities were exercised by the NEOs or by non-NEO directors.

External Management Companies

Except as otherwise disclosed in this Circular, the management functions of the Corporation are performed by the directors and executive officers of the Corporation and not by any other person or company.

Employment, Consulting and Management Agreements

Management of the Corporation is performed by the directors and officers of the Corporation and not by any other person. There are no plans in place with respect to compensation of the NEOs in the event of a termination of employment without cause or upon the occurrence of a change of control, other than with respect to Mirsad Jakubovic, the Chief Financial Officer and a director of the Corporation. Mr. Jakubovic is entitled to six (6) months' compensation, in the aggregate amount of $30,000, in the event of his retirement or upon a change of control of the Corporation.

Oversight and Description of Director and Named Executive Officer Compensation

Stroud's compensation committee (the "**Stroud Compensation Committee**") determines the compensation of the Corporation's NEOs and the directors of the Corporation with a view to ensuring that the remuneration appropriately reflects the responsibilities and risks involved in being an effective executive officer and/or director of the Corporation. The Stroud Compensation Committee periodically reviews the Corporation's compensation philosophy and objectives, taking into consideration the factors discussed below.

Nature and Responsibilities of the Stroud Compensation Committee

The Stroud Compensation Committee is responsible for making recommendations to the Stroud Board with respect to, among other things: executive and director compensation, including reviewing and determining director compensation; overseeing the Corporation's base compensation structure and equity-based compensation program; recommending compensation of the Corporation's officers and employees; and evaluating the performance of officers generally and in light of annual goals and objectives, with a view to providing competitive compensation programs which attract, motivate and retain high-calibre individuals.

The Stroud Compensation Committee also assumes responsibility for reviewing and monitoring the long-term compensation strategy for the Corporation's senior management and reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity. Recommendations of the Stroud Compensation Committee are referred to the Stroud Board for approval, modification or amendment.

Composition of the Stroud Compensation Committee

The Stroud Compensation Committee was constituted by the Stroud Board on May 1, 2015 for the purposes of assisting the Stroud Board in discharging its oversight responsibilities relating to the compensation and retention of key senior management, and assumes responsibility for recommending to the Stroud Board compensation philosophy and policies, the evaluation of cash, equity-based and incentive compensation of the Corporation's directors and officers, goals and objectives relative to compensation for the Corporation's NEOs, the performance of the NEOs in light of those goals, and compensation disclosure before the Corporation publicly discloses that information. The Stroud Compensation Committee has adopted a written mandate.

The Stroud Compensation Committee currently comprises Dr. Scott Jobin-Bevans and Mr. Jeff Kennedy. Each member of the Stroud Compensation Committee has more than 10 years of experience in his respective field and, throughout that period, each has been closely involved with implementing and reviewing compensation policies at his respective organization. Each member has held senior roles with public and private companies directly related to the mining industry. All members of the Stroud Compensation Committee other than Dr. Jobin-Bevans qualify as independent directors within the meaning of NI 58-101. The Stroud Compensation Committee met one time during the year ended December 31, 2025 and one time during the year ended December 31, 2024.

Philosophy and Objectives of the Compensation Program

The Corporation is a junior resource company with limited resources. The intention of the compensation program is to ensure that the corporate objectives and strategy approved by the Stroud Board are supported by appropriate compensation awards on a results-oriented basis. The compensation program for the senior management and directors of the Corporation is designed within this context, with a view that the level and form of compensation should achieve certain objectives, including:

(a) to enable the Corporation to attract, retain and motivate qualified executive officers and directors of the highest caliber, in light of the strong competition in the mining sector for qualified personnel;

(b) to ensure that the interests of the Corporation's executive officers and directors are aligned with the interests of the Corporation and the Stroud Shareholders;

(c) to provide a strong incentive to the executive officers and directors of the Corporation to contribute to the achievement of the Corporation's short-term and long-term corporate goals;

(d) to recognize that the successful implementation of the Corporation's corporate strategy cannot necessarily be measured, for a junior resource company, only with reference to quantitative measurement criteria of corporate or individual performance; and

(e) to provide fair, transparent and defensible compensation.

The compensation paid to the Corporation's executive officers generally consists of a base amount of consulting fees or salary accrued on a monthly basis and equity incentives. The Corporation's compensation policy reflects a belief that an element of total compensation for the Corporation's executive officers should be "at risk" and aligned with the long-term interests of the Corporation and the Stroud Shareholders in the form of Stroud Shares or Stroud Options, so as to create a strong incentive to build shareholder value.

Elements of Compensation

Given the size of the Corporation's operations and the very small number of employees and executives, the Corporation's compensation practices must be flexible, entrepreneurial and geared to the objective of securing the best executives to manage the Corporation. During the financial years ended December 31, 2025 and December 31, 2024, there were two key elements used to compensate the NEOs, consisting of consulting fees and long-term incentives in the form of Stroud Options. The Stroud Compensation Committee reviewed the compensation of other publicly listed junior exploration companies with a view to analyzing NEO compensation.

The Corporation believes that providing competitive overall compensation enables it to attract and retain qualified executives. Grants of long-term incentives in the form of Stroud Options serve to further encourage the retention of the Corporation's NEOs while incentivizing them to create and protect shareholder value.

Determination of Compensation

The Stroud Compensation Committee is, among other things, responsible for determining all forms of compensation and for evaluating the performance of the Chief Executive Officer and the other NEOs. In setting compensation, the Stroud Compensation Committee considers various factors: first, the remuneration package for each executive, as a whole, must be reasonably competitive with similar companies; and second, the cash component must be such that the Corporation, in the junior resource sector, can reasonably support it, taking into account that cash is directed into exploration, expansion and acquisition programs.

The Corporation has no pre-set formula for determining amounts to be paid as a bonus. Instead, the approach is to consider the overall position of the Corporation compared to the objectives and strategy previously approved by the Stroud Board. In addition, the Stroud Compensation Committee has identified the significant elements of each senior management position and uses these criteria as one of the bases for determining compensation for each NEO. No cash bonuses were paid during the financial years ended December 31, 2025 and December 31, 2024.

Base Salaries

Base salaries, or equivalent consulting fees, for the NEOs are generally fixed by the Stroud Board following recommendations from the Stroud Compensation Committee. Increases or decreases on a year-over-year basis are dependent on the Stroud Compensation Committee's assessment of the performance of the Corporation overall, the Corporation's projects and the individual's overall performance and skills.

Share-Based and Option-Based Awards

Long-term equity incentive compensation in the form of Stroud Options comprises a significant portion of overall compensation for the NEOs and the Stroud Board. The Stroud Compensation Committee believes that this is appropriate because it creates a strong correlation between variations in the price of the Stroud Shares and the compensation of the Corporation's executives, thereby aligning the interests of the Corporation's executives and the Stroud Shareholders.

The Stroud Stock Option Plan provides that Stroud Options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. The grant of Stroud Options to executive officers is determined by the Stroud Board as recommended by the Stroud Compensation Committee. Previous grants of Stroud Options are taken into account when considering new grants.

Board Retainers or Cash Compensation

In the Stroud Board's view, board retainers or cash compensation should be determined based on the requirements of the members of the board of a junior resource company, as well as a subjective assessment of the compensation the individual could reasonably expect to receive from the Corporation's peers and the Corporation's capacity to pay. The Stroud Compensation Committee reviews board retainers or cash compensation annually to ensure they remain externally competitive.

Assessment of Risks Associated with the Corporation's Compensation Policies and Practices

The Stroud Compensation Committee has assessed the Corporation's compensation plans and programs for its executive officers to ensure alignment with the Corporation's business plan and to evaluate the potential risks associated with those plans and programs. The Stroud Compensation Committee has concluded that the Corporation's compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Corporation.

No NEO or director of the Corporation is permitted to purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Safeguards to Mitigate Compensation Risk

The Stroud Board is of the view that the executive compensation of the Corporation should not raise the Corporation's risk profile. Accordingly, the Corporation's compensation programs are founded on principles that support the management of risk, ensuring that management's plans and activities are prudent and focused on generating shareholder value within an effective risk control environment. The primary method of providing management with incentives is through the granting of Stroud Options, and the Stroud Board and the Stroud Compensation Committee consider equity-linked instruments to be an effective method of risk mitigation, as the potential for long-term gains minimizes any incentive for management to conduct activities with a view to short-term gains.

Pension Plan Benefits

During the financial years ended December 31, 2025 and December 31, 2024, the Corporation did not maintain any defined benefit plans, defined contribution plans or deferred compensation plans for the benefit of its NEOs or directors.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Stroud Stock Option Plan

The Stroud Stock Option Plan is the Corporation's only equity compensation plan. As at December 31, 2025, there were 1,155,000 Stroud Options outstanding.

The Stroud Stock Option Plan provides for the acquisition of Stroud Shares by directors, officers, employees or consultants of the Corporation, or any affiliated entity of the Corporation, for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of key employees and directors, and to secure for the Corporation and the Stroud Shareholders the benefits inherent in the ownership of Stroud Shares by key employees and directors, it being generally recognized that stock option plans aid in attracting, retaining and encouraging employees and directors by reason of the opportunity offered to them to acquire a proprietary interest in the Corporation.

Equity Compensation Plan Information

The following table sets out details of the securities of the Corporation authorized for issuance under the Stroud Stock Option Plan as at December 31, 2025, being the end of the Corporation's most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	1,155,000	$0.176	Nil
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	**1,155,000**	**$0.176**	**Nil**

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the Corporation's last completed financial year, none of the executive officers, directors, employees or former executive officers, directors or employees of the Corporation, none of the proposed nominees for election as a director of the Corporation, and none of their respective associates, is or has been indebted to the Corporation, nor has any such person been indebted to any other entity where that indebtedness is or was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

AUDIT COMMITTEE

COMPOSITION OF THE AUDIT COMMITTEE

The Corporation's audit committee (the "**Stroud Audit Committee**") is comprised of four directors consisting of Mirsad Jakubovic, Scott Jobin-Bevans, Jeff Kennedy and Conor O'Brien. The Chair of the Stroud Audit Committee is Jeff Kennedy. The following table sets out the names of the members of the Stroud Audit Committee and whether they are "independent" and "financially literate" for the purposes of NI 52-110.

Name of Member	Independent(1)	Financially Literate(2)
William J. Kennedy	Yes	Yes
Scott Jobin-Bevans	No	Yes
Mirsad Jakubovic	No	Yes
Conor O'Brien	Yes	Yes

Notes:
(1) To be independent, a member of the Stroud Audit Committee must not have any direct or indirect "material relationship" with the Corporation. A material relationship is a relationship, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Accordingly, an executive officer of the Corporation is not independent, nor is a director that is paid consulting fees for non-director services provided to the Corporation.
(2) To be considered financially literate, a member of the Stroud Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

RELEVANT EDUCATION AND EXPERIENCE

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Further information about the relevant education and experience of the Stroud Audit Committee members is set out below. All of the members of the Corporation's current audit committee are "financially literate" as that term is defined in NI 52-110.

Mr. Jeff Kennedy**.** Mr. Kennedy was appointed to the Board in January 2021. In addition, Mr. Kennedy is also a director of Jaguar Mining Inc. Prior to joining the Board, Mr. Kennedy served as Managing Director Equity Capital Markets and Operations at Cormark Securities Inc. until July 2019. Mr. Kennedy has been an Administrator at 2176423 Ontario Ltd, the controlling shareholder of Stroud Resources Ltd. since June 2020. With over 30 years of experience, Mr. Kennedy also served as the CFO of Cormark Securities Inc. where he was responsible for financial oversight, controls and governance of operations. Mr. Kennedy is a Chartered Professional Accountant from the Institute of Chartered Professional Accountants of Ontario and obtained his Bachelor of Commerce from McMaster University.

Conor O'Brien: Mr. O'Brien was appointed to the Board in September 2025. Mr. O'Brien is a seasoned financial professional in global capital markets. With over 20 years of experience in equities, derivatives, fixed income and credit default swaps, he has consistently demonstrated an ability to navigate complicated financial instruments and environments. Prior to joining the Eric Sprott Family Office he worked for prominent Canadian brokerages GMP Securities and more recently, Paradigm Capital. Previously, he worked in New York for Cantor Fitzgerald in equity derivatives.

Dr. Scott Jobin-Bevans**:** Dr. Jobin-Bevans has over 30 years in mineral exploration with public and private company experience as an officer, director and technical advisor. Dr. Jobin-Bevans is President and CEO of Caracle Creek International Consulting Inc. (also a Co-Founder and Director) and is P.M.P. Certified in project management. His areas of expertise include project evaluation, generation and management and he has led multimillion dollar projects from generative stage to advanced exploration and development. Dr. Jobin-Bevans is a member of the Board of Directors for several public and private companies and is Past President (2010-2012) and a past Director (2001-2010) of the Prospectors and Developers Association of Canada (PDAC). In 2013, he was awarded the Queen Elizabeth Diamond Jubilee Medal in recognition of his significant contributions and achievements in the Canadian minerals industry.

Mr. Mirsad Jakubovic, MBA, CPA, CA. Mr. Jakubovic has over 30 years of financial and management experience and has grown and developed Canadian operations for several international businesses. He has been the Chief Financial Officer for two publicly traded companies and has worked for many years in industries that are regulated by Health Canada. He is a Chartered Professional Accountant and holds an MBA degree from the Richard Ivey School of Business, Western University.

All members have an understanding of the accounting principles used by the Corporation to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting.

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Stroud Audit Committee to nominate or compensate an external auditor adopted by the Board. At the Meeting, it is proposed to re-appoint McGovern Hurley LLP as auditor of the Corporation and to authorize remuneration to be fixed by the Board. The auditor of the Corporation will hold office until the next annual general meeting of the Shareholders or until its successor is appointed.

PRE-APPROVAL POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services are set out in the Stroud Audit Committee Charter.

EXEMPTION

In respect of the most recently completed financial year, the Corporation relied upon the exemptions set out in Section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Committee) and Part 5 (Reporting Obligations) of NI 52-110.

EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

In the following table, "*audit fees*" are fees billed by the Corporation's external auditors for services provided in auditing the Corporation's annual financial statements for the subject year. "*Audit-related fees*" are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements. "*Tax fees*" are fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. "*All other fees*" are fees billed by the auditors for products and services not included in the foregoing categories.

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending December 31	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2025	$40,000	Nil	Nil	Nil

2024	$40,000	Nil	Nil	Nil

THE AUDIT COMMITTEE'S CHARTER

<u>PURPOSE OF THE AUDIT COMMITTEE</u>

The purpose of the Audit Committee is to fulfill the applicable public company audit committee legal and regulatory obligations and to provide assistance to the board of directors of the Corporation (the "**Board**") to enable it to fulfill its oversight responsibilities in relation to the financial reporting process, the system of internal controls and the audit process and management of significant risks to the Corporation, as they relate to financial reporting.

Audit Committee Mandate

The Audit Committee (the "**Committee**") is appointed by the Board to assist the Board in fulfilling its oversight responsibilities of the Corporation. In so doing, the Committee provides an avenue of communication among the external auditors, management and the Board.

The Committee's purpose is to ensure the integrity of financial reporting and the audit process, and that sound risk management and internal control systems are developed and maintained. In pursuing these objectives, the Audit Committee oversees relations with the external auditors, and reviews the effectiveness of the internal audit function.

<u>STRUCTURE OF THE COMMITTEE</u>

Composition

The Committee is a standing committee of the Board and will be composed of not less than three directors, with not more than one director being an executive officer, related party or employee of the Corporation.

Quorum

A quorum of the Committee will be a majority of members present in person, by telephone or any combination thereof.

Appointment of Members and Chairman

Members of the Committee shall be appointed by the Board annually on the recommendation of the Corporate Governance and Nominating Committee to hold office at the pleasure of the Board. No more than two members of the Committee will resign from the Committee in any given year.

Chairman

The Board shall appoint one of the members as the Committee Chair. In the absence of the Chair from any meeting, the Committee shall appoint a member to be the Chair for the purposes of the conduct of that meeting.

Qualification of Members

Members of the Committee shall meet applicable requirements and guidelines for audit committee service, including requirements and guidelines with respect to being independent and unrelated to the Corporation and to having accounting or related financial management expertise and financial literacy.

The determination as to whether a particular Director satisfies the requirements for membership on the Audit Committee shall be made by the full Board.

Vacancy

A vacancy occurring in the membership of the Committee may be filled by the Board at its discretion, but in any event, the Board shall fill any vacancy to ensure a minimum of three members on the Committee at all times.

Number and Timing of Meetings

The Audit Committee meets at least four times a year, with meetings being scheduled to permit timely review of quarterly and annual financial statements. Additional meetings may be held at the discretion of the Chair or at the request of a member, external auditors or management.

Secretary

A secretary shall be designated, and that person shall act as recording secretary for the Committee and produce minutes of the meetings.

Meetings with Management and External Auditors

The Committee shall meet separately with management and external auditors at least once per quarter and shall meet at such other times, as the Committee deems appropriate.

Notice and Place of Meetings

Notice of time and place of meetings shall be communicated to members of the Committee no less than 48 hours prior to the time set for the meeting, provided that any member may waive such notice.

A member of the Committee who attends a meeting for the purpose of objecting to whether the meeting was lawfully called shall not be considered to have waived required notice.

Invitees

By invitation of the Chair, individuals who are not members of the Committee may attend meetings from time to time and may participate in discussions related to issues before the Committee.

Minutes and Procedures of Meetings

Subject to statutory requirements and by-laws of the Corporation, the Committee may set its own procedures at meetings, keep records of its proceedings and report to the Board when the Committee considers it appropriate, but in any event not later than the next Board meeting. Minutes of the Committee meeting shall be tabled at the next Board meeting.

Delegation of Responsibilities

The Committee may delegate to any person or committee of persons any of the Committee's responsibilities that may be lawfully delegated.

External Auditors

External auditors are ultimately accountable to the Board and shall report directly to the Committee. The external auditors are accountable to the Board and the Audit Committee as representatives of the shareholders of the Corporation.

Mandate

The Committee will review and reassess the adequacy of the Audit Committee Mandate on an annual basis to ensure that it accurately specifies the scope of the Committee's responsibilities and adequately sets out how it carries out those responsibilities.

PRIMARY RESPONSIBILITIES OF THE COMMITTEE

The Committee's primary duties and responsibilities are as follows:

- Review and recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and the compensation to be paid to the external auditor.
- Assume direct responsibility for overseeing the work of the external auditors engaged to prepare or issue an audit report or perform other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting.
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by its external auditors.
- Review the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases before such documents are publicly disclosed by the Corporation.
- To satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures.
- Establish procedures for: (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditor of the Corporation.

Authority of the Committee

The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors engaged by it. The Committee shall also have the authority to communicate directly with the external auditors.

DUTIES OF THE COMMITTEE

Compliance

The Committee is ultimately responsible for ensuring the Corporation's compliance with legal and regulatory requirements in respect to financial reporting and disclosure.

The Committee, on behalf of the Board, is responsible for monitoring management's actions in this regard to ensure that the Corporation has implemented appropriate systems to identify and monitor the response by management and the board of directors to such issues as:

- Significant business risks.
- Legal, ethical and regulatory compliance.
- Internal systems of control and the effectiveness of such internal controls to ensure compliance with policies and procedures.

Meetings

The Committee is responsible for preparing minutes of all of its meetings and submitting the minutes to the Board for approval and having the Chairman of the Committee report to the Board on all significant issues addressed at the Committee meeting.

The Committee is also responsible for reviewing the interim and annual financial statements as well as the Corporation's financial disclosures and related party transactions.

Internal Controls

The Committee is responsible for maintaining the integrity and quality of the Corporation's financial reporting and systems of internal control by overseeing management's system of internal control and reporting process in respect to those controls.

External Auditors

The Committee has the following responsibilities with respect to the Corporation's external auditors:

- Reviewing and ensuring the qualifications and independence of the Corporation's external auditors.
- Making recommendations to the Board in respect of the appointment of external auditors for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation and making recommendations to the Board on the compensation for the external auditor.
- Overseeing and evaluating the performance of the external auditors.
- Reviewing the annual audit plan prepared by the external auditors and management (Chief Financial Officer and Chief Executive Officer) in addition to proposed audit fees.
- Reviewing the external audit process and determining whether it has been effectively carried out and whether any matters that the external auditors wish to bring to the attention of the Board have been afforded adequate attention.
- Assessing the external audit function with a view to whether external auditors should be appointed. Such responsibility of the Committee shall include the appointment, retention, termination, compensation and oversight of the external audit function.
- Pre-approving all audit services and non-audit services to be performed for the Corporation by the external auditors.
- Meeting separately with internal audit, external auditors and management at least quarterly to assess issues and make determinations on whether issues need to be taken to the Board for review and assessment.
- Evaluating independence of the external auditor in accordance with Canadian professional requirements and determining whether disclosed relationships or services may impact the objectivity and independence of the auditors and whether such independence has been documented in written correspondence to the Committee.

- Overseeing any work of the external auditor that includes the resolution of disagreements regarding financial reporting between management and the external auditors.
- Evaluating the external audit process and determining whether the external audit has been completed in accordance with applicable law.

Financial Reporting

- Reviewing annual and interim financial statements of the Corporation.
- Reviewing changes in significant accounting policies and evaluates impact on the current and future financial statements of the Corporation.
- Preparing, if required, a committee report for inclusion in the Corporation's annual management proxy circular in accordance with applicable rules and regulations.
- Ensuring the effectiveness of disclosure controls and procedures to ensure material information potentially requiring public disclosure is made known in a timely fashion to senior officers of the Corporation.
- Being satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assessing the adequacy of those procedures.
- Reviewing and recommending to the Board for approval the public release and filing of any annual audited consolidated financial statements and quarterly unaudited consolidated financial statements of the Corporation, including news releases and management's discussion and analysis (MD&A).
- Reviewing the information contained in the Corporation's quarterly reports, annual report to shareholders, MD&A, annual information forms (AIF), prospectuses and other disclosures to determine if such information is complete and fairly presented.
- Reviewing material litigation and tax assessments in order to determine if any such matters may have a material impact on the financial position of the Corporation.
- Considering the Corporation's annual financial statements and ascertaining after a review with external auditors and management whether they are presented fairly in all material respects in accordance with generally accepted accounting principles, whether the selection of accounting policies is appropriate and whether the annual financial statements are recommended to the Board.

Reviewing Terms of Reference and Committee's Performance

The Committee should routinely assess its effectiveness against the mandate and shall report regularly to the Corporate Governance and Nominating Committee and Board on that assessment.

Reviewing Reports to Shareholders

When required by applicable statute or regulation, the Committee shall prepare reports to shareholders regarding the activities undertaken in the discharge of its responsibilities. A report will be prepared by the Committee for inclusion in the annual report as required.

MEETINGS AND OPERATING PROCEDURES

- In the absence of the Chairman of the Committee, the members shall appoint an acting Chairman.
- A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each director of the Corporation in a timely fashion.
- The Chairman of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- The Committee, in consultation with management and the external auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Corporation's financial policies and disclosures.

- The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors in advance of meeting dates.
- The Committee should meet privately in an executive session at least quarterly with management, the external auditors and as a committee to discuss any matters that the Committee or each of these groups believes should be discussed.
- In addition, the Committee or at least its Chair should communicate with management and the external auditors quarterly to review the Corporation's financial statements and significant findings based upon the auditor's limited review procedures.
- The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.
- The Committee expects that, in discharging their responsibilities to the shareholders, the external auditors shall be accountable to the Board through the Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

The Committee shall review and reassess the adequacy of this Charter at least annually, submit it to the Board for approval and ensure that it is in compliance with the TSX Venture Exchange and OSC regulations.

<u>GENERAL</u>

In addition to the responsibilities and duties of the Committee stated above, the Committee shall attend to the following items:

- Review the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation. Review business practices undertaken by senior management to assess appropriateness with corporate policies.
- Review complaints procedures and whether they adequately track and record complaints to the Corporation regarding accounting, internal accounting or auditing matters.
- Engage and pay independent counsel and other special advisors as it deems necessary from time to time in order to carry out Committee duties.
- Investigate any activity of the Corporation as it deems appropriate. All employees of the Corporation are required to cooperate with the efforts or enquiries of the Committee.
- Retain persons having special expertise to assist it in the performance of its duties.
- Communicate with the Board to ensure sufficient funding for the Audit Committee to permit it to fulfill its responsibilities.
- Make provisions for confidential, anonymous submissions by employees of the Corporation of concerns regarding accounting, internal accounting controls or auditing matters, ensuring that the existing processes adequately provide for such submission and establishing a process whereby the external auditor will receive timely notice of any such submission.
- Review at least annually the risk management and insurance programs.
- Review any issues referred to the Committee by the Board.

The procedures set forth herein have been set out as guidelines only as opposed to inflexible rules and the Committee may alter these procedures as it deems necessary in order to perform its responsibilities.

CORPORATE GOVERNANCE DISCLOSURE

<u>General</u>

The Stroud Board believes that effective corporate governance contributes to improved corporate performance and enhanced Shareholder value. The Corporation's governance practices are subject to at least an annual review and evaluation through the Stroud Board's Nominating and Corporate Governance Committee to ensure that, as the Corporation's business develops and grows, changes in structure and process necessary to ensure continued good governance are identified and implemented. The members of Stroud's Nominating and Corporate Governance Committee include Dr. Scott Jobin-Bevans, Mirsad Jakubovic, and Conor O'Brien.

The Canadian Securities Administrators ("**CSA**") have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA has implemented NI 58-101, which prescribes certain disclosure by the Corporation of its corporate governance practices.

This section sets out the Corporation's approach to corporate governance and provides the disclosure required by Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)*. The following statement has been prepared by the Nominating and Corporate Governance Committee and approved by the Stroud Board.

Board of Directors

As of the date hereof, the Stroud Board is comprised of four members. All four of the directors are standing for re-election. The Stroud Board is responsible for determining whether or not each director is "independent". To do this, the Stroud Board analyzes all of the relationships of the directors with the Corporation and its subsidiaries. Pursuant to NI 58-101 and National Instrument 52-110, a director is independent if such director has no direct or indirect material relationship with the Corporation, which could, in the view of the Stroud Board, be reasonably expected to interfere with the exercise of a member's independent judgment. None of the independent directors are engaged in the day-to-day operations of the Corporation or are a party to any material on-going contracts with the Corporation. More information about each director can be found in the Circular under the heading "*Election of Directors*".

The role of the Chairman for each Stroud Board meeting is determined on a revolving basis among the various members of the Stroud Board. The primary roles for the meeting's Chairman are setting the meeting agenda and chairing meetings of the Stroud Board, working to ensure that the Stroud Board works together as a cohesive team with open communication.

The Role of the Chief Executive Officer

The Chief Executive Officer of the Corporation is a member of the Stroud Board. In additional to being the primary liaison with the Stroud Board itself, the Chief Executive Officer's role is to directly oversee the day-to-day operations of the Corporation, lead and manage the senior management of the Corporation, and to implement the strategic plans, risk management and policies of the Corporation. The Stroud Board and the Chief Executive Officer work together to ensure that critical information flows to the Stroud Board, that discussions and debate of key business issues are fostered and afforded adequate time and consideration, that consensus on important matters is reached, and decisions, delegation of authority and actions are taken in such a manner as to enhance the Corporation's business and functions. The Stroud Board currently believes that it is in the best interests of the Corporation and its shareholders that the Chief Executive Officer of the Corporation is a member of the Stroud Board.

DIRECTORSHIPS

The following table provides details regarding directors of the Corporation who served as a director on the board of another reporting issuer as of the date of the Circular:

Director	Other Company
Dr. Scott Jobin-Bevans	International Prospect Ventures (IZZ) Northern Shield Resources (NRN) Nubian Resources (NBR) Sienna Resources Inc. Vision Lithium (VLI) White Metal Resources Corp. (WHM)
Jeff Kennedy	Jaguar Mining Inc. (JAG)

ORIENTATION AND CONTINUING EDUCATION

The Corporation does not provide a formal orientation or education program for new directors. However, when new directors are appointed, they receive an informal orientation, commensurate with their previous experience, relating to the Corporation's industry, business and operations and the responsibilities of directors of public companies, as well as training with respect to the Corporation's corporate strategy and the role of the Stroud Board, its committees and its directors by the current directors and senior officers. The members of the Stroud Board have experience in mineral exploration projects, mining, legal, financial and audit matters and capital markets and they continue to work in these areas. New directors meet with the management of the Corporation in addition to the other directors of the Corporation to discuss the Corporation's business. The Stroud Board receives a monthly report from management with respect to the Corporation's business. The Stroud Board encourages directors to participate in continuing education opportunities in order to ensure that directors maintain or enhance their skills and abilities as directors and maintain a current and thorough understanding of the Corporation's business.

The Corporation, at the direction of the Nominating and Corporate Governance Committee, is in the process of preparing a Stroud Board Policy Manual which is intended to provide a comprehensive introduction to the Stroud Board, the committees of the Stroud Board and their mandates. The orientation and continuing education process is reviewed on an annual basis by the Nominating and Corporate Governance Committee.

ETHICAL BUSINESS CONDUCT

The Stroud Board has determined that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation, the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Stroud Board in which the director has an interest, have been sufficient to ensure that the Stroud Board operates independently of management and in the best interests of the Corporation.

The Stroud Board has established a Whistle Blower Policy (the "**Whistle Blower Policy**") which, among other things, establishes procedures for the receipt, recording and treatment of complaints and concerns regarding accounting activities, internal controls or auditing matters and the confidential submission of concerns in these areas. In addition, the Stroud Board has established a Code of Business Conduct and Ethics (the "**Code"**) which, among other things, is intended to establish the Corporation's commitment to a culture of honesty, integrity and accountability. The Code together with the Whistle Blower Policy provide the guidelines for employee behavior and establishes the basis for open communication with a view to ensuring that employees are acting in good faith and have the means to report actual or potential violations.

The Stroud Board has also established a Disclosure Policy, the objective of which is to ensure that communications with the public about the Corporation are timely, factual, accurate, balanced and disseminated in accordance with applicable legal and regulatory requirements.

Each of the policies is reviewed annually. The policies allow employees throughout the organization to report any unethical or illegal activity without fear of reprisal from their fellow employees, supervisor or other officials of the Corporation. Illegal activities include but are not limited to fraud, theft, accounting irregularities and bribery.

NOMINATION OF DIRECTORS

The Stroud Board works with the Nominating and Corporate Governance Committee to periodically review the size of the Stroud Board and any possible requirement for an increase or decrease in members of the Stroud Board. It also recruits and reviews candidates for the position of director and selects the most appropriate for submission to the Stroud Board as a whole for consideration as a potential director nominee.

The Nominating and Corporate Governance Committee's considerations include:

(a) competencies and skills that the Stroud Board, as a whole, should possess and the competencies and skills of each current director. The Stroud Board reviews, on an annual basis, the requisite skills and criteria for Stroud Board members as well as the composition and size of the Stroud Board as a whole in order to ensure that the Stroud Board has the requisite expertise, that its membership consists of persons with sufficiently diverse and independent backgrounds, and that its membership consists of an appropriate number of independent directors;

(b) identification of individuals qualified to become Stroud Board members, consistent with criteria set out by the Stroud Board; and

(c) questions of independence and possible conflicts of interest of members of the Stroud Board and of senior managers.

COMPENSATION

The Stroud Compensation Committee of the Stroud Board determines compensation and incentive awards for the directors and senior officers of the Corporation based on the individual's skill level and the comparative industry compensation level.

OTHER BOARD COMMITTEES

Technical Committee – The primary purpose of the Technical Committee is to stay abreast with progress of engineering studies, exploration programs, acquisitions, joint ventures or similar opportunities and report progress to the Stroud Board. The Technical Committee also works to assist the Stroud Board with its duties and responsibilities in evaluating, overseeing the exploration and development of, and reporting on, the Corporation's mining projects.

In addition, the Technical Committee assists the senior officers of the Corporation in fulfilling their responsibility for oversight of the development of exploration and development projects, subject to the supervision and oversight of the senior officers by reviewing and approving technical (geological, drilling, mine engineering and process engineering) plans, schedules, and budgets and the release of material containing technical (engineering or geological) information for compliance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and industry standards, and designing, establishing and monitoring the

Corporation's controls and other procedures (which may include procedures currently used by the Corporation) that are designed to ensure that development of corporate exploration and development projects are on schedule and within budget.

The Technical Committee currently consists of Mirsad Jakubovic and Scott Jobin-Bevans. Mirsad Jakubovic and Scott Jobin-Bevans are not independent directors within the meaning of NI 58-101. The Technical Committee met frequently during the years ended December 31, 2024, and December 31, 2025.

ASSESSMENTS

The Stroud Board monitors the adequacy of information given to directors, communication between the Stroud Board and management and the strategic direction and processes of the Stroud Board and Stroud Board committees.

The Stroud Board assesses, on an informal basis, the effectiveness of the Stroud Board as a whole, the Chairman of the Stroud Board, Stroud Board committees and the contribution of individual directors. The Stroud Board monitors the adequacy of information given to directors, communication between the Stroud Board and management, and the strategic direction and processes of the Stroud Board and its committees. As a result of the Corporation's size, its stage of development, and the number of directors of the Corporation, the Stroud Board has considered this assessment process to be appropriate at this time. The Nominating and Corporate Governance Committee will review this process periodically and make recommendations with respect to the assessment process as necessary.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to Stroud that are not otherwise disclosed in this Circular or are necessary for the Circular to contain full, true and plain disclosure of all material facts relating to Stroud.

Consolidated Financial Statements

Stroud Resources Ltd.

December 31, 2025 and 2024

Management's Responsibility for the Consolidated Financial Statements

The accompanying annual consolidated financial statements of Stroud Resources Ltd. (the "Company") are the responsibility of management and have been approved by the Board of Directors.

The annual consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the annual consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the consolidated statements of financial position. In the opinion of management, the annual consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with IFRS Accounting Standards.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the annual consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the annual consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the annual consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Jeff Kennedy"
Jeff Kennedy
Director

"Mirsad Jakubovic"
Mirsad Jakubovic
Chief Financial Officer

Independent Auditor's Report

To the Shareholders of Stroud Resources Ltd.

Opinion

We have audited the consolidated financial statements of Stroud Resources Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2025, and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3

mcgovernhurley.com

t. 416-496-1234

McGovern Hurley

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

McGovern Hurley

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

McGovern Hurley

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario

April 30, 2026

Stroud Resources Ltd.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

[Expressed in Canadian dollars]

As at December 31

	2025	2024
	$	$
ASSETS		
Current		
Cash and cash equivalents	**119,035**	37,319
Accounts receivable	**5,015**	28,305
Prepaid expenses and sundry assets	**9,983**	9,983
Total current assets	**134,033**	75,607
Oil and gas interests, net of accumulated depletion of $516,405 [2023 - $516,405] *[note 5]*	**—**	—
Total assets	**134,033**	75,607
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities *[note 7]*	**168,549**	138,457
Total current liabilities	**168,549**	138,457
Total Liabilities	**168,549**	138,457
Shareholders' deficiency *[notes 8]*		
Share capital	**26,474,661**	26,054,468
Reserves	**4,233,655**	4,243,848
Deficit	**(30,744,563)**	(30,362,897)
Accumulated other comprehensive income	**1,731**	1,731
Total shareholders' deficiency	**(34,516)**	(62,850)
Total liabilities and shareholders' equity	**134,033**	75,607

Going Concern *[note 2]*

Contingencies *[note 12]*

See accompanying notes

Stroud Resources Ltd.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

[Expressed in Canadian dollars]

For the year ended December 31

	2025 $	2024 $
OIL AND GAS OPERATIONS		
Revenue, net of royalties	**24,620**	26,070
Operating expenses	**21,699**	25,408
Income from oil and gas operations	**2,921**	662
EXPENSES		
Administrative fees *[note 7]*	**60,000**	60,000
Business development	**704**	358
Director fees *[note 7]*	**48,750**	45,000
Interest expense	**7,991**	—
Licences and fees	**14,048**	23,591
Exploration costs *[notes 6]*	**18,084**	21,582
Share-based compensation *[note 8 (b)]*	**110,000**	—
Office and general	**17,995**	20,414
Professional fees	**100,098**	147,492
Foreign exchange loss	**2,449**	—
Rent	**4,724**	4,497
Total administrative expenses	**384,843**	322,934
Net loss before other income	**(381,922)**	(322,272)
Interest income	**256**	6,535
Net loss and comprehensive loss for the year	**(381,666)**	(315,737)
Basic and diluted loss per share *[note 8(d)]*	**($0.007)**	($0.005)
Weighted average number		
of common shares outstanding *[000's]*		
Basic	**58,026**	57,623
Diluted	**58,026**	57,623

See accompanying notes

Stroud Resources Ltd.

CONSOLIDATED STATEMENTS OF CASH FLOWS

[Expressed in Canadian dollars]

For the year ended December 31

	2025	2024
	$	$
OPERATING ACTIVITIES		
Net loss for the year	**(381,666)**	(315,737)
Add items not involving cash:		
Non-cash share based compensation	**110,000**	—
	(271,666)	(315,737)
Net change in non-cash working capital balances related to operations *[note 9]*	**53,382**	15,953
Cash provided by (used in) operating activities	**(218,284)**	(299,784)
FINANCING ACTIVITIES		
Shareholder loan proceeds	**75,000**	—
Shareholder loan repayments	**(75,000)**	—
Proceeds from exercise of warrants	**300,000**	—
Cash provided by financing activities	**300,000**	—
Net increase (decrease) in cash and cash equivalents during the year	**81,716**	(299,784)
Cash and cash equivalents, beginning of year	**37,319**	337,103
Cash and cash equivalents, end of year	**119,035**	37,319

See accompanying notes

Stroud Resources Ltd.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICENCY)

[Expressed in Canadian dollars]

	Common shares		Other reserves	Deficit	Accumulated other comprehensive income	Total shareholders' equity (deficiency)
	#	$	$	$	$	$
December 31, 2023	**57,623,199**	**26,054,468**	**4,243,848**	**(30,047,160)**	**1,731**	**252,887**
Net loss for the year	—	—	—	(315,737)	—	(315,737)
December 31, 2024	**57,623,199**	**26,054,468**	**4,243,848**	**(30,362,897)**	**1,731**	**(62,850)**
Issuance of shares on exercise of warrants	3,000,000	420,193	(120,193)	—	—	300,000
Stock-based compensation expense	—	—	110,000	—	—	110,000
Net loss for the year	—	—	—	(381,666)	—	(381,666)
December 31, 2025	**60,623,199**	**26,474,661**	**4,233,655**	**(30,744,563)**	**1,731**	**(34,516)**

See accompanying notes

Stroud Resources Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

[Expressed in Canadian dollars unless otherwise noted]

December 31, 2025 and 2024

1. CORPORATE INFORMATION

Stroud Resources Ltd. [the "Company" or "Stroud"] was incorporated on March 18, 1983, under the laws of the Province of Ontario. The Corporation’s common shares are listed on the TSX Venture Exchange (“TSX-V) under the trading symbol SDR. Stroud is an international mineral exploration company engaged in the acquisition, exploration, and development of mineral resource properties in Mexico. The Company holds its interests in its Mexican mineral properties through its wholly owned subsidiary, Compañía Minera San Diego y La Española S.A. de C.V. (“Compañía Minera”), which holds the applicable prospecting and exploration permits related to those properties. The Company’s registered office is located at 1090 Don Mills Road, Suite 404, Toronto, Ontario, M3C 3R6, Canada.

2. CONTINUANCE OF OPERATIONS AND GOING CONCERN

The Company has not yet determined whether its mineral properties contain economically recoverable mineral reserves. The recoverability of exploration and evaluation expenditures is dependent upon the discovery of economically recoverable resources, the Company’s ability to obtain the necessary permits and regulatory approvals, the availability of financing to complete exploration and development activities, and upon future profitable production or proceeds from the disposition of such properties.

Although the Company has taken steps to verify title to the mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration, such procedures do not guarantee title. Property interests may be subject to government licensing requirements, social licensing considerations, unregistered prior agreements, unregistered claims, Indigenous land claims, and non-compliance with regulatory and environmental requirements. In addition, the Company’s mineral property interests may be affected by changes in taxation and royalty regimes, renegotiation of contracts, expropriation, currency fluctuations and restrictions, and political or economic instability. These risks could adversely affect the Company’s investment in its mineral properties and may result in the loss of all or part of its interests therein.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations and realize its assets and discharge its liabilities in the normal course of business.

As at December 31, 2025, the Company had an accumulated deficit of $30,744,563 (December 31, 2024 – $30,362,897) and incurred a net loss of $381,666 for the year ended December 31, 2025 (2024 – $315,737). At December 31, 2025, the Company had working capital deficiency of $34,516 (December 31, 2024 – deficiency of $62,850).

These conditions indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern.

The Company is dependent upon equity financings, debt financings, the exercise of outstanding warrants and options, or the sale or joint venture of mineral property interests to fund its activities and meet its obligations as they become due. There can be no assurance that such financing will be available on terms acceptable to the Company, or at all.

If the going concern assumption were not appropriate, adjustments to the carrying amounts and classification of assets and liabilities would be necessary. Such adjustments could be material.

3. BASIS OF PRESENTATION

Statement of compliance
These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee ("IFRIC") that were effective for the year ended December 31, 2025.

Certain comparative figures have been reclassified to conform with the current year's presentation.

The consolidated financial statements for the year ended December 31, 2025 were authorized for issue by the Board of Directors on April 30, 2026.

Basis of measurement
These consolidated financial statements have been prepared on a going concern basis and in accordance with the historical cost convention, except for certain financial instruments that are measured at fair value, as described in the accounting policies set out below.

Functional and presentation currency
These consolidated financial statements are presented in Canadian dollars ("CAD"), which is the Company's functional currency. The functional currency of the Company's Mexican subsidiary is the Mexican peso, reflecting the primary economic environment in which it operates. The financial statements of the subsidiary are translated into Canadian dollars for presentation purposes. Assets and liabilities are translated at the closing exchange rate at the reporting date, while income and expenses are translated at exchange rates prevailing at the dates of the transactions. Resulting translation differences are recognized in other comprehensive income (loss).

Principles of consolidation
These consolidated financial statements include the accounts of Stroud Resources Ltd. (the "Company") and its wholly owned subsidiary, Compañía Minera San Diego y La Española S.A. de C.V. ("Compañía Minera"). Subsidiaries are entities over which the Company has control. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are fully consolidated from the date on which control is obtained by the Company and continue to be consolidated until the date that control ceases. All intercompany balances, transactions, revenues, and expenses have been eliminated on consolidation.

4. MATERIAL ACCOUNTING POLICIES

The following material accounting policies have been applied consistently in the preparation of these consolidated financial statements.

[a] Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) includes items that are recognized outside of profit or loss in accordance with IFRS

Accounting Standards. For the Company, other comprehensive income (loss) is comprised of foreign currency translation differences arising on the translation of the financial statements of its wholly owned foreign subsidiary, Compañía Minera San Diego y La Española S.A. de C.V., whose functional currency differs from that of the Company. The components of comprehensive income (loss) are presented in the consolidated statements of loss and comprehensive loss.

[b] Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances held with financial institutions, and short-term highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

[c] Foreign currency

The Company's functional currency is the Canadian dollar ("CAD"). The functional currency of its subsidiary is the Mexican peso ("MXN"). The consolidated financial statements are presented in CAD, which is the Company's presentation currency.

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates in effect at the reporting date. Foreign exchange gains and losses arising on settlement of foreign currency transactions, and from the retranslation of monetary assets and liabilities, are recognized in the consolidated statements of loss. Non-monetary items measured at historical cost are translated at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are translated at the exchange rate at the date when the fair value was determined.

The results and financial position of subsidiaries with a functional currency different from the presentation currency are translated into CAD as follows:

- Assets and liabilities are translated at the closing exchange rate at the reporting date;
- Income and expenses are translated at average exchange rates for the period, unless such rates do not approximate the actual exchange rates at the dates of the transactions, in which case transactions are translated at the exchange rates at their respective dates; and
- All resulting exchange differences are recognized in other comprehensive income ("OCI") and accumulated in equity within accumulated other comprehensive income (loss) ("AOCI").

Exchange differences arising on the translation of the Company's net investment in foreign operations are recognized in OCI and accumulated in AOCI. Upon disposal or partial disposal of a foreign operation, the cumulative amount of the exchange differences relating to that operation is reclassified from equity to the consolidated statements of loss as part of the gain or loss on disposal.

[d] Exploration and evaluation assets

Exploration and evaluation expenditures are expensed as incurred until such time as the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated.

When a project is determined to be technically feasible and commercially viable, and the Company has decided to proceed with development, the related exploration and evaluation assets are tested for impairment and, if recoverable, reclassified to property, plant and equipment within development assets.

Technical feasibility and commercial viability are considered to be established when a comprehensive technical report has been completed, construction financing has been arranged, and the Board of Directors has approved the development of the project.

[e] Determination of reserves and resources

The estimation of mineral resources is inherently uncertain and involves the application of judgment and assumptions. The Company engages independent qualified persons to prepare estimates of mineral resources for its mineral properties in Mexico in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”).

Mineral resource estimates are based on geological and engineering data, including assumptions regarding commodity prices, recovery factors, production costs, and other technical and economic factors. These estimates are reviewed and approved by management and are considered to be current and complete as at the date of the respective technical reports.

Mineral resource estimates are used in assessing the recoverability of exploration and evaluation assets, determining whether indicators of impairment exist, and, where applicable, estimating future cash flows. Changes in mineral resource estimates or in the assumptions underlying such estimates could materially affect the carrying value of the Company’s mineral properties.

[f] Impairment of long-lived assets

At each reporting date, the Company reviews the carrying amounts of its long-lived assets to determine whether there are indicators of impairment. If such indicators exist, the Company estimates the recoverable amount of the asset to determine whether an impairment loss should be recognized. The recoverable amount is the higher of an asset’s fair value less costs of disposal and its value in use. Value in use is determined as the present value of the estimated future cash flows expected to be derived from the asset. If the recoverable amount of an asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss is recognized in profit or loss.

For the purposes of impairment testing, assets are grouped at the lowest level for which there are separately identifiable cash inflows (cash-generating units or “CGUs”). Where an asset does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the asset’s recoverable amount. The carrying amount of the asset (or CGU) is increased to the revised recoverable amount, but not to an amount exceeding the carrying amount that would have been determined had no impairment loss been recognized in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss

[g] Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes the purchase price and all costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Cost also includes an initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located, where applicable.

Subsequent to initial recognition, equipment is depreciated over its estimated useful life using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed. The depreciation method, useful lives, and residual values are reviewed at least annually and adjusted prospectively, if appropriate. At each reporting date, the Company assesses whether there are indicators that an asset may be impaired. If such indicators exist, the Company estimates the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use and recognizes an impairment loss if the carrying amount exceeds the recoverable amount.

[h] Provision for environmental rehabilitation

The Company recognizes a provision for asset retirement, restoration, and environmental rehabilitation obligations in the period in which a legal or constructive obligation is incurred as a result of past activities.

The provision represents the present value of the estimated future costs required to dismantle and remove assets, remediate disturbed areas, and restore sites. The estimated costs are based on current legal and regulatory requirements and available information at the reporting date. The provision is discounted using a current pre-tax discount rate that reflects the time value of money and risks specific to the obligation. The unwinding of the discount is recognized as accretion expense in profit or loss.

When the provision gives rise to a future economic benefit, a corresponding asset retirement cost is capitalized as part of the carrying amount of the related asset and depreciated over its useful life.

The provision is reviewed at each reporting date and adjusted for changes in estimated cash flows, timing of settlement, applicable legislation, or discount rates. Changes in the estimated obligation are added to or deducted from the carrying amount of the related asset and depreciated prospectively.

As at December 31, 2025 and 2024, management has determined that no material provision for environmental rehabilitation is required.

[i] Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

The amount recognized as a provision represents management's best estimate of the expenditure required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, provisions are measured at the present value of the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Changes in estimates are recognized in profit or loss in the period in which they occur.

[j] Financial instruments and liabilities

Financial Assets

Initial recognition and measurement
Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, financial assets are measured at fair value plus, in the case of financial assets not classified at fair value through profit or loss (FVTPL"), as directly attributable transaction costs.

Under IFRS 9, financial assets are classified at initial recognition as measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets is determined based on both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets containing embedded derivatives are assessed in their entirety when determining their classification.

Cash and cash equivalents and accounts receivable are classified and measured at amortized cost using the effective interest method, as they are held within a business model whose objective is to collect contractual cash flows and those cash flows represent solely payments of principal and interest.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets classified at amortized cost are subsequently measured using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by applying any discount or premium on acquisition and any fees or transaction costs that are an integral part of the EIR. The amortization of such amounts is recognized in finance income in the consolidated statements of income (loss).

Financial assets measured at amortized cost are also subject to the expected credit loss impairment model described below.

Subsequent measurement – financial assets at fair value through profit or loss ("FVTPL")
Financial assets classified at FVTPL include financial assets held for trading and derivative financial instruments that are not designated in an effective hedging relationship. Financial assets at FVTPL are measured at fair value at each reporting period date, with changes in fair value recognized in profit or loss within other income (expense). The Company does not have any financial assets classified at FVTPL as at the reporting date.

Subsequent measurement – financial assets at fair value through Other Comprehensive Income ("FVOCI")
Financial assets classified at FVOCI are non-derivative financial assets that are not held for trading and for which the Company has made an irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income. Subsequent to initial recognition, such investments are measured at fair value with unrealized gains or losses recognized in other comprehensive income and accumulated in equity. Upon disposal, cumulative gains or losses previously recognized in other comprehensive income are not reclassified to profit or loss. Dividends are recognized in profit and loss within other when the Company's right to receive payment is established. The Company does not have any financial assets classified at FVOCI as at the reporting date.

Derecognition
A financial asset is derecognized when the contractual rights to receive the cash flows from the asset expire, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets
Financial assets measured at amortized cost are subject to the expected credit loss ("ECL") model under IFRS 9. The Company's financial assets subject to impairment consist primarily of accounts receivable and deposits and advances. The Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognized from initial recognition of the receivable. Expected credit losses are measured using a provision matrix based on historical credit loss experience, adjusted for current conditions and forward-looking information. Receivables are grouped based on shared credit risk characteristics, including ageing.

An impairment loss is reversed in subsequent periods if the amount of expected credit losses decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized. The reversal is recognized in profit and loss.

Financial liabilities

Initial recognition and measurement
Financial liabilities are recognized when the Company become a party to the contractual provisions of the instrument and are initially measured at fair value. Financial liabilities are subsequently measured at amortized cost unless they are required to be measured at fair value through profit or loss ("FVTPL"), such as liabilities held for trading or derivative instruments, or where the Company has elected the fair value option at initial recognition. The Company's financial liabilities consist of accounts payable and accrual liabilities and advances from shareholders which are each measured at amortized cost.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured using the EIR method. Amortized cost is calculated by taking into account any discount or premium on issuance and any fees or transaction costs that are integral to the EIR. The amortization of such amounts is recognized in finance costs in the consolidated statements of loss.

Derecognition
A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. Any difference between the carrying amount of the financial liability extinguished and the consideration paid is recognized in profit or loss within other income (expense).

[k] Loss per share
Basic loss per share is calculated by dividing the net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that would occur if securities or other contracts to issue common shares, such as stock options and share purchase warrants, were exercised or converted into common shares, to the extent they are dilutive. The Company

applies the treasury stock method in determining the dilutive effect of stock options and warrants. Under this method, the assumed proceeds from the exercise of such instruments are used to repurchase common shares at the average market price during the period. For periods in which the Company reports a net loss, all potentially dilutive instruments are anti-dilutive and are therefore excluded from the calculation of diluted loss per share.

[l] Share-based payments

The Company accounts for share-based payment arrangements in accordance with IFRS 2 *Share-based Payment*. Equity-settled share-based payments to employees and directors are measured at the fair value of the equity instruments granted at the grant date and are recognized as an expense over the applicable vesting period, with a corresponding increase in contributed surplus. The expense is recognized on a graded or straight-line basis over the vesting period, as appropriate, with an estimate of the number of awards expected to vest.

Share-based payments to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be reliably measured, in which case the fair value of the equity instruments granted is used. The expense is recognized when the goods or services are received.

The fair value of stock options is estimated at the grant date using the Black-Scholes option pricing model, which requires the use of subjective assumptions, including expected share price volatility, expected option life, risk-free interest rate, and expected dividend yield. Changes in these assumptions can materially affect the calculated fair value.

Upon exercise of stock options, the consideration received together with the amount previously recognized in contributed surplus is recorded as share capital. Upon expiry or forfeiture of stock options, the amount previously recognized in contributed surplus remains in equity.

[m] Flow-through shares

Flow-through shares are recognized in share capital based on the quoted market price of the Company's common shares at the date of issuance. The premium received by the Company, representing the difference between the subscription price and the fair value of the common shares issued, is recognized as a flow-through share premium liability.

The flow-through share premium liability is reduced and recognized as income in the consolidated statements of loss and comprehensive loss as the Company incurs eligible expenditures and renounces the associated tax deductions to the investors.

The Company is obligated to incur qualifying Canadian exploration expenditures within prescribed timelines and to renounce such expenditures to investors in accordance with applicable tax legislation. The Company may be subject to indemnification obligations for any tax-related amounts payable by investors in the event that the Company does not fulfill its commitments under the flow-through share agreements.

[n] Income taxes

Income tax expense comprises current and deferred income taxes.

Current income tax is recognized for the estimated income taxes payable or recoverable in respect of the taxable income or loss for the current year and any adjustments to income taxes payable in respect of previous years.

Deferred income taxes are recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding tax bases, as well as for unused tax losses and tax credits carried forward. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period in which the asset is realized or the liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill; or
- when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and joint arrangements where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, unused tax losses, and unused tax credits to the extent that it is probable that future taxable profit will be available against which such amounts can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates, and joint arrangements, unless it is probable that the temporary difference will reverse in the foreseeable future and sufficient taxable profit will be available.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, and the Company intends to settle on a net basis.

Uncertain Tax Positions

The Company is subject to income taxes, value-added taxes, withholding taxes, and other taxes in the jurisdictions in which it operates. Significant judgment is required in determining tax provisions and deferred tax balances, as the ultimate tax treatment of certain transactions may be uncertain. The Company recognizes liabilities for uncertain tax positions when it is probable that additional taxes will be payable, based on management’s best estimate of the expected outcome. Tax filings are subject to audit and potential reassessment by taxation authorities. Where the final tax outcome differs from amounts previously recorded, such differences are recognized in profit or loss in the period in which the determination is made.

[o] Oil and gas interests

The Company holds certain legacy oil and gas interests.

Subsequent to initial recognition, oil and gas interests are depleted and amortized on a unit-of-production basis over the estimated proved and probable reserves, where applicable.
The Company assesses oil and gas interests for indicators of impairment at each reporting date. Where indicators of impairment exist, the recoverable amount is estimated as the higher of fair value less costs of disposal and value in use. These calculations require the use of estimates and assumptions, including future commodity prices, production volumes, operating and capital costs, and discount rates. An impairment loss is recognized when the carrying amount exceeds the recoverable amount.

Given the legacy nature of these assets, the Company does not anticipate significant future capital expenditures related to oil and gas activities. The carrying value of these assets is not material to the consolidated financial statements.

[p] Material judgements and estimates

The preparation of these consolidated financial statements in accordance with IFRS Accounting Standards requires management to exercise judgment and to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, as well as related disclosures. Actual results may differ from these estimates. Revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and in any future periods affected.

Material judgements

The critical judgments, apart from those involving estimates, that have the most significant effect on the amounts recognized in the consolidated financial statements include:

- the determination of the functional currency of the Company and its subsidiary (note 3[c]);
- the recognition and measurement of provisions, including environmental rehabilitation obligations (note 3[h]);
- the determination of income and other tax positions (note 3[n]);
- the evaluation of contingent liabilities and provisions; and
- the assessment of the Company's ability to continue as a going concern (note 2)

Key sources of estimation uncertainty

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities in future periods include, but are not limited to: going concern assumptions regarding the Company's ability to obtain additional financing and generate future cash flows; share-based payments, including assumptions used in option pricing models such as expected volatility, expected life, forfeiture rates, and risk-free interest rates; useful lives of assets and related depreciation or amortization; income taxes, including the recognition and measurement of deferred tax assets and liabilities; and commitments and contingencies, including assumptions used in measuring provisions and assessing contingent liabilities and the determination of the liability and equity components of convertible debt. Because these estimates are based on management's best judgment, actual results may differ, and such differences could be material to the consolidated financial statements

[q] Other accounting changes

In April 2024, the International Accounting Standards Board issued IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements. The new standard introduces enhanced requirements for the presentation and disclosure of financial performance, including the introduction of defined subtotals in the statement of profit or loss, new categories of income and expenses, and expanded disclosures relating to management-defined performance measures. IFRS 18 also includes new requirements relating to the location, aggregation and disaggregation of financial information.

This standard is effective for annual reporting periods beginning on or after January 1, 2027 including interim financial statements. Retrospective adoption is required and early adoption is permitted.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and advances from shareholders. Unless otherwise noted, the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

Fair value

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and advances from shareholders approximate their fair values due to the short-term nature and maturity of these instruments.

Credit risk

Credit risk is the risk that a counterparty will fail to fulfill its contractual obligations, resulting in a financial loss to the Company. This risk arises principally from the Company's financial assets, including cash and cash equivalents and accounts receivable, and represents the potential reduction in future cash inflows as at the consolidated statement of financial position date.

(i) Cash and cash equivalents

The Company's cash and cash equivalents are held with a major Canadian chartered bank. The Company manages credit risk related to cash and cash equivalents by maintaining deposits with high-credit-quality financial institutions. As at the reporting date, the maximum exposure to credit risk related to cash and cash equivalents equals their carrying amount. Management does not expect any significant credit losses arising from these balances.

(ii) Receivables

The Company's receivables consist primarily of receivables arising in the normal course of business. As at December 31, 2025, management expects that counterparties will meet their contractual obligations and has assessed the expected credit losses on receivables to be immaterial. Accordingly, no allowance for expected credit losses has been recognized. The maximum exposure to credit risk at the reporting date is equal to the carrying amount of receivables.

Foreign currency risk
The Company is exposed to foreign currency risk to the extent that certain transactions and financing activities are denominated in United States dollars ("USD").

The Company monitors its exposure to foreign exchange fluctuations on an ongoing basis. As at December 31, 2025, management has assessed the Company's exposure to foreign currency risk to be limited and not material. Accordingly, the Company has not entered into any foreign currency hedging arrangements.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As at December 31, 2025, management has assessed the Company's exposure to interest rate risk to be minimal.

Liquidity risk
Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company's objective is to manage liquidity risk by monitoring its cash requirements and maintaining sufficient cash resources to meet its operational needs. As at December 31, 2025, the Company had cash and cash equivalents of $119,035 [2024 - $37,319]. The Company will need to raise additional funds to meet its obligations and fund operations beyond 2026. (See note 2).

Capital risk
The Company's objectives when managing capital are: (i) to safeguard the Company's ability to continue as a going concern in order to support its manufacturing operations and provide returns for shareholders; and (ii) to maintain a flexible capital structure that optimizes the cost of capital at an acceptable level of risk. For the purposes of capital management, the Company defines capital as shareholders' equity and debt, net of cash and cash equivalents, and includes short-term investments, if any.

The Company manages its capital structure and makes adjustments in response to changes in economic conditions, operating performance, working capital requirements, and the risk characteristics of its operations. To maintain or adjust its capital structure, the Company may issue additional equity or debt, refinance existing obligations, or adjust the level of cash and cash equivalents.

To facilitate the management of its capital requirements, the Company prepares annual operating budgets and cash flow forecasts, which are reviewed and approved by the Board of Directors. Actual results are monitored against approved budgets, and variances are evaluated in light of operational and market conditions.

The Company's capital management objectives, policies, and processes remained unchanged during the years ended December 31, 2025 and 2024.

The Company's investment policy is to invest surplus cash in highly liquid, short-term, interest-bearing instruments with original maturities of less than one year, taking into consideration the expected timing of operational expenditures.

Commodity price risk
The Company's ability to carry out exploration and evaluation activities, as well as the future economic viability of its mineral properties, is influenced by fluctuations in commodity prices.

Commodity prices are subject to significant volatility and are affected by numerous factors beyond the Company's control, including global economic conditions, supply and demand dynamics, currency fluctuations, and geopolitical developments. Declines in commodity prices may impact the Company's ability to finance exploration activities and could result in the impairment of exploration and evaluation assets.

The Company monitors commodity price trends on an ongoing basis and evaluates the potential impact on its operations and asset values in determining its strategic course of action.

5. OIL AND GAS INTERESTS

The Company holds a 3.75% working interest in six producing oil and gas properties located in Alberta, Canada. These assets are operated by Gran Tierra Canada Ltd. The Company's interests are non-operated and entitle it to its proportionate share of production revenues, net of royalties, operating expenses, and capital expenditures.

The Company accounts for these interests as legacy assets. Revenue is recognized in accordance with the Company's revenue recognition policy based on its share of production, measured using volumes delivered and realized commodity prices, as reported by the operator. Cash receipts are typically received on a monthly basis.

6. MINERAL PROPERTIES

The Company holds exploration and royalty interests in the following mineral properties.

Santo Domingo Silver–Gold Project

The Company holds a 100% interest in Compañia Minera San Diego Y La Espana S.A. de C.V ("Compañia Minera"), which owns certain mineral concessions located in the State of Jalisco, Mexico.

The Company is subject to the following obligations in respect of the Santo Domingo property:

- A 2.5% net smelter return ("NSR") royalty payable to Amerix Precious Metals Inc., capped at a maximum aggregate amount of $500,000; and
- Contingent consideration payable to a prior owner totaling USD $1,160,000 (approximately CAD $1,624,000), payable in quarterly installments, conditional upon the commencement of commercial production. Following the start of commercial production, quarterly payments will equal 0.5% of net smelter returns, defined as gross revenues actually received from the sale of mineral products, net of applicable smelting and refining charges. Payments commence three months after the start of commercial production and continue until the total obligation has been satisfied. These amounts are contingent upon future production and, accordingly, have not been recognized as liabilities in the consolidated financial statements.

Concession Requirements
To maintain its mineral concessions in good standing, the Company is required to:
- Incur prescribed minimum annual exploration expenditures; and
- Pay semi-annual concession fees to the **Secretaría de Economía (Mexico)**.
- The annual concession fee for 2026 is expected to be approximately MXN $60,000 (approximately CAD $4,700)

Failure to meet these requirements may result in the cancellation or forfeiture of the concessions. Management believes that all required expenditures and payments have been made and that the concessions are in good standing as at the reporting date.

Surface Rights Agreement
The Company has entered into an agreement with the local landowners (Ejido) granting access to the Santo Domingo property through 2033, with provisions for renewal. Annual payments under this agreement are approximately USD $8,141, subject to annual increases of approximately 10%.

Hislop Project
The Company holds a 0.5% net smelter return ("NSR") royalty on certain mineral properties located in Hislop Township, Ontario. Under the terms of the underlying agreement, the property owner has the option to repurchase the NSR royalty for a cash payment of $1,000,000.

Leckie Project
The Company holds a 1.0% net smelter return ("NSR") royalty on the Leckie Project, owned by Temagami Gold Inc. ("Temagami"). Under the terms of the agreement, Temagami has the option to repurchase the NSR royalty at a price of $500,000 for each 0.5% interest, for a total potential consideration of $1,000,000 for the full 1.0% NSR.

In addition, the Company holds 750,000 common shares of Temagami. As at December 31, 2025 and 2024, Temagami is a privately held company and the fair value of the shares was estimated to be nominal. The Company attributed a value of $Nil to the shares of Temagami as at December 31m 2025 and 2024.

7. RELATED PARTY TRANSACTIONS

In accordance with **IAS 24 – Related Party Disclosures**, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including the Company's directors (executive and non-executive).

During the year ended December 31, 2025, the Company received a loan of $75,000 from a shareholder. The loan was unsecured, bore interest at 12% per annum, and was originally due in five years. The loan was fully repaid during the year. As at December 31, 2025, no balance was outstanding (2024 – $nil). During the year ended December 3. 2025 the Company paid interest of $6,182 (2024-$Nil) on this loan.

During the year ended December 31, 2025, the Company issued stock options to directors and officers of the company totalling 1,005,000 and with an estimated grant date fair value of $110,000.

[Expressed in Canadian dollars unless otherwise noted]

Included in accounts payable as at December 31, 2025 are $75,516 (2024 - $4,914) owing to officers and directors of the company. These amounts are unsecured, non-interest bearing and due on demand.

Related party payments and compensation of key management personnel for the years ended December 31, 2025 and 2024 was as follows:

	2025	2024
	$	$
Administrative and professional fees	60,000	60,000
Director fees	48,750	45,000
	108,750	105,000

8. SHAREHOLDERS' EQUITY
[a] Share capital

The company is authorized to issue an unlimited number of common shares.

The continuity of share capital is as follows:

	Shares	Amount
	#	$
Balance, December 31, 2023 and 2024	57,623,199	26,054,468
Issuance of common shares on exercise of warrants	3,000,000	420,193
Balance, December 31, 2025	60,623,199	26,474,661

[b] Stock options

The Company maintains a stock option plan (the “Plan”) to attract and retain directors, officers, employees, and consultants. Under the terms of the Plan, the Board of Directors may grant options to acquire common shares of the Company at an exercise price not less than the market price of the shares at the date of grant. Options granted under the Plan have a maximum term of up to 5 years and vest in accordance with the terms determined by the Board at the time of grant.

On September 24, 2025, the Company granted 1,000,500 stock options to certain officers and directors of the Company. The options are exercisable at $0.12 per share, being equal to the estimated fair market value of the Company’s common shares on the date of grant and have a contractual life of five years.

The fair value of the options granted on the date of grant was estimated at $110,000, using the Black-Scholes option pricing model. The following weighted average assumptions were used in estimating the fair value of options granted:

Assumption	**Amount**
Share price at grant date	$0.12
Exercise price	$0.12
Risk-free interest rate	2.80%

[Expressed in Canadian dollars unless otherwise noted]

Assumption	**Amount**
Expected life	5.0 years
Expected volatility	160%
Expected dividend yield	0.0%

The continuity of the options outstanding is as follows:

	2025		2024	
	Number #	Weighted average exercise price $	Number #	Weighted average exercise price $
Outstanding, beginning of year	150,000	0.55	150,000	0.55
Granted	1,000,500	0.12	—	—
Outstanding, end of year	1,150,500	0.176	150,000	0.55
Exercisable, end of year	1,150,500	0.176	150,000	0.55

As at December 31, 2025, the following options were outstanding:

Date of Issue	Weighted Average Exercise Price	Expiry Date	Stock Options Outstanding	Stock Options Exercisable	Remaining Life
January 12, 2021	$0.55	September 12, 2026	150,000	150,000	0.7 years
September 24, 2025	$0.12	September 24, 2030	1,000,500	1,000,500	4.75 years

The remaining weighted average contractual life of the options is 4.8 years.

[c] Warrants

The continuity of share purchase warrants outstanding, is as follows:

	Number	Value ($)
Balance at December 31, 2023 and 2024	6,000,000	240,386
Exercise of warrants	(3,000,000)	(120,193)
Balance at December 31, 2025	3,000,000	120,193

As at December 31, 2025, the following warrants were outstanding:

Date of Issue	Weighted Average Exercise Price	Expiry Date	Warrants Outstanding	Warrants Exercisable	Remaining Life
September 13, 2023	$0.10	September 13, 2026	3,000,000	3,000,000	0.7 years

[Expressed in Canadian dollars unless otherwise noted]

[d] Diluted loss per share

Basic net loss per share is calculated by dividing the net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted net loss per share is calculated by adjusting the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. Potentially dilutive instruments include stock options and share purchase warrants. However, where the Company is in a net loss position, such instruments are considered anti-dilutive and are therefore excluded from the calculation of diluted net loss per share.

Accordingly, for the years presented, basic and diluted net loss per share are the same.

	2025	2024
Net loss	($381,666)	($315,737)
Weighted average common shares outstanding - basic	58,025,939	57,623,199
Weighted average common shares outstanding - diluted	58,025,939	57,623,199
Net loss per share – basic	($0.006)	($0.005)
Net loss per share – diluted	($0.006)	($0.005)

9. CONSOLIDATED STATEMENTS OF CASH FLOWS

The net change in non-cash working capital related to operations consists of the following:

	2025 $	2024 $
Accounts receivable	23,290	(3,886)
Prepaid expenses	—	9,893
Accounts payable and accrued liabilities	30,092	24,908
	53,382	11,129

The Company paid interest of $7,991 during the year ended December 31, 2025 (2024 – $nil).
As at December 31, 2025, cash and cash equivalents of $119,035 (December 31, 2024 – $37,319) consisted of cash held with a Canadian financial institution.

10. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% to the Company's effective income tax rate for the year is as follows:

	2025 $	2024 $
Loss before income taxes	(381,666)	(315,737)
Statutory tax rate	26.50%	26.50%
Expected income tax expense	(101,140)	(83,670)
Change in benefit of tax assets not recognized	101,140	83,670
Total income tax expense	—	—

[Expressed in Canadian dollars unless otherwise noted]

Deferred tax assets not recognized
Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available against which deductible temporary differences and tax loss carryforwards can be utilized.

As at December 31, 2025, the Company had deductible temporary differences primarily related to share issuance costs, accrued liabilities, share-based compensation, and differences between the carrying amounts and tax bases of certain capital and intangible assets. No deferred tax assets have been recognized in respect of these items in the consolidated statement of financial position.

	2025 $	2024 $
Non-capital losses carried forward	9,111,000	8,802,000
Mineral properties and deferred costs	3,257,000	3,239,000
Share issue costs	—	142,000
Total	12,368,000	12,183,000

The Company also has losses in Mexico. In addition, the Company has non-capital losses for Canadian tax purposes that have not been benefited and expire as follows:

	$
2026	355,000
2028	469,000
2029	185,000
2030	634,000
2031	568,000
2032	488,000
2033	497,000
2034	168,000
2035	228,000
2036	3,297,000
2037	119,000
2038	219,000
2039	193,000
2040	235,000
2041	317,000
2042	200,000
2043	243,000
2044	294,000
2045	402,000
	9,111,000

11. SEGMENTED INFORMATION

The Company operates in two reportable segments: (i) mineral exploration and (ii) oil and gas interests. These segments are based on the manner in which management monitors and assesses the Company's operations and allocates resources. Segment information, including revenues, expenses, and asset balances, is reflected in the consolidated financial statements and related notes, including Notes 5 and 6.

12. CONTINGENCIES

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are subject to change and may become more restrictive over time.
Management believes that the Company is, in all material respects, in compliance with applicable environmental laws and regulations. The Company has made, and expects to continue to make, expenditures to comply with such requirements.

Legal Matters
From time to time, the Company may be subject to claims and legal, regulatory, or tax proceedings arising in the ordinary course of business. The outcome of such matters is inherently uncertain. Where it is probable that an outflow of economic resources will be required and a reliable estimate can be made, the Company recognizes a provision for the estimated obligation. Where such conditions are not met, the matter is disclosed as a contingent liability, if material. If the final outcome of any claims or proceedings differs from the amounts previously recognized, such differences are recognized in profit or loss in the period in which the outcome is determined.

Legal Claim
The Company has been named as a defendant in a legal claim in which the plaintiff alleges that the Company guaranteed a loan entered into by a third party based in Morocco in connection with the potential acquisition of certain mining claims. The amount claimed against the Company is $400,000 (USD). No provision has been recognized in these consolidated financial statements in respect of this matter, as management has determined that it is not probable that an outflow of economic resources will be required and a reliable estimate of any potential obligation cannot be made at this time. The plaintiff has proposed a settlement for an amount lower than the claim; however, management has rejected the offer and intends to vigorously defend the claim.

13. SUBSEQUENT EVENTS

On March 27, 2026, the Company issued 3,000,000 common shares for proceeds of $300,000 pursuant to an exercise of warrants.

SCHEDULE E-2

STROUD RESOURCES LTD.

FORM 51-102FI

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

December 31, 2025

April 30, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS (“MD&A”) FOR THE YEAR ENDED DECEMBER 31, 2025

The following Management’s Discussion and Analysis (“MD&A”) of the financial condition and results of operations of Stroud Resources Ltd. (the “Company” or “Stroud”) for the year ended December 31, 2025, should be read in conjunction with the Company’s audited consolidated financial statements and the related notes thereto for the year ended December 31, 2025. All amounts are presented in Canadian dollars unless otherwise indicated. Additional information relating to the Company is available under Stroud’s profile on SEDAR+ at www.sedarplus.ca.

1. Overview

Stroud Resources Ltd. is a junior resource issuer engaged in the acquisition, exploration and development of mineral properties. The Company is listed on the TSX Venture Exchange as a Tier 2 issuer and trades under the symbol “SDR”. Stroud’s principal activities are focused on the exploration of silver and gold properties located in Jalisco, Mexico, and it also holds interests in natural gas producing wells in Alberta, Canada.

The Company’s strategy is to enhance shareholder value through the acquisition and advancement of exploration-stage properties with the potential to host significant economic mineralization in established and prospective mining districts in Mexico. This strategy includes advancing projects through targeted exploration programs and, where appropriate, entering into joint venture arrangements with third parties to accelerate development and manage risk.

Stroud was incorporated on March 18, 1983 and remains in the exploration and development stage. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the carrying values of these interests is dependent upon the discovery of economically recoverable reserves, the Company’s ability to secure the necessary financing to advance such properties to production, and the generation of future profitable operations or, alternatively, the disposition of such interests on favourable terms.

There can be no assurance that these objectives will be achieved. Accordingly, changes in future economic, regulatory, or market conditions may result in material adjustments to the carrying values of the Company's mineral properties. In addition, the Company's future exploration activities and corporate expenditures may be constrained by challenging capital market conditions and limited access to financing, particularly within the junior mining sector.

Mining Industry

The exploration for and development of mineral deposits involves a high degree of risk that cannot be fully mitigated through experience, technical expertise or careful evaluation. While the discovery of a mineral deposit may yield significant returns, only a small proportion of exploration properties ultimately advance to commercial production.

Substantial capital expenditures are typically required to identify and delineate mineral reserves, develop appropriate metallurgical processes, and construct mining and processing facilities. There can be no assurance that the Company's exploration activities will result in the discovery of economically recoverable reserves or the establishment of a profitable mining operation.

The commercial viability of any mineral deposit is subject to numerous factors, many of which are beyond the Company's control. These include, but are not limited to, the size, grade and geological characteristics of the deposit; proximity to infrastructure; prevailing and projected commodity prices; and the regulatory environment, including laws and regulations relating to pricing, taxation, royalties, land tenure, land use, permitting, import and export controls, and environmental protection. The combined effect of these factors is inherently uncertain and may materially impact the economic feasibility of a project. Accordingly, there can be no assurance that the Company will achieve an adequate return on its investment in any of its mineral properties.

Forward-Looking Statements

This management's discussion and analysis may contain statements that are "Forward-looking Statements". These include statements about the Company's expectations, beliefs, plans, objectives and assumptions about future events or performance. These statements are often, but not always, made using words or phrases such as "will likely result", "are expected to", "will continue", "anticipate", "believes", "estimate", "intend", "plan", "would", and "outlook" or statements to the effect that actions, events or results "will", "may", "should" or "would" be taken, occur or be achieved. Statements and estimates concerning mineral resources may also be deemed to be forward-looking statements in that they involve estimates, based on certain assumptions, regarding the mineralization that would be encountered if and when a mineral deposit was to be developed and mined. Forward-looking statements are not historical facts and are subject to several risks and uncertainties beyond the Company's control. Accordingly, the Company's actual results could differ materially from those suggested by these forward-looking statements for various reasons discussed throughout this analysis. Forward-looking statements are made based on the beliefs, opinions and estimates of the Company's management on the date the statements are made, and the Company does not undertake any obligation to update forward-looking statements if the circumstances or management's beliefs, opinions or estimates should change. Readers should not place undue reliance on forward-looking statements.

Drilling Programs

Stroud Resources completed two diamond drilling campaigns in 2021 and 2022 at its Santo Domingo Silver-Gold Project in Mexico.

During the Phase 1 drilling program, the Company completed a total of 7,707.75 metres of HQ and NQ core across 21 completed drill holes. In addition, 383.15 metres were drilled in five holes that were subsequently abandoned. Individual hole lengths ranged from approximately 55.5 metres to 552 metres. The Phase 2 drilling program comprised 1,708.15 metres of HQ and NQ core across five completed drill holes, together with 136.6 metres drilled in one abandoned hole. Hole lengths in this phase ranged from approximately 128 metres to 503 metres. The primary objective of these drilling programs was to verify and refine the existing geological interpretation and mineral resource modelling of the property. Geological analysis had previously identified potential additional mineralized zones running parallel to the Guadalupe and La Raya veins, which are the subject of the current National Instrument 43-101 ("NI 43-101") Mineral Resource Estimate (McBride, 2017).

Results from the drilling programs led to the identification of a new mineralized structure, referred to as the "**Zopilote Vein**".

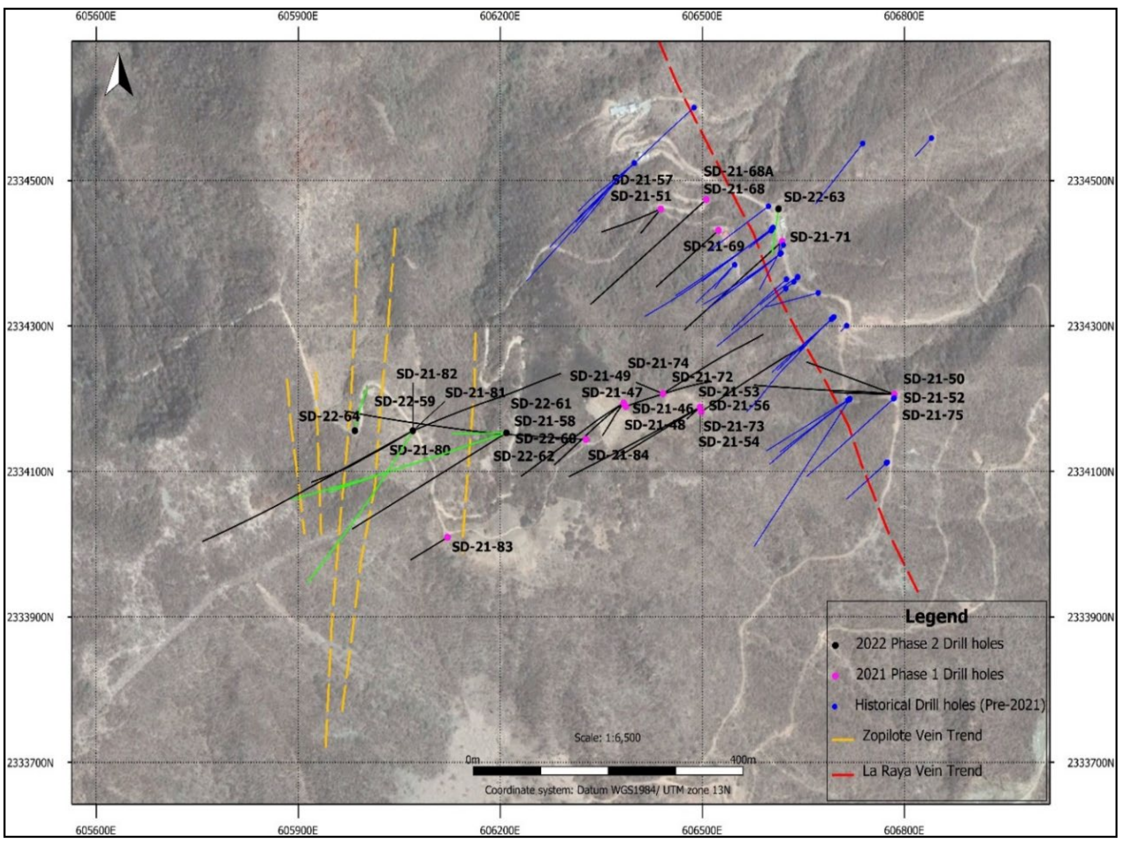


Figure 1. Location of drill hole collars and traces from the Phase 1 and Phase 2 drilling programs, overlain on a satellite image of the Santo Domingo Project concession (source: Stroud Resources, 2021).

To date, approximately 85 drill holes have been completed on the Santo Domingo Project, representing a total of approximately 18,184 metres of drilling.

Operations

For the year ended December 31, 2025, the Company reported a net loss of $381,666 (2024 – $315,737) and a net comprehensive loss of $381,666 (2024 – $315,737).

Oil and gas revenues decreased to approximately $24,620 in 2025 (2024 – $26,070), primarily reflecting lower production volumes. Correspondingly, oil, and gas operating expenses decreased to approximately $21,750 (2024 – $25,408).

Exploration expenditures on the Company's mineral properties totaled $18,084 during the year (2024 – $21,582), reflecting reduced exploration activity relative to the prior year.

In 2025, the Company recognized stock-based compensation expense of $110,000 (2024 – $nil) in connection with the grant of 1,000,500 stock options on September 24, 2025. Administrative expenses, excluding stock-based compensation, decreased to approximately $271,666 (2024 – $301,352), primarily due to lower professional fees.

The Company earned interest income in 2025 of $256 (2024 – $6,535). Interest expense of $7,991 (2024 – $nil) was incurred during the year in respect of a shareholder loan, which was fully repaid prior to year end.

As at December 31, 2025, the Company had a working capital deficiency of $34,516, compared to a working capital deficiency of $62,850 at December 31, 2024. The improvement in working capital was primarily attributable to gross proceeds of $300,000 received in November 2025 from the exercise of 3,000,000 common share purchase warrants.

The Company will require additional financing to fund its ongoing general and administrative expenditures beyond 2026 and to advance further exploration activities. Accordingly, the Company's future operations and performance remain dependent on its ability to secure additional funding.

2. New Accounting Standards and Interpretations

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

3. Mineral Properties and Oil and Gas Interests

Santo Domingo Silver-Gold Project, Mexico

Stroud holds its interest in the Santo Domingo Silver-Gold Project through its wholly owned Mexican subsidiary, Compañia Minera San Diego y La Española S.A. de C.V. ("Compañia Minera"), which owns the underlying mineral concessions and holds the requisite prospecting and exploration rights.

Compañia Minera holds title to the Santo Domingo II and Nombre de Dios mining concessions, located approximately 80 kilometres northwest of Guadalajara, in the State of Jalisco, Mexico. The concessions are situated within the Hostotipaquillo Mining District, a historically productive region hosting several known silver-gold epithermal deposits, including Monte del Favor, La Cabrera and the Cinco Minas.

Pursuant to amendments to the Mexican Mining Law enacted in 2005, mining concessions in Mexico are granted for a term of 50 years, and all existing exploration and mining concessions were converted to exploitation concessions effective January 1, 2006.

On November 20, 2017, the Company filed an updated National Instrument 43-101 ("NI 43-101") Technical Report and Mineral Resource Estimate for the Santo Domingo Silver Property (the "Report"), which is available under the Company's profile on SEDAR+ and on the Company's website.

Highlights from the Report include:

- Measured and Indicated mineral resources increased to 25.74 million silver equivalent ("AgEq") ounces, compared to 15.05 million AgEq ounces previously reported.
- Inferred mineral resources increased to 13.39 million AgEq ounces, up from 10.68 million AgEq ounces.
- The La Rayas vein hosts a significant mineralized zone, approximately 35 metres in width, extending to a depth of 300 metres and over 700 metres along strike.
- The Guadalupe vein typically ranges from 15 to 30 metres in width.
- Five additional vein structures have been identified, representing prospective targets for future exploration at depth and along strike within the project area.

The Report confirms the Company's Measured and Indicated, and Inferred Mineral Resources, as summarized in Table 1.

Table 1. Summary of Mineral Resources Estimate for the Santo Domingo Property.

	Tonnes	Gold g/t	Silver g/t	Silver Eq. g/t	Ounces Gold	Ounces Silver	Ounces Ag Eq.
Measured	3,148,834	0.51	107.40	144.21	51,370	10,136,145	13,952,515
Indicated	2,932,967	0.43	94.07	124.93	40,242	8,874,620	11,785,663
Measured and Indicated	6,081,801	0.47	100.97	134.91	91,612	19,010,765	25,738,178
Inferred	3,482,160	0.39	119.56	—	43,228	10,083,932	13,387,222

Cut-off grade was 45 grams per tonne silver equivalent over a three-metre true width and a gold-silver ratio of 72:1. Continuity of mineralization was established by drilling on 50 metre centres, and using a specific gravity of 2.65.

The Company initiated its most recent drilling program on the Santo Domingo Property in April 2021, which led to the identification of a new mineralized vein system referred to as the "Zopilote Vein System."

Royalties and Contingent Consideration

The Company is subject to the following obligations in respect of the Santo Domingo Property:

- A 2.5% net smelter return ("NSR") royalty payable to Amerix Precious Metals Inc., capped at a maximum aggregate amount of $500,000; and
- Contingent consideration payable to a prior owner totalling US$1,160,000 (approximately CAD$1,624,000), payable in quarterly installments upon the commencement of commercial production. Each installment will equal 0.5% of net smelter returns, defined as gross revenues actually received from the sale of mineral products, net of applicable smelting and refining charges. Payments commence three months following the start of commercial production and continue until the obligation is fully satisfied.

As these amounts are contingent upon future production, no liability has been recognized in the consolidated financial statements.

In order to maintain its mineral concessions and related titles in good standing, the Company must meet certain ongoing obligations, including the incurrence of prescribed minimum annual exploration expenditures and the payment of semi-annual concession fees to the Secretaría de Economía in Mexico. Failure to meet these requirements, or a determination by the relevant authorities that such expenditures do not qualify, may result in the cancellation or forfeiture of the concessions. Management believes that all required payments and expenditures are current and in compliance with applicable regulations.

In 2023, the Company entered into a surface rights agreement with the owners of the land (Ejido), providing access to the Santo-Domingo property through November 2033. Payments under the agreement total approximately US$8,955 for 2025 and are subject to annual increases of approximately 10%.

Hislop Gold Project

The Company holds a 0.5% net smelter return royalty ("NSR") on certain mineral properties located in Hislop Township, Ontario. The underlying property owner has the option to repurchase this royalty for a consideration of $1,000,000.

Leckie Gold Project

The Company holds a 1% NSR on the Leckie Gold Project. Temagami Gold Inc. ("Temagami"), the owner of the Leckie Project, has the option to repurchase the NSR for $500,000 per 0.5% interest.

The Company holds 750,000 common shares of Temagami. As at December 31, 2025 and 2024 Temagami is a privately held company, and the fair value of the shares was estimated to be nominal. The Company attributed a value of $Nil to the shares of Temagami as at December 31, 2025 and 2024.

Oil and Gas Interests

The Company holds a 3.75% working interest in six natural gas wells located in central Alberta, which generate ongoing cash flow. The properties are operated by Gran Tierra Canada Ltd., and the Company receives its proportionate share of revenues, net of operating expenses, on a monthly basis from the operator.

4. Results of Operations

The Company's selected annual financial information as at and for the three most recently completed financial years ended December 31 are summarized as follows:

	2025	2024	2023
Revenue	$24,620	$26,070	$35,904
Net Income (loss) from operations	($381,666)	($315,737)	($279,220)
Income (loss) per share – basic	($0.006)	($0.005)	($0.005)
Income (loss) per share – diluted	($0.006)	($0.005)	($0.005)
Total assets	$134,033	$75,607	$361,522
Total liabilities	$168,549	$138,457	$108,635

For the year ended December 31, 2025, the Company reported a net loss of $381,666 (2024 – $315,737) and a net comprehensive loss of $381,666 (2024 – $315,737).

Oil and gas revenues decreased to approximately $24,620 in 2025 (2024 – $26,070), primarily reflecting lower production volumes. Correspondingly, oil, and gas operating expenses decreased to approximately $21,699 (2024 – $25,408).

Exploration expenditures on the Company's mineral properties totaled $18,084 during the year (2024 – $21,582), reflecting reduced exploration activity relative to the prior year.

In 2025, the Company recognized stock-based compensation expense of $110,000 (2024 – $nil) in connection with the grant of 1,005,000 stock options on September 24, 2025. Administrative expenses, excluding stock-based compensation, decreased to approximately $281,666 (2024 – $301,352), primarily due to lower professional fees.

The Company earned interest income in 2025 of $256 (2024 – $6,535). Interest expense of $7,991 (2024 – $nil) was incurred during the year in respect of a shareholder loan, which was fully repaid prior to year end.

In the fourth quarter of 2025, oil and gas revenues were approximately $5,146 [2024 – $5,237] compared to revenues of $4,936 [2024 – $6,880] recognized in the previous quarter, continuing the declining trend in natural gas production volumes. Oil and gas expenditures during the fourth quarter of 2025 were approximately $5,437 [2024 – $5,595] compared to approximately $5,438 [2024 – $5,847] incurred in the previous quarter.

5. Liquidity and Capital Resources

As at December 31, 2025, the Company had a working capital deficiency of $34,516, compared to a working capital deficiency of $62,850 at December 31, 2024. The improvement in working capital was primarily attributable to gross proceeds of $300,000 received in November 2025 from the exercise of 3,000,000 common share purchase warrants.

During the year, the Company also received a short-term loan of $75,000 from a shareholder, which bore interest at 12% per annum and was fully repaid prior to year-end; total interest paid on this loan was $6,182.

The Company will require additional financing to fund its ongoing general and administrative expenditures beyond 2026 and to advance further exploration activities. Accordingly, the Company's future operations and performance remain dependent on its ability to secure additional funding.

6. Off-Balance Sheet Arrangements

As at the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future impact on its financial condition, results of operations, liquidity, or capital resources.

7. Transactions with Related Parties

In accordance with **IAS 24 – Related Party Disclosures**, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including the Company's directors (executive and non-executive).

During the year ended December 31, 2025, the Company received a loan of $75,000 from a shareholder. The loan was unsecured, bore interest at 12% per annum, and was originally due in five years. The loan was fully repaid during the year. As at December 31, 2025, no balance was outstanding (2024 – $nil). During the year ended December 3. 2025 the Company paid interest of $6,182 (2024-$Nil) on this loan.

During the year ended December 31, 2025, the Company issued stock options to directors and officers of the company totalling 1,005,000 and with an estimated grant date fair value of $110,000.

Included in accounts payable as at December 31, 2025 are $75,516 (2024 - $4,914) owing to officers and directors of the company. These amounts are unsecured, non-interest bearing and due on demand

Related party payments and compensation of key management personnel for the years ended December 31, 2025 and 2024 was as follows:

	2025	2024
	$	$
Administrative and professional fees	60,000	60,000
Director fees	48,750	45,000
	108,750	105,000

8. Proposed Transactions

The Company has not entered into any significant transactions, nor is it currently reviewing any such transaction, which requires board approval, shareholder approval or regulatory approval.

9. Critical Accounting Estimates

The Company's significant accounting policies are presented in Note 4 of the consolidated financial statements for the year ended December 31, 2025.

10. Financial Instruments

A discussion of the Company's financial instruments can be found in Notes 3 and 4 of the consolidated financial statements for the year ended December 31, 2025.

11. Disclosure of Outstanding Share Data as at April 30, 2026

	Number or Principal Amount Outstanding	Maximum Common Shares Issuable
Common Shares outstanding	63,623,199	N/A
Warrants outstanding	—	—
Stock Options outstanding	1,155,000	1,155,000
Maximum common shares issuable		64,778,199

12. Other MD&A Disclosure

The following table sets forth, for the quarter indicated, information relating to the Company's revenue, net loss and loss per common share for the eight most recently completed fiscal quarters.

	Revenues	Net Income (Loss)	Basic Net Income (Loss) per Share	Diluted Net Income (Loss) per Share
	$	$	$	$
March 31, 2024	7,316	(62,819)	(0.001)	(0.001)
June 30, 2024	6,637	(80,932)	(0.001)	(0.001)
September 30, 2024	6,680	(86,995)	(0.001)	(0.001)
December 31, 2024	5,237	(84,991)	(0.001)	(0.001)
March 31, 2025	7,446	(56,617)	(0.001)	(0.001)
June 30, 2025	7,092	(65,551)	(0.001)	(0.001)
September 30, 2025	4,936	(171,101)	(0.003)	(0.003)
December 31, 2025	5,146	($88,397)	($0.002)	($0.002)

Additional information relating to the Company, including its annual and quarterly financial statements, is available on SEDAR+ at www.sedarplus.ca, and on the Company's website at www.stroudsilver.com.

13. Contingencies

The Company's exploration and evaluation activities are subject to environmental laws and regulations, which are continually evolving and may become more stringent over time. Management believes that the Company is, in all material respects, in compliance with applicable environmental legislation. The Company has incurred, and expects to continue to incur, expenditures to maintain such compliance.

Legal Matters

In the normal course of operations, the Company may be subject to claims, legal proceedings, and regulatory or tax matters. While the outcome of such matters cannot be predicted with certainty, the Company records provisions where appropriate and where a reliable estimate of potential losses can be made. Any differences between estimated and actual outcomes are recognized in net income (loss) in the period in which they are determined.

Legal Claim

The Company has been named a defendant in a legal claim. The plaintiff has accused that the Company has signed a guarantee of a loan amount entered into by a party based out of Morocco as part of the potential acquisition of certain mining claims. The amount claimed against the Company is $400,000 in United States Dollars. No provision has been made in these financial statements as a result of this claim as management believes that it is not probable that an outflow of resources would be required and because a reliable estimate of any potential payment cannot be made at this time. The plaintiff has offered to settle the claim for a lower amount, but management has rejected that settlement offer and intends to defend the claim.

14. SUBSEQUENT EVENTS

On March 27, 2026, the Company issued 3,000,000 common shares for proceeds of $300,000 pursuant to an exercise of warrants.

SCHEDULE E-3

Condensed Interim Consolidated Financial Statements

Stroud Resources Ltd.

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

Management's Responsibility for the Consolidated Financial Statements

The accompanying condensed interim consolidated financial statements of Stroud Resources Ltd. (the "Company") are the responsibility of management and have been approved by the Board of Directors.

The condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the annual consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the consolidated statements of financial position. In the opinion of management, the condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Jeff Kennedy"
Jeff Kennedy
Director

"Mirsad Jakubovic"
Mirsad Jakubovic
Chief Financial Officer

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4 subsection 4.3 (3), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the unaudited condensed interim consolidated financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim consolidated financial statements of Stroud Resources Ltd. have been prepared by and are the responsibility of management. These condensed interim consolidated financial statements for the three months ended March 31, 2026 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

Stroud Resources Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

[Expressed in Canadian dollars]

	March 31, 2026 $	December 31, 2025 $
ASSETS		
Current		
Cash and cash equivalents	**313,073**	119,035
Accounts receivable	**18,520**	5,015
Prepaid expenses and sundry assets	**9,983**	9,983
Total current assets	**341,576**	134,033
Oil and gas interests, net of accumulated depletion of $516,405 [2024 - $516,405] *[note 5]*	**—**	—
Total assets	**341,576**	134,033
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities *[note 7]*	**136,781**	168,549
Total current liabilities	**136,781**	168,549
Total Liabilities	**136,781**	168,549
Shareholders' equity (deficiency) *[note 8]*		
Share capital	**26,894,854**	26,474,661
Reserves	**4,113,462**	4,233,655
Deficit	**(30,805,252)**	(30,744,563)
Accumulated other comprehensive income	**1,731**	1,731
Total shareholders' equity (deficiency)	**204,795**	(34,516)
Total liabilities and shareholders' equity	**341,576**	134,033

Going Concern *[note 2]*

Contingencies *[note 12]*

See accompanying notes

On behalf of the Board:

"Mirsad Jakubovic" Director

"Jeff Kennedy" Director

Stroud Resources Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

[Expressed in Canadian dollars]

For the three months ended March 31

	2026	2025
	$	$
OIL AND GAS OPERATIONS		
Revenue, net of royalties	**6,807**	7,446
Operating expenses	**4,949**	5,293
Income from oil and gas operations	**1,858**	2,153
EXPENSES		
Administrative fees *[note 7]*	**15,000**	15,000
Director fees *[note 7]*	**15,000**	11,250
Interest expense	—	339
Exploration costs *[notes 6]*	**3,400**	5,000
Licences and fees	**8,933**	7,584
Office and general	**4,122**	3,763
Professional fees	**15,018**	14,712
Rent	**1,211**	1,122
Total administrative expenses	**62,684**	58,770
Loss before interest income	**(60,826)**	(56,617)
Interest income	**137**	—
Net loss and comprehensive loss for the period	**(60,689)**	(56,617)
Basic and diluted loss per share *[note 8(d)]*	($0.001)	($0.001)
Weighted average number of common shares outstanding *[000's]*		
Basic	**60,856**	57,623
Diluted	**60,856**	57,623

See accompanying notes

Stroud Resources Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

[Expressed in Canadian dollars]

For the three months ended March 31,

	2026	2025
	$	$
OPERATING ACTIVITIES		
Net loss for the period	**(60,689)**	(56,617)
Net change in non-cash working capital balances related to operations	**(45,273)**	(3,341)
Cash used in operating activities	**(105,962)**	(59,958)
FINANCING ACTIVITIES		
Shareholder loan proceeds	—	75,000
Proceeds from exercise of warrants	**300,000**	—
Cash provided by financing activities	**300,000**	75,000
Net decrease in cash and cash equivalents during the year	**194,038**	15,042
Cash and cash equivalents, beginning of period	**119,035**	37,319
Cash and cash equivalents, end of period	**313,073**	52,361

See accompanying notes

Stroud Resources Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICENCY)

[Expressed in Canadian dollars]

	Common shares		Other reserves	Deficit	Accumulated other comprehensive income	Total shareholders' equity (deficiency)
	#	$	$	$	$	$
December 31, 2024	57,623,199	26,054,468	4,243,848	(30,362,897)	1,731	(62,850)
Net loss for the period	—	—	—	(56,617)	—	(56,617)
March 31, 2025	57,623,199	26,054,468	4,243,848	(30,419,514)	1,731	(119,467)
Net loss for the period	—	—	—	(65,551)	—	(65,551)
June 30, 2025	57,623,199	26,054,468	4,243,848	(30,485,065)	1,731	(185,018)
Net loss for the period	—	—	—	(171,101)	—	(171,101)
September 30, 2025	57,623,199	26,054,468	4,243,848	(30,656,166)	1,731	(356,119)
Issuance of shares on exercise of warrants	3,000,000	420,193	(120,193)	—	—	300,000
Stock-based compensation expense	—	—	110,000	—	—	110,000
Net loss for the year	—	—	—	(88,397)	—	(88,397)
December 31, 2025	60,623,199	26,474,661	4,233,655	(30,744,563)	1,731	(34,516)
Issuance of shares on exercise of warrants	3,000,000	420,193	(120,193)	—	—	300,000
Net loss for the period	—	—	—	(60,689)	—	(60,689)
March 31, 2026	63,623,199	26,894,854	4,113,462	(30,805,252)	1,731	204,795

See accompanying notes

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

[Expressed in Canadian dollars unless otherwise noted]

For the three months ended March 31, 2026 and 2025

1. CORPORATE INFORMATION

Stroud Resources Ltd. [the "Company" or "Stroud"] was incorporated on March 18, 1983, under the laws of the Province of Ontario. The Corporation’s common shares are listed on the TSX Venture Exchange (“TSX-V) under the trading symbol SDR. Stroud is an international mineral exploration company engaged in the acquisition, exploration, and development of mineral resource properties in Mexico. The Company holds its interests in its Mexican mineral properties through its wholly owned subsidiary, Compañía Minera San Diego y La Española S.A. de C.V. (“Compañía Minera”), which holds the applicable prospecting and exploration permits related to those properties. The Company’s registered office is located at 1090 Don Mills Road, Suite 404, Toronto, Ontario, M3C 3R6, Canada.

2. CONTINUANCE OF OPERATIONS AND GOING CONCERN

The Company has not yet determined whether its mineral properties contain economically recoverable mineral reserves. The recoverability of exploration and evaluation expenditures is dependent upon the discovery of economically recoverable resources, the Company’s ability to obtain the necessary permits and regulatory approvals, the availability of financing to complete exploration and development activities, and upon future profitable production or proceeds from the disposition of such properties.

Although the Company has taken steps to verify title to the mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration, such procedures do not guarantee title. Property interests may be subject to government licensing requirements, social licensing considerations, unregistered prior agreements, unregistered claims, Indigenous land claims, and non-compliance with regulatory and environmental requirements. In addition, the Company’s mineral property interests may be affected by changes in taxation and royalty regimes, renegotiation of contracts, expropriation, currency fluctuations and restrictions, and political or economic instability. These risks could adversely affect the Company’s investment in its mineral properties and may result in the loss of all or part of its interests therein.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations and realize its assets and discharge its liabilities in the normal course of business.

As at March 31, 2026, the Company had an accumulated deficit of $30,805,252 (December 31, 2025 – $30,744,563) and incurred a net loss of $60,689 for the three months ended March 31, 2026 (2025 – $56,612). At March 31, 2026, the Company had working capital of $204,795 (December 31, 2024 – working capital deficiency of $34,516).

The Company is dependent upon equity financings, debt financings, the exercise of outstanding warrants and options, or the sale or joint venture of mineral property interests to fund its activities and meet its obligations as they become due. There can be no assurance that such financing will be available on terms acceptable to the Company, or at all.

If the going concern assumption were not appropriate, adjustments to the carrying amounts and classification of assets and liabilities would be necessary. Such adjustments could be material.

3. BASIS OF PRESENTATION

Statement of compliance
These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee ("IFRIC") that were effective for the year ended December 31, 2025.

Certain comparative figures have been reclassified to conform with the current year's presentation.

The condensed interim consolidated financial statements for the three months ended March 31, 2026 were authorized for issue by the Board of Directors on May 29, 2026.

Basis of measurement
These condensed interim consolidated financial statements have been prepared on a going concern basis and in accordance with the historical cost convention, except for certain financial instruments that are measured at fair value, as described in the accounting policies set out below.

Functional and presentation currency
These condensed interim consolidated financial statements are presented in Canadian dollars ("CAD"), which is the Company's functional currency. The functional currency of the Company's Mexican subsidiary is the Mexican peso, reflecting the primary economic environment in which it operates. The financial statements of the subsidiary are translated into Canadian dollars for presentation purposes. Assets and liabilities are translated at the closing exchange rate at the reporting date, while income and expenses are translated at exchange rates prevailing at the dates of the transactions. Resulting translation differences are recognized in other comprehensive income (loss).

Principles of consolidation
These condensed interim consolidated financial statements include the accounts of Stroud Resources Ltd. (the "Company") and its wholly owned subsidiary, Compañía Minera San Diego y La Española S.A. de C.V. ("Compañía Minera"). Subsidiaries are entities over which the Company has control. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are fully consolidated from the date on which control is obtained by the Company and continue to be consolidated until the date that control ceases. All intercompany balances, transactions, revenues, and expenses have been eliminated on consolidation.

4. MATERIAL ACCOUNTING POLICIES

The following material accounting policies have been applied consistently in the preparation of these condensed interim consolidated financial statements.

[a] Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) includes items that are recognized outside of profit or loss in accordance with IFRS Accounting Standards. For the Company, other comprehensive income (loss) is comprised of foreign currency translation differences arising on the translation of the financial statements of its wholly owned foreign subsidiary, Compañía Minera San Diego y La Española S.A. de C.V., whose functional currency differs from that of the Company. The components of comprehensive income (loss) are presented in the consolidated statements of loss and comprehensive loss.

[b] Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances held with financial institutions, and short-term highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

[c] Foreign currency

The Company's functional currency is the Canadian dollar ("CAD"). The functional currency of its subsidiary is the Mexican peso ("MXN"). The condensed interim consolidated financial statements are presented in CAD, which is the Company's presentation currency.

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates in effect at the reporting date. Foreign exchange gains and losses arising on settlement of foreign currency transactions, and from the retranslation of monetary assets and liabilities, are recognized in the consolidated statements of loss. Non-monetary items measured at historical cost are translated at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are translated at the exchange rate at the date when the fair value was determined.

The results and financial position of subsidiaries with a functional currency different from the presentation currency are translated into CAD as follows:

- Assets and liabilities are translated at the closing exchange rate at the reporting date;
- Income and expenses are translated at average exchange rates for the period, unless such rates do not approximate the actual exchange rates at the dates of the transactions, in which case transactions are translated at the exchange rates at their respective dates; and
- All resulting exchange differences are recognized in other comprehensive income ("OCI") and accumulated in equity within accumulated other comprehensive income (loss) ("AOCI").

Exchange differences arising on the translation of the Company's net investment in foreign operations are recognized in OCI and accumulated in AOCI. Upon disposal or partial disposal of a foreign operation, the cumulative amount of the exchange differences relating to that operation is reclassified from equity to the consolidated statements of loss as part of the gain or loss on disposal.

[d] Exploration and evaluation assets

Exploration and evaluation expenditures are expensed as incurred until such time as the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated.

When a project is determined to be technically feasible and commercially viable, and the Company has decided to proceed with development, the related exploration and evaluation assets are tested for impairment and, if recoverable, reclassified to property, plant and equipment within development assets.

Technical feasibility and commercial viability are considered to be established when a comprehensive technical report has been completed, construction financing has been arranged, and the Board of Directors has approved the development of the project.

[e] Determination of reserves and resources

The estimation of mineral resources is inherently uncertain and involves the application of judgment and assumptions. The Company engages independent qualified persons to prepare estimates of mineral resources for its mineral properties in Mexico in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").

Mineral resource estimates are based on geological and engineering data, including assumptions regarding commodity prices, recovery factors, production costs, and other technical and economic factors. These estimates are reviewed and approved by management and are considered to be current and complete as at the date of the respective technical reports.

Mineral resource estimates are used in assessing the recoverability of exploration and evaluation assets, determining whether indicators of impairment exist, and, where applicable, estimating future cash flows. Changes in mineral resource estimates or in the assumptions underlying such estimates could materially affect the carrying value of the Company's mineral properties.

[f] Impairment of long-lived assets

At each reporting date, the Company reviews the carrying amounts of its long-lived assets to determine whether there are indicators of impairment. If such indicators exist, the Company estimates the recoverable amount of the asset to determine whether an impairment loss should be recognized. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Value in use is determined as the present value of the estimated future cash flows expected to be derived from the asset. If the recoverable amount of an asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss is recognized in profit or loss.

For the purposes of impairment testing, assets are grouped at the lowest level for which there are separately identifiable cash inflows (cash-generating units or "CGUs"). Where an asset does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount. The carrying amount of the asset (or CGU) is increased to the revised recoverable amount, but not to an amount exceeding the carrying amount that would have been determined had no impairment loss been recognized in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss

[g] Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes the purchase price and all costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Cost also includes an initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located, where applicable.

Subsequent to initial recognition, equipment is depreciated over its estimated useful life using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed. The depreciation method, useful lives, and residual values are reviewed at least annually and adjusted prospectively, if appropriate. At each reporting date, the Company assesses whether there are indicators that an asset may be impaired. If such indicators exist, the Company estimates the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use and recognizes an impairment loss if the carrying amount exceeds the recoverable amount.

[h] Provision for environmental rehabilitation

The Company recognizes a provision for asset retirement, restoration, and environmental rehabilitation obligations in the period in which a legal or constructive obligation is incurred as a result of past activities.

The provision represents the present value of the estimated future costs required to dismantle and remove assets, remediate disturbed areas, and restore sites. The estimated costs are based on current legal and regulatory requirements and available information at the reporting date. The provision is discounted using a current pre-tax discount rate that reflects the time value of money and risks specific to the obligation. The unwinding of the discount is recognized as accretion expense in profit or loss.

When the provision gives rise to a future economic benefit, a corresponding asset retirement cost is capitalized as part of the carrying amount of the related asset and depreciated over its useful life.

The provision is reviewed at each reporting date and adjusted for changes in estimated cash flows, timing of settlement, applicable legislation, or discount rates. Changes in the estimated obligation are added to or deducted from the carrying amount of the related asset and depreciated prospectively.

As at March 31, 2026 and December 31, 2025, management has determined that no material provision for environmental rehabilitation is required.

[i] Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

The amount recognized as a provision represents management's best estimate of the expenditure required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, provisions are measured at the present value of the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Changes in estimates are recognized in profit or loss in the period in which they occur.

[j] Financial instruments and liabilities

Financial Assets

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, financial assets are measured at fair value plus, in the case of financial assets not classified at fair value through profit or loss (FVTPL"), as directly attributable transaction costs.

Under IFRS 9, financial assets are classified at initial recognition as measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets is determined based on both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets containing embedded derivatives are assessed in their entirety when determining their classification.

Cash and cash equivalents and accounts receivable are classified and measured at amortized cost using the effective interest method, as they are held within a business model whose objective is to collect contractual cash flows and those cash flows represent solely payments of principal and interest.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets classified at amortized cost are subsequently measured using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by applying any discount or premium on acquisition and any fees or transaction costs that are an integral part of the EIR. The amortization of such amounts is recognized in finance income in the consolidated statements of income (loss).

Financial assets measured at amortized cost are also subject to the expected credit loss impairment model described below.

Subsequent measurement – financial assets at fair value through profit or loss (“FVTPL”)
Financial assets classified at FVTPL include financial assets held for trading and derivative financial instruments that are not designated in an effective hedging relationship. Financial assets at FVTPL are measured at fair value at each reporting period date, with changes in fair value recognized in profit or loss within other income (expense). The Company does not have any financial assets classified at FVTPL as at the reporting date.

Subsequent measurement – financial assets at fair value through Other Comprehensive Income (“FVOCI”)
Financial assets classified at FVOCI are non-derivative financial assets that are not held for trading and for which the Company has made an irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income. Subsequent to initial recognition, such investments are measured at fair value with unrealized gains or losses recognized in other comprehensive income and accumulated in equity. Upon disposal, cumulative gains or losses previously recognized in other comprehensive income are not reclassified to profit or loss. Dividends are recognized in profit and loss within other when the Company’s right to receive payment is established. The Company does not have any financial assets classified at FVOCI as at the reporting date.

Derecognition
A financial asset is derecognized when the contractual rights to receive the cash flows from the asset expire, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets
Financial assets measured at amortized cost are subject to the expected credit loss (“ECL”) model under IFRS 9. The Company’s financial assets subject to impairment consist primarily of accounts receivable and deposits and advances. The Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognized from initial recognition of the receivable. Expected credit losses are measured using a provision matrix based on historical credit loss experience, adjusted for current conditions and forward-looking information. Receivables are grouped based on shared credit risk characteristics, including ageing.

An impairment loss is reversed in subsequent periods if the amount of expected credit losses decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized. The reversal is recognized in profit and loss.

Financial liabilities

Initial recognition and measurement
Financial liabilities are recognized when the Company become a party to the contractual provisions of the instrument and are initially measured at fair value. Financial liabilities are subsequently measured at amortized cost unless they are required to be measured at fair value through profit or loss (“FVTPL”), such as liabilities held for trading or derivative instruments, or where the Company has elected the fair value option at initial recognition.

The Company's financial liabilities consist of accounts payable and accrual liabilities and advances from shareholders which are each measured at amortized cost.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured using the EIR method. Amortized cost is calculated by taking into account any discount or premium on issuance and any fees or transaction costs that are integral to the EIR. The amortization of such amounts is recognized in finance costs in the consolidated statements of loss.

Derecognition
A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. Any difference between the carrying amount of the financial liability extinguished and the consideration paid is recognized in profit or loss within other income (expense).

[k] Loss per share

Basic loss per share is calculated by dividing the net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that would occur if securities or other contracts to issue common shares, such as stock options and share purchase warrants, were exercised or converted into common shares, to the extent they are dilutive. The Company applies the treasury stock method in determining the dilutive effect of stock options and warrants. Under this method, the assumed proceeds from the exercise of such instruments are used to repurchase common shares at the average market price during the period. For periods in which the Company reports a net loss, all potentially dilutive instruments are anti-dilutive and are therefore excluded from the calculation of diluted loss per share.

[l] Share-based payments

The Company accounts for share-based payment arrangements in accordance with IFRS 2 *Share-based Payment*. Equity-settled share-based payments to employees and directors are measured at the fair value of the equity instruments granted at the grant date and are recognized as an expense over the applicable vesting period, with a corresponding increase in contributed surplus. The expense is recognized on a graded or straight-line basis over the vesting period, as appropriate, with an estimate of the number of awards expected to vest.

Share-based payments to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be reliably measured, in which case the fair value of the equity instruments granted is used. The expense is recognized when the goods or services are received.

The fair value of stock options is estimated at the grant date using the Black-Scholes option pricing model, which requires the use of subjective assumptions, including expected share price volatility, expected option life, risk-free interest rate, and expected dividend yield. Changes in these assumptions can materially affect the calculated fair value.

Upon exercise of stock options, the consideration received together with the amount previously recognized in contributed surplus is recorded as share capital. Upon expiry or forfeiture of stock options, the amount previously recognized in contributed surplus remains in equity.

[m] Flow-through shares

Flow-through shares are recognized in share capital based on the quoted market price of the Company's common shares at the date of issuance. The premium received by the Company, representing the difference between the subscription price and the fair value of the common shares issued, is recognized as a flow-through share premium liability.

The flow-through share premium liability is reduced and recognized as income in the consolidated statements of loss and comprehensive loss as the Company incurs eligible expenditures and renounces the associated tax deductions to the investors.

The Company is obligated to incur qualifying Canadian exploration expenditures within prescribed timelines and to renounce such expenditures to investors in accordance with applicable tax legislation. The Company may be subject to indemnification obligations for any tax-related amounts payable by investors in the event that the Company does not fulfill its commitments under the flow-through share agreements.

[n] Income taxes

Income tax expense comprises current and deferred income taxes.

Current income tax is recognized for the estimated income taxes payable or recoverable in respect of the taxable income or loss for the current year and any adjustments to income taxes payable in respect of previous years.

Deferred income taxes are recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding tax bases, as well as for unused tax losses and tax credits carried forward. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period in which the asset is realized or the liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill; or
- when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and joint arrangements where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, unused tax losses, and unused tax credits to the extent that it is probable that future taxable profit will be available against which such amounts can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates, and joint arrangements, unless it is probable that the temporary difference will reverse in the foreseeable future and sufficient taxable profit will be available.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, and the Company intends to settle on a net basis.

Uncertain Tax Positions

The Company is subject to income taxes, value-added taxes, withholding taxes, and other taxes in the jurisdictions in which it operates. Significant judgment is required in determining tax provisions and deferred tax balances, as the ultimate tax treatment of certain transactions may be uncertain. The Company recognizes liabilities for uncertain tax positions when it is probable that additional taxes will be payable, based on management's best estimate of the expected outcome. Tax filings are subject to audit and potential reassessment by taxation authorities. Where the final tax outcome differs from amounts previously recorded, such differences are recognized in profit or loss in the period in which the determination is made.

[o] Oil and gas interests

The Company holds certain legacy oil and gas interests.

Subsequent to initial recognition, oil and gas interests are depleted and amortized on a unit-of-production basis over the estimated proved and probable reserves, where applicable.

The Company assesses oil and gas interests for indicators of impairment at each reporting date. Where indicators of impairment exist, the recoverable amount is estimated as the higher of fair value less costs of disposal and value in use. These calculations require the use of estimates and assumptions, including future commodity prices, production volumes, operating and capital costs, and discount rates. An impairment loss is recognized when the carrying amount exceeds the recoverable amount.

Given the legacy nature of these assets, the Company does not anticipate significant future capital expenditures related to oil and gas activities. The carrying value of these assets is not material to the interim condensed consolidated financial statements.

[p] Material judgements and estimates

The preparation of these condensed interim consolidated financial statements in accordance with IFRS Accounting Standards requires management to exercise judgment and to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, as well as related disclosures. Actual results may differ from these estimates. Revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and in any future periods affected.

Material judgements
The critical judgments, apart from those involving estimates, that have the most significant effect on the amounts recognized in the consolidated financial statements include:

- the determination of the functional currency of the Company and its subsidiary (note 3[c]);
- the recognition and measurement of provisions, including environmental rehabilitation obligations (note 3[h]);
- the determination of income and other tax positions (note 3[n]);
- the evaluation of contingent liabilities and provisions; and
- the assessment of the Company's ability to continue as a going concern (note 2)

Key sources of estimation uncertainty
The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities in future periods include, but are not limited to: going concern assumptions regarding the Company's ability to obtain additional financing and generate future cash flows; share-based payments, including assumptions used in option pricing models such as expected volatility, expected life, forfeiture rates, and risk-free interest rates; useful lives of assets and related depreciation or amortization; income taxes, including the recognition and measurement of deferred tax assets and liabilities; and commitments and contingencies, including assumptions used in measuring provisions and assessing contingent liabilities and the determination of the liability and equity components of convertible debt. Because these estimates are based on management's best judgment, actual results may differ, and such differences could be material to the consolidated financial statements

[q] Other accounting changes

In April 2024, the International Accounting Standards Board issued IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements. The new standard introduces enhanced requirements for the presentation and disclosure of financial performance, including the introduction of defined subtotals in the statement of profit or loss, new categories of income and expenses, and expanded disclosures relating to management-defined performance measures. IFRS 18 also includes new requirements relating to the location, aggregation and disaggregation of financial information.

This standard is effective for annual reporting periods beginning on or after January 1, 2027 including interim financial statements. Retrospective adoption is required and early adoption is permitted.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and advances from shareholders. Unless otherwise noted, the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

Fair value
The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and advances from shareholders approximate their fair values due to the short-term nature and maturity of these instruments.

Credit risk
Credit risk is the risk that a counterparty will fail to fulfill its contractual obligations, resulting in a financial loss to the Company. This risk arises principally from the Company's financial assets, including cash and cash equivalents and accounts receivable, and represents the potential reduction in future cash inflows as at the consolidated statement of financial position date.

(i) Cash and cash equivalents
The Company's cash and cash equivalents are held with a major Canadian chartered bank. The Company manages credit risk related to cash and cash equivalents by maintaining deposits with high-credit-quality financial institutions. As at the reporting date, the maximum exposure to credit risk related to cash and cash equivalents equals their carrying amount. Management does not expect any significant credit losses arising from these balances.

(ii) Receivables
The Company's receivables consist primarily of receivables arising in the normal course of business. As at March 31, 2026, management expects that counterparties will meet their contractual obligations and has assessed the expected credit losses on receivables to be immaterial. Accordingly, no allowance for expected credit losses has been recognized. The maximum exposure to credit risk at the reporting date is equal to the carrying amount of receivables.

Foreign currency risk
The Company is exposed to foreign currency risk to the extent that certain transactions and financing activities are denominated in United States dollars ("USD").

The Company monitors its exposure to foreign exchange fluctuations on an ongoing basis. As at March 31, 2026, management has assessed the Company's exposure to foreign currency risk to be limited and not material. Accordingly, the Company has not entered into any foreign currency hedging arrangements.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As at March 31, 2026, management has assessed the Company's exposure to interest rate risk to be minimal.

Liquidity risk
Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company's objective is to manage liquidity risk by monitoring its cash requirements and maintaining sufficient cash resources to meet its operational needs. As at March 31, 2026, the Company had cash and cash equivalents of $313,073 [December 31, 2025- $119,035]. The Company will need to raise additional funds to meet its obligations and fund operations beyond 2026. (See note 2).

Capital risk
The Company's objectives when managing capital are: (i) to safeguard the Company's ability to continue as a going concern in order to support its manufacturing operations and provide returns for shareholders; and (ii) to maintain a flexible capital structure that optimizes the cost of capital at an acceptable level of risk. For the

purposes of capital management, the Company defines capital as shareholders' equity and debt, net of cash and cash equivalents, and includes short-term investments, if any.

The Company manages its capital structure and makes adjustments in response to changes in economic conditions, operating performance, working capital requirements, and the risk characteristics of its operations. To maintain or adjust its capital structure, the Company may issue additional equity or debt, refinance existing obligations, or adjust the level of cash and cash equivalents.

To facilitate the management of its capital requirements, the Company prepares annual operating budgets and cash flow forecasts, which are reviewed and approved by the Board of Directors. Actual results are monitored against approved budgets, and variances are evaluated in light of operational and market conditions.

The Company's capital management objectives, policies, and processes remained unchanged during the three months ended March 31, 2026 and the year ended December 31, 2025.

The Company's investment policy is to invest surplus cash in highly liquid, short-term, interest-bearing instruments with original maturities of less than one year, taking into consideration the expected timing of operational expenditures.

Commodity price risk
The Company's ability to carry out exploration and evaluation activities, as well as the future economic viability of its mineral properties, is influenced by fluctuations in commodity prices.

Commodity prices are subject to significant volatility and are affected by numerous factors beyond the Company's control, including global economic conditions, supply and demand dynamics, currency fluctuations, and geopolitical developments. Declines in commodity prices may impact the Company's ability to finance exploration activities and could result in the impairment of exploration and evaluation assets.

The Company monitors commodity price trends on an ongoing basis and evaluates the potential impact on its operations and asset values in determining its strategic course of action.

5. OIL AND GAS INTERESTS

The Company holds a 3.75% working interest in six producing oil and gas properties located in Alberta, Canada. These assets are operated by Gran Tierra Canada Ltd. The Company's interests are non-operated and entitle it to its proportionate share of production revenues, net of royalties, operating expenses, and capital expenditures.

The Company accounts for these interests as legacy assets. Revenue is recognized in accordance with the Company's revenue recognition policy based on its share of production, measured using volumes delivered and realized commodity prices, as reported by the operator. Cash receipts are typically received on a monthly basis.

6. MINERAL PROPERTIES

The Company holds exploration and royalty interests in the following mineral properties.

Santo Domingo Silver–Gold Project

The Company holds a 100% interest in Compañia Minera San Diego Y La Espana S.A. de C.V ("Compañia Minera"), which owns certain mineral concessions located in the State of Jalisco, Mexico.

The Company is subject to the following obligations in respect of the Santo Domingo property:

- A 2.5% net smelter return ("NSR") royalty payable to Amerix Precious Metals Inc., capped at a maximum aggregate amount of $500,000; and
- Contingent consideration payable to a prior owner totaling USD $1,160,000 (approximately CAD $1,624,000), payable in quarterly installments, conditional upon the commencement of commercial production. Following the start of commercial production, quarterly payments will equal 0.5% of net smelter returns, defined as gross revenues actually received from the sale of mineral products, net of applicable smelting and refining charges. Payments commence three months after the start of commercial production and continue until the total obligation has been satisfied. These amounts are contingent upon future production and, accordingly, have not been recognized as liabilities in the consolidated financial statements.

Concession Requirements

To maintain its mineral concessions in good standing, the Company is required to:

- Incur prescribed minimum annual exploration expenditures; and
- Pay semi-annual concession fees to the **Secretaría de Economía (Mexico)**.
- The annual concession fee for 2026 is expected to be approximately MXN $60,000 (approximately CAD $4,700)

Failure to meet these requirements may result in the cancellation or forfeiture of the concessions. Management believes that all required expenditures and payments have been made and that the concessions are in good standing as at the reporting date.

Surface Rights Agreement

The Company has entered into an agreement with the local landowners (Ejido) granting access to the Santo Domingo property through 2033, with provisions for renewal. Annual payments under this agreement are approximately USD $8,141, subject to annual increases of approximately 10%.

Hislop Project

The Company holds a 0.5% net smelter return ("NSR") royalty on certain mineral properties located in Hislop Township, Ontario. Under the terms of the underlying agreement, the property owner has the option to repurchase the NSR royalty for a cash payment of $1,000,000.

[Expressed in Canadian dollars unless otherwise noted]

Leckie Project

The Company holds a 1.0% net smelter return ("NSR") royalty on the Leckie Project, owned by Temagami Gold Inc. ("Temagami"). Under the terms of the agreement, Temagami has the option to repurchase the NSR royalty at a price of $500,000 for each 0.5% interest, for a total potential consideration of $1,000,000 for the full 1.0% NSR.

In addition, the Company holds 750,000 common shares of Temagami. As at March 31, 2026, and December 31, 2025, Temagami is a privately held company and the fair value of the shares was estimated to be nominal. The Company attributed a value of $Nil to the shares of Temagami as at March 31, 2026, and December 31, 2025.

7. RELATED PARTY TRANSACTIONS

In accordance with **IAS 24 – Related Party Disclosures**, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including the Company's directors (executive and non-executive).

Related party payments and compensation of key management personnel for the three months ended March 31, 2026 and 2025 was as follows:

	2026	2025
	$	$
Administrative and professional fees	15,000	15,000
Director fees	15,000	11,250
	30,000	36,250

8. SHAREHOLDERS' EQUITY

[a] Share capital

The company is authorized to issue an unlimited number of common shares.

The continuity of share capital is as follows:

	Shares	Amount
	#	$
Balance, December 31, 2024	57,623,199	26,054,468
Issuance of common shares on exercise of warrants	3,000,000	420,193
Balance, December 31, 2025	60,623,199	26,474,661
Issuance of common shares on exercise of warrants	3,000,000	420,193
Balance, March 31, 2026	63,623,199	26,848,854

[Expressed in Canadian dollars unless otherwise noted]

[b] Stock options

The Company maintains a stock option plan (the "Plan") to attract and retain directors, officers, employees, and consultants. Under the terms of the Plan, the Board of Directors may grant options to acquire common shares of the Company at an exercise price not less than the market price of the shares at the date of grant. Options granted under the Plan have a maximum term of up to 5 years and vest in accordance with the terms determined by the Board at the time of grant. On September 24, 2025, the Company granted 1,000,500 stock options to certain officers and directors of the Company. The options are exercisable at $0.12 per share**,** being equal to the estimated fair market value of the Company's common shares on the date of grant and have a contractual life of five years**.**

The fair value of the options granted on the date of grant was estimated at $110,000**,** using the Black-Scholes option pricing model. The following weighted average assumptions were used in estimating the fair value of options granted:

Assumption	**Amount**
Share price at grant date	$0.12
Exercise price	$0.12
Risk-free interest rate	2.80%
Expected life	5.0 years
Expected volatility	160%
Expected dividend yield	0.0%

The continuity of the options outstanding is as follows:

	2026		2025	
	Number #	Weighted average exercise price $	Number #	Weighted average exercise price $
Outstanding, beginning of year	1,150,000	0.55	150,000	0.55
Granted	—	—	1,000,500	0.12
Outstanding, end of year	1,150,500	0.176	150,000	0.55
Exercisable, end of year	1,150,500	0.176	150,000	0.55

As at March 31, 2026, the following options were outstanding:

Date of Issue	Weighted Average Exercise Price	Expiry Date	Stock Options Outstanding	Stock Options Exercisable	Remaining Life
January 12, 2021	$0.55	September 12, 2026	150,000	150,000	0.4 years
September 24, 2025	$0.12	September 24, 2030	1,000,500	1,000,500	4.5 years

The remaining weighted average contractual life of the options is 4.5 years.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

[Expressed in Canadian dollars unless otherwise noted]

For the three months ended March 31, 2026 and 2025

[c] Warrants

The continuity of share purchase warrants outstanding, is as follows:

	Number	Value ($)
Balance at December 31, 2025	3,000,000	120,193
Exercise of warrants	(3,000,000)	(120,193)
Balance at March 31, 2026	—	—

[d] Diluted loss per share

Basic net loss per share is calculated by dividing the net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted net loss per share is calculated by adjusting the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. Potentially dilutive instruments include stock options and share purchase warrants. However, where the Company is in a net loss position, such instruments are considered anti-dilutive and are therefore excluded from the calculation of diluted net loss per share.

Accordingly, for the years presented, basic and diluted net loss per share are the same.

	2026	2025
Net loss	($60,689)	($56,617)
Weighted average common shares outstanding - basic	60,856,532	57,623,199
Weighted average common shares outstanding - diluted	60,856,532	57,623,199
Net loss per share – basic	($0.001)	($0.001)
Net loss per share – diluted	($0.001)	($0.001)

9. CONSOLIDATED STATEMENTS OF CASH FLOWS

The net change in non-cash working capital related to operations consists of the following:

	2026	2025
	$	$
Accounts receivable	(13,505)	(10,241)
Accounts payable and accrued liabilities	(31,768)	6,900
	(45,273)	(3,341)

As at March 31, 2026, cash and cash equivalents of $313,073 (December 31, 2025 – $119,425) consisted of cash held with a Canadian financial institution.

[Expressed in Canadian dollars unless otherwise noted]

10. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% to the Company's effective income tax rate for the year is as follows:

	2026 $	2025 $
Loss before income taxes	(60,689)	(56,617)
Statutory tax rate	26.50%	26.50%
Expected income tax expense	(16,080)	(15,000)
Change in benefit of tax assets not recognized	16,080	15,000
Total income tax expense	—	—

Deferred tax assets not recognized

Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available against which deductible temporary differences and tax loss carryforwards can be utilized.

As at December 31, 2025, the Company had deductible temporary differences primarily related to share issuance costs, accrued liabilities, share-based compensation, and differences between the carrying amounts and tax bases of certain capital and intangible assets. No deferred tax assets have been recognized in respect of these items in the consolidated statement of financial position.

	2026 $	2025 $
Non-capital losses carried forward	9,111,000	9,111,000
Mineral properties and deferred costs	3,257,000	3,257,000
Total	12,368,000	12,368,000

11. SEGMENTED INFORMATION

The Company operates in two reportable segments: (i) mineral exploration and (ii) oil and gas interests. These segments are based on the manner in which management monitors and assesses the Company's operations and allocates resources. Segment information, including revenues, expenses, and asset balances, is reflected in the consolidated financial statements and related notes, including Notes 5 and 6.

12. CONTINGENCIES

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are subject to change and may become more restrictive over time.

Management believes that the Company is, in all material respects, in compliance with applicable environmental laws and regulations. The Company has made, and expects to continue to make, expenditures to comply with such requirements.

Legal Matters
From time to time, the Company may be subject to claims and legal, regulatory, or tax proceedings arising in the ordinary course of business. The outcome of such matters is inherently uncertain. Where it is probable that an outflow of economic resources will be required and a reliable estimate can be made, the Company recognizes a provision for the estimated obligation. Where such conditions are not met, the matter is disclosed as a contingent liability, if material. If the final outcome of any claims or proceedings differs from the amounts previously recognized, such differences are recognized in profit or loss in the period in which the outcome is determined.

Legal Claim
The Company has been named as a defendant in a legal claim in which the plaintiff alleges that the Company guaranteed a loan entered into by a third party based in Morocco in connection with the potential acquisition of certain mining claims. The amount claimed against the Company is $400,000 (USD). No provision has been recognized in these consolidated financial statements in respect of this matter, as management has determined that it is not probable that an outflow of economic resources will be required and a reliable estimate of any potential obligation cannot be made at this time. The plaintiff has proposed a settlement for an amount lower than the claim; however, management has rejected the offer and intends to vigorously defend the claim.

SCHEDULE E-4

STROUD RESOURCES LTD.

FORM 51-102FI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED
MARCH 31, 2026

May 29, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") FOR THE THREE MONTHS ENDED MARCH 31, 2026

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Stroud Resources Ltd. (the "Company" or "Stroud") for the three months ended March 31, 2026, should be read in conjunction with the Company's condensed interim consolidated financial statements for the three months ended March 31, 2026 and the audited consolidated financial statements and the related notes thereto for the year ended December 31, 2025. All amounts are presented in Canadian dollars unless otherwise indicated. Additional information relating to the Company is available under Stroud's profile on SEDAR+ at www.sedarplus.ca.

1. Overview

Stroud Resources Ltd. is a junior resource issuer engaged in the acquisition, exploration and development of mineral properties. The Company is listed on the TSX Venture Exchange as a Tier 2 issuer and trades under the symbol "SDR". Stroud's principal activities are focused on the exploration of silver and gold properties located in Jalisco, Mexico, and it also holds interests in natural gas producing wells in Alberta, Canada.

The Company's strategy is to enhance shareholder value through the acquisition and advancement of exploration-stage properties with the potential to host significant economic mineralization in established and prospective mining districts in Mexico. This strategy includes advancing projects through targeted exploration programs and, where appropriate, entering into joint venture arrangements with third parties to accelerate development and manage risk.

Stroud was incorporated on March 18, 1983 and remains in the exploration and development stage. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the carrying values of these interests is dependent upon the discovery of economically recoverable reserves, the Company's ability to secure the necessary financing to advance such properties to production, and the generation of future profitable operations or, alternatively, the disposition of such interests on favourable terms.

There can be no assurance that these objectives will be achieved. Accordingly, changes in future economic, regulatory, or market conditions may result in material adjustments to the carrying values of the Company's mineral properties. In addition, the Company's future exploration activities and corporate expenditures may be constrained by challenging capital market conditions and limited access to financing, particularly within the junior mining sector.

Mining Industry

The exploration for and development of mineral deposits involves a high degree of risk that cannot be fully mitigated through experience, technical expertise or careful evaluation. While the discovery of a mineral deposit may yield significant returns, only a small proportion of exploration properties ultimately advance to commercial production.

Substantial capital expenditures are typically required to identify and delineate mineral reserves, develop appropriate metallurgical processes, and construct mining and processing facilities. There can be no assurance that the Company's exploration activities will result in the discovery of economically recoverable reserves or the establishment of a profitable mining operation.

The commercial viability of any mineral deposit is subject to numerous factors, many of which are beyond the Company's control. These include, but are not limited to, the size, grade and geological characteristics of the deposit; proximity to infrastructure; prevailing and projected commodity prices; and the regulatory environment, including laws and regulations relating to pricing, taxation, royalties, land tenure, land use, permitting, import and export controls, and environmental protection. The combined effect of these factors is inherently uncertain and may materially impact the economic feasibility of a project. Accordingly, there can be no assurance that the Company will achieve an adequate return on its investment in any of its mineral properties.

Forward-Looking Statements

This management's discussion and analysis may contain statements that are "Forward-looking Statements". These include statements about the Company's expectations, beliefs, plans, objectives and assumptions about future events or performance. These statements are often, but not always, made using words or phrases such as "will likely result", "are expected to", "will continue", "anticipate", "believes", "estimate", "intend", "plan", "would", and "outlook" or statements to the effect that actions, events or results "will", "may", "should" or "would" be taken, occur or be achieved. Statements and estimates concerning mineral resources may also be deemed to be forward-looking statements in that they involve estimates, based on certain assumptions, regarding the mineralization that would be encountered if and when a mineral deposit was to be developed and mined. Forward-looking statements are not historical facts and are subject to several risks and uncertainties beyond the Company's control. Accordingly, the Company's actual results could differ materially from those suggested by these forward-looking statements for various reasons discussed throughout this analysis. Forward-looking statements are made based on the beliefs, opinions and estimates of the Company's management on the date the statements are made, and the Company does not undertake any obligation to update forward-looking statements if the circumstances or management's beliefs, opinions or estimates should change. Readers should not place undue reliance on forward-looking statements.

Drilling Programs

Stroud Resources completed two diamond drilling campaigns in 2021 and 2022 at its Santo Domingo Silver-Gold Project in Mexico.

During the Phase 1 drilling program, the Company completed a total of 7,707.75 metres of HQ and NQ core across 21 completed drill holes. In addition, 383.15 metres were drilled in five holes that were subsequently abandoned. Individual hole lengths ranged from approximately 55.5 metres to 552 metres. The Phase 2 drilling program comprised 1,708.15 metres of HQ and NQ core across five completed drill holes, together with 136.6 metres drilled in one abandoned hole. Hole lengths in this phase ranged from approximately 128 metres to 503 metres. The primary objective of these drilling programs was to verify and refine the existing geological interpretation and mineral resource modelling of the property. Geological analysis had previously identified potential additional mineralized zones running parallel to the Guadalupe and La Raya veins, which are the subject of the current National Instrument 43-101 ("NI 43-101") Mineral Resource Estimate (McBride, 2017).

Results from the drilling programs led to the identification of a new mineralized structure, referred to as the "**Zopilote Vein**".

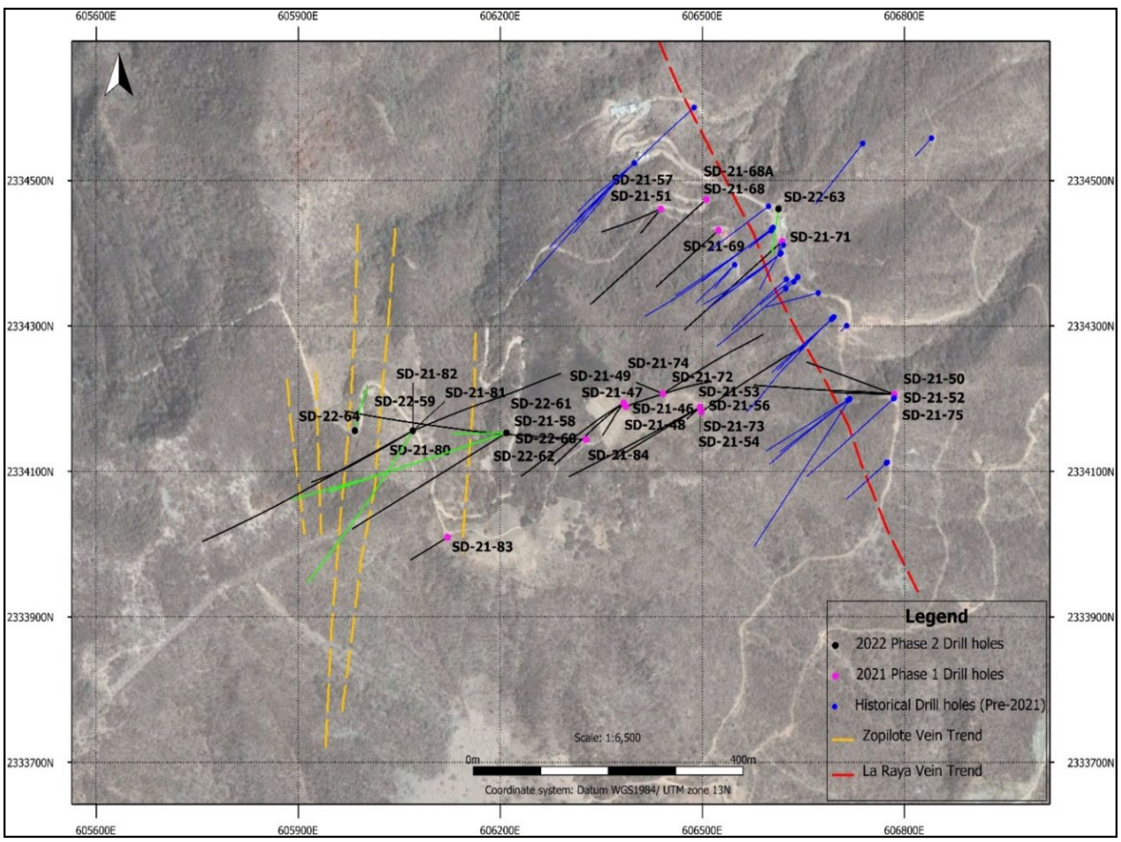


Figure 1. Location of drill hole collars and traces from the Phase 1 and Phase 2 drilling programs, overlain on a satellite image of the Santo Domingo Project concession (source: Stroud Resources, 2021).

To date, approximately 85 drill holes have been completed on the Santo Domingo Project, representing a total of approximately 18,184 metres of drilling.

Operations

For the three months ended March 31, 2026, the Company reported a net loss of $60,689 (2025 – $56,617) and a net comprehensive loss of $60,689 (2025 – $56,617).

Oil and gas revenues decreased to $6,807 in the first three months of 2026 (2025 – $7,446), primarily reflecting lower production volumes. Correspondingly, oil, and gas operating expenses decreased to approximately $4,949 (2025 – $5,293) during the same three-month period. Exploration expenditures on the Company's mineral properties totaled $3,400 during the three months ended March 31, 2026 (2025 – $5,000), reflecting reduced exploration activity.
Administrative expenses increased to $59,284 (2025 – $53,770), reflecting the addition of a new director and higher professional fees.

As at March 31, 2026, the Company had working capital of $204,795, compared to a working capital deficiency of $34,516 at December 31, 2025. The improvement in working capital was primarily attributable to gross proceeds of $300,000 received in March 2026 from the exercise of 3,000,000 common share purchase warrants.

The Company will require additional financing to fund its ongoing general and administrative expenditures beyond 2026 and to advance further exploration activities. Accordingly, the Company's future operations and performance remain dependent on its ability to secure additional funding.

2. New Accounting Standards and Interpretations

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

3. Mineral Properties and Oil and Gas Interests

Santo Domingo Silver-Gold Project, Mexico

Stroud holds its interest in the Santo Domingo Silver-Gold Project through its wholly owned Mexican subsidiary, Compañia Minera San Diego y La Española S.A. de C.V. ("Compañia Minera"), which owns the underlying mineral concessions and holds the requisite prospecting and exploration rights.

Compañia Minera holds title to the Santo Domingo II and Nombre de Dios mining concessions, located approximately 80 kilometres northwest of Guadalajara, in the State of Jalisco, Mexico. The concessions are situated within the Hostotipaquillo Mining District, a historically productive region hosting several known silver-gold epithermal deposits, including Monte del Favor, La Cabrera and the Cinco Minas. Pursuant to amendments to the Mexican Mining Law enacted in 2005, mining concessions in Mexico are granted for a term of 50 years, and all existing exploration and mining concessions were converted to exploitation concessions effective January 1, 2006.

On November 20, 2017, the Company filed an updated National Instrument 43-101 ("NI 43-101") Technical Report and Mineral Resource Estimate for the Santo Domingo Silver Property (the "Report"), which is available under the Company's profile on SEDAR+ and on the Company's website.

Highlights from the Report include:

- Measured and Indicated mineral resources increased to 25.74 million silver equivalent ("AgEq") ounces, compared to 15.05 million AgEq ounces previously reported.
- Inferred mineral resources increased to 13.39 million AgEq ounces, up from 10.68 million AgEq ounces.
- The La Rayas vein hosts a significant mineralized zone, approximately 35 metres in width, extending to a depth of 300 metres and over 700 metres along strike.
- The Guadalupe vein typically ranges from 15 to 30 metres in width.
- Five additional vein structures have been identified, representing prospective targets for future exploration at depth and along strike within the project area.

The Report confirms the Company's Measured and Indicated, and Inferred Mineral Resources, as summarized in Table 1.

Table 1. Summary of Mineral Resources Estimate for the Santo Domingo Property.

	Tonnes	Gold g/t	Silver g/t	AG g/t	Ounces Gold	Ounces Silver	Ounces Ag Eq.
Measured	3,148,834	0.51	107.40	144.21	51,370	10,136,145	13,952,515
Indicated	2,932,967	0.43	94.07	124.93	40,242	8,874,620	11,785,663
Measured + Indicated	6,081,801	0.47	100.97	134.91	91,612	19,010,765	25,738,178
Inferred	3,482,160	0.39	119.56	—	43,228	10,083,932	13,387,222

AgEq - cut-off grade was 45 grams per tonne silver equivalent over a three-metre true width and a gold-silver ratio of 72:1. Continuity of mineralization was established by drilling on 50 metre centres and using a specific gravity of 2.65.

The Company initiated its most recent drilling program on the Santo Domingo Property in April 2021, which led to the identification of a new mineralized vein system referred to as the "Zopilote Vein System."

Royalties and Contingent Consideration

The Company is subject to the following obligations in respect of the Santo Domingo Property:

- A 2.5% net smelter return ("NSR") royalty payable to Amerix Precious Metals Inc., capped at a maximum aggregate amount of $500,000; and
- Contingent consideration payable to a prior owner totalling US$1,160,000 (approximately CAD$1,624,000), payable in quarterly installments upon the commencement of commercial production. Each installment will equal 0.5% of net smelter returns, defined as gross revenues actually received from the sale of mineral products, net of applicable smelting and refining charges. Payments commence three months following the start of commercial production and continue until the obligation is fully satisfied.

As these amounts are contingent upon future production, no liability has been recognized in the consolidated financial statements.

In order to maintain its mineral concessions and related titles in good standing, the Company must meet certain ongoing obligations, including the incurrence of prescribed minimum annual exploration expenditures and the payment of semi-annual concession fees to the Secretaría de Economía in Mexico. Failure to meet these requirements, or a determination by the relevant authorities that such expenditures do not qualify, may result in the cancellation or forfeiture of the concessions. Management believes that all required payments and expenditures are current and in compliance with applicable regulations.

In 2023, the Company entered into a surface rights agreement with the owners of the land (Ejido), providing access to the Santo-Domingo property through November 2033. Payments under the agreement total approximately US$9,850 for 2026 and are subject to annual increases of approximately 10%.

Hislop Gold Project

The Company holds a 0.5% net smelter return royalty ("NSR") on certain mineral properties located in Hislop Township, Ontario. The underlying property owner has the option to repurchase this royalty for a consideration of $1,000,000**.**

Leckie Gold Project

The Company holds a 1% NSR on the Leckie Gold Project. Temagami Gold Inc. ("Temagami"), the owner of the Leckie Project, has the option to repurchase the NSR for $500,000 per 0.5% interest.

The Company holds 750,000 common shares of Temagami. As at March 31, 2026, Temagami is a privately held company, and the fair value of the shares was estimated to be nominal. The Company attributed a value of $Nil to the shares of Temagami as at March 31, 2026.

Oil and Gas Interests

The Company holds a 3.75% working interest in six natural gas wells located in central Alberta, which generate ongoing cash flow. The properties are operated by Gran Tierra Canada Ltd., and the Company receives its proportionate share of revenues, net of operating expenses, on a monthly basis from the operator.

4. Operations

The Company incurred a net loss of $60,689 [2025 – $56,617] and a net comprehensive loss of $60,689 [2025 – $56,617] for the three months ended March 31, 2026. Oil and gas revenues decreased by 8.6% in 2026 from 2025 levels, to $6,807 [2025 – $7,446], reflecting lower production volumes. Oil and gas operating expenses decreased by 6.5% in 2026 from 2025 levels to $4,949 [2025- $5,293]. The Company incurred $3,400 [2025 – $5,000] in exploration related costs on its mineral properties. In the first three months of 2026, administrative expenses increased to $59,284 from $53,770 incurred in the same period of 2025, reflecting the addition of a director and higher professional fees.

The Company had working capital of $204,795 at March 31, 2026 compared to a working capital deficiency of $34,516 at December 31, 2025. The Company will need further financing to fund its ongoing general and administrative expenses beyond 2026 and to complete further exploration programs. The Company's future performance will be dependent upon its ability to raise additional funds.

5. Liquidity and Capital Resources

During the three months ended March 31, 2026, the Company issued 3,000,000 common shares for gross proceeds of $300,000 pursuant to an exercise of warrants. As a result, the Company's working capital at March 31, 2026, was $204,975, compared to capital deficiency of $34,516.

The Company will require additional financing to fund its ongoing general and administrative expenditures beyond 2026 and to advance further exploration activities. Accordingly, the Company's future operations and performance remain dependent on its ability to secure additional funding.

6. Off-Balance Sheet Arrangements

As at the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future impact on its financial condition, results of operations, liquidity, or capital resources.

7. Transactions with Related Parties

In accordance with **IAS 24 – Related Party Disclosures**, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including the Company's directors (executive and non-executive).

Related party payments and compensation of key management personnel for the years ended March 31, 2026, and 2025 was as follows:

	2026 $	2025 $
Administrative and professional fees	15,000	15,000
Director fees	15,000	11,250
	30,000	26,250

8. Proposed Transactions

The Company has not entered into any significant transactions, nor is it currently reviewing any such transaction, which requires board approval, shareholder approval or regulatory approval.

9. Critical Accounting Estimates

The Company's significant accounting policies are presented in Note 4 of the condensed interim consolidated financial statements for the three months ended March 31, 2026.

10. Financial Instruments

A discussion of the Company's financial instruments can be found in Notes 3 and 4 of the condensed interim consolidated financial statements for the three months ended March 31, 2026.

11. Disclosure of Outstanding Share Data as at May 29, 2026

	Number or Principal Amount Outstanding	**Maximum Common Shares Issuable**
Common Shares outstanding	63,623,199	N/A
Warrants outstanding	—	—
Stock Options outstanding	1,155,000	1,155,000
Maximum common shares issuable		64,778,199

12. Other MD&A Disclosure

The following table sets forth, for the quarter indicated, information relating to the Company's revenue, net loss and loss per common share for the eight most recently completed fiscal quarters.

	Revenues	Net Income (Loss)	Basic Net Income (Loss) per Share	Diluted Net Income (Loss) per Share
	$	$	$	$
June 30, 2024	6,637	(80,932)	(0.001)	(0.001)
September 30, 2024	6,680	(86,995)	(0.001)	(0.001)
December 31, 2024	5,237	(84,991)	(0.001)	(0.001)
March 31, 2025	7,446	(56,617)	(0.001)	(0.001)
June 30, 2025	7,092	(65,551)	(0.001)	(0.001)
September 30, 2025	4,936	(171,101)	(0.003)	(0.003)
December 31, 2025	5,146	(88,397)	(0.002)	(0.002)
March 31, 2026	6,807	(60,689)	(0.001)	(0.001)

Additional information relating to the Company, including its annual and quarterly financial statements, is available on SEDAR+ at www.sedarplus.ca, and on the Company's website at www.stroudsilver.com.

13. Contingencies

The Company's exploration and evaluation activities are subject to environmental laws and regulations, which are continually evolving and may become more stringent over time. Management believes that the Company is, in all material respects, in compliance with applicable environmental legislation. The Company has incurred, and expects to continue to incur, expenditures to maintain such compliance.

Legal Matters

In the normal course of operations, the Company may be subject to claims, legal proceedings, and regulatory or tax matters. While the outcome of such matters cannot be predicted with certainty, the Company records provisions where appropriate and where a reliable estimate of potential losses can be made. Any differences between estimated and actual outcomes are recognized in net income (loss) in the period in which they are determined.

Legal Claim

The Company has been named a defendant in a legal claim. The plaintiff has accused that the Company has signed a guarantee of a loan amount entered into by a party based out of Morocco as part of the potential acquisition of certain mining claims. The amount claimed against the Company is $400,000 in United States Dollars. No provision has been made in these financial statements as a result of this claim as management believes that it is not probable that an outflow of resources would be required and because a reliable estimate of any potential payment cannot be made at this time. The plaintiff has offered to settle the claim for a lower amount, but management has rejected that settlement offer and intends to defend the claim.

APPENDIX "F"
INFORMATION CONCERNING THE RESULTING ISSUER

The following information is presented on a post-Transactions basis and is reflective of the projected business, financial and share capital position of the Resulting Issuer. This section only includes information respecting the Resulting Issuer that is materially different from information provided earlier in this Information Circular. Following the completion of the Transactions, the Resulting Issuer will carry on the businesses currently carried on by Stroud, Silver Hammer and SilverMark. See the various headings under "Information Concerning Silver Hammer", "Information Concerning Stroud Resources Ltd.", "Information Concerning SilverMark Resources Inc." and "Information Concerning the Resulting Issuer" for additional information regarding the business of Stroud, Silver Hammer, SilverMark and the Resulting Issuer. See also the Pro Forma Financial Statements of the Resulting Issuer attached hereto as Appendix "D".

All capitalized terms used in this Appendix "F" and not defined herein have the meaning ascribed to such terms in the "Glossary of Terms" or elsewhere in the Information Circular. The information contained in this Appendix "F", unless otherwise indicated, is given as of the date of the Information Circular. Unless otherwise indicated herein, references to "$" are to Canadian dollars and references to "US$" are to United States dollars.

NOTE REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Resulting Issuer, certain statements in this Appendix "F" constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information relates to future events or future performance and often includes terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "estimate", "intend", "seek", "forecast", "project", "potential", "target", "continue", or similar expressions (including negative variations thereof). These statements reflect management's current expectations and assumptions regarding the Resulting Issuer's future operations, strategy, exploration activities, financial position, the proposed Amalgamations, and the broader economic and regulatory environment in the jurisdictions in which the Resulting Issuer operates or intends to operate.

Forward-looking information in this Appendix "F" includes, without limitation:

- risks relating to the Amalgamations, including the ability to satisfy closing conditions, obtain required approvals, and close on the anticipated timeline (or at all);
- risks that anticipated benefits of the Amalgamations may not be realized;
- the Resulting Issuer's business plans, including the exploration and potential development of Santo Domingo and the Moroccan Assets;
- the expected scope, timing, results, and costs of future exploration programs on the Resulting Issuer's mineral properties;
- the timing and receipt of required regulatory, shareholder, stock exchange, and other approvals required to complete the Amalgamations and related transactions;
- the Resulting Issuer's anticipated milestones and operational objectives following completion of the Amalgamations; and
- expectations regarding the Resulting Issuer's financial resources, working capital position, and its ability to fund future exploration activities and ongoing operations, including the expectation that the Resulting Issuer will continue to incur losses and require additional financing for the foreseeable future.

Forward-looking information is based on a number of assumptions that, while considered reasonable by management at the time made, may prove to be incorrect. These assumptions include, without limitation:

- that all conditions to completing the Amalgamations will be satisfied in a timely manner;

- that the Private Placement will be completed on the terms and timeline anticipated;
- commodity price assumptions;
- expectations regarding exploration results;
- the availability of financing on reasonable terms;
- the timing and receipt of required permits and approvals;
- the availability of skilled labour, equipment, and contractors;
- general economic and market conditions; and
- the absence of significant disruptions (including geopolitical events, public health crises, adverse weather, or supply chain interruptions).

Forward-looking information is subject to a variety of known and unknown risks, uncertainties, and other factors that may cause actual results, performance, or achievements to differ materially from those expressed or implied. These risks include, but are not limited to:

- risks relating to the Amalgamations, including the ability to satisfy closing conditions, obtain required approvals, and close on the anticipated timeline (or at all);
- risks that anticipated benefits of the Amalgamations may not be realized;
- risks relating to mineral exploration, development, financing, commodity prices, environmental and regulatory matters, and permitting;
- delays or inability to complete the Private Placement;
- operational risks, competition, title risks, Indigenous rights considerations, and reliance on key personnel and consultants;
- market risks relating to the Resulting Issuer Shares, including volatility in the trading price of the Resulting Issuer Shares on the CSE; and
- other risks described under "*Risk Factors*".

Readers are cautioned not to place undue reliance on forward-looking information. All forward-looking statements in this Appendix "F" are qualified by these cautionary statements and by the detailed risk factors set out under "*Risk Factors*", which readers are encouraged to review in their entirety. Forward-looking information is made as of the date of the Information Circular, and the Resulting Issuer does not undertake any obligation to update or revise such information to reflect new events or circumstances after the date of the Information Circular, except as required by applicable securities laws.

SELECTED FINANCIAL INFORMATION OF THE RESULTING ISSUER

The pro forma consolidated financial statements of the Resulting Issuer, giving effect to the Transactions (the **"Pro Forma Financial Statements**"), are attached hereto as Appendix "D" to this Information Circular and form an integral part of the Information Circular.

CORPORATE STRUCTURE

Name, Address and Incorporation

Silver Hammer was incorporated under the laws of the Province of British Columbia and under the BCBCA on May 2, 2017 under the name "Lakewood Exploration Inc.". On October 1, 2021, Silver Hammer changed its name to "Silver Hammer Mining Corp.".

Following the completion of the Amalgamations, it is anticipated that the Resulting Issuer will continue as a British Columbia corporation and will be governed by the BCBCA and will change its name to "Silver Frontier Resources Corp." or such other name as may be determined by the Resulting Issuer Board.

The Resulting Issuer's head office will be located at Suite 300 - 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9 and the registered office will be located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

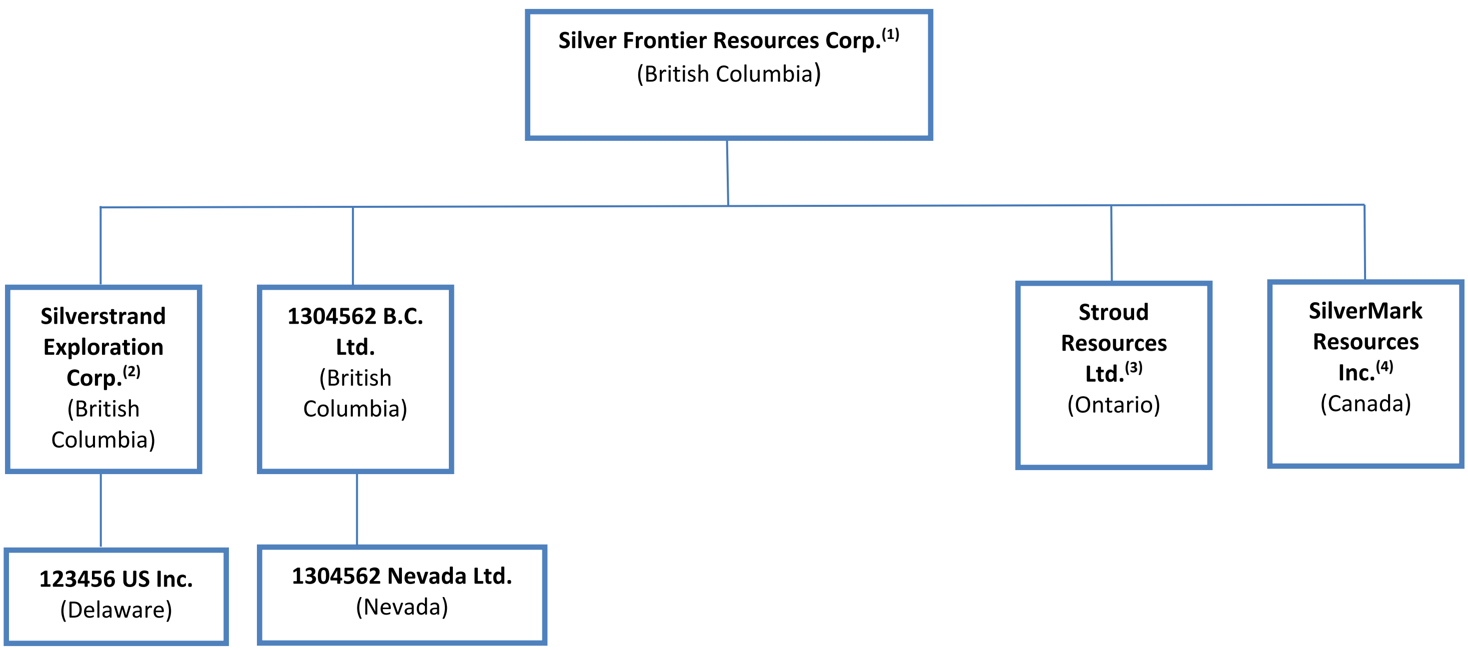
The Resulting Issuer Shares are expected to trade on the CSE under the symbol "SLVF". The Resulting Issuer will be a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

INTERCORPORATE RELATIONSHIPS

Subsidiaries

The Resulting Issuer will have four (4) wholly-owned direct subsidiaries: (i) Amalco 1 will be created pursuant to the Stroud Amalgamation and exist pursuant to the OBCA; (ii) Amalco 2 will be created pursuant to the SilverMark Amalgamation and exist pursuant to the CBCA; (iii) Silverstrand Exploration Corp. (formerly Silver Hammer Mining Corp.), a company incorporated under the laws of Canada; and (iv) 1304562 B.C. Ltd., a company incorporated under the laws of British Columbia. Silverstrand Exploration Corp. holds one wholly-owned subsidiary: 123456 US Inc., a company incorporated under the Delaware General Corporation Corporate Law. 1304562 B.C. Ltd. holds one wholly-owned subsidiary: 1304562 Nevada Ltd., a corporation incorporated under the laws of Nevada.

The Resulting Issuer's corporate structure is set out in the diagram below.



Notes:
(1) Silver Frontier Resources Corp., being the name of Silver Hammer Mining Corp. upon completion of the Amalgamations (formerly Lakewood Exploration Inc.).
(2) Formerly Silver Hammer Mining Corp.
(3) Amalco 1, created pursuant to the Stroud Amalgamation.
(4) Amalco 2, created pursuant to the SilverMark Amalgamation.

Related Parties

Peter A. Ball is the President, Chief Executive Officer and a director of Silver Hammer and a proposed director and officer of the Resulting Issuer. Mr. Ball holds 2,577,778 SilverMark Class A Common Shares and 787,500 SilverMark Class B Special Shares. Pursuant to the SilverMark Amalgamation, Mr. Ball's SilverMark Class A Common Shares will be exchanged for Resulting Issuer Shares in accordance with the SilverMark Exchange Ratio, and Mr. Ball's SilverMark Class B Special Shares will be exchanged for Contingent Value Shares in accordance with the Class B Exchange Ratio. As a result, Mr. Ball has a material interest in the SilverMark Amalgamation that is in addition to, and distinct from, his interest as a Silver Hammer Shareholder. See "*Interests of Insiders*" and "*Conflicts of Interest*".

NARRATIVE DESCRIPTION OF THE BUSINESS

The business of the Resulting Issuer will primarily be the business of Silver Hammer and the Privcos. See *"Information Concerning* Silver Hammer", *"Information Concerning Stroud Resources Ltd." and "Information Concerning SilverMark Resources Inc.*" for additional information regarding the business of Silver Hammer and the Privcos. Please also refer to "*General Development of the Business*" – "*History*" in the Information Circular for a three-year history of Silver Hammer prior to completion of the Transactions.

Stated Business Objectives

The Resulting Issuer's main business objectives for the 12 months following completion of the Amalgamations will be as follows: (i) advancement of the Resulting Issuer's silver project portfolio, including Santo Domingo, the Moroccan Assets and existing Silver Hammer exploration properties; (ii) satisfying earn-in obligations under the SABI-AIM Option Agreements; and (iii) general working capital and corporate purposes.

The Resulting Issuer Board may, in its discretion, for sound business reasons, make decisions that do not conform to the above business objectives.

Overview

The Resulting Issuer is a mineral exploration and development company focused on acquiring, exploring, and advancing precious metals projects. The Resulting Issuer's strategy will be focused on advancing the Santo Domingo Project, the Moroccan Assets, and its portfolio of silver projects in Idaho and Nevada (USA). Upon completion of the Amalgamations, Silver Hammer's portfolio will expand to include the Santo Domingo silver-gold property in Jalisco, Mexico and an indirect interest in the Akka Mine silver and polymetallic project in Morocco. The Resulting Issuer's strategy will be centered on:

- Advancing its portfolio of projects including the Santo Domingo silver-gold property in Jalisco, Mexico, an indirect interest in the Akka Mine silver and polymetallic project in Morocco, and silver projects in Idaho and Nevada through systematic exploration and technical studies;
- Building geological models across its project areas to identify and prioritize drill targets; and
- Progressing its projects toward resource definition and future development.

Aside from the Santo Domingo project and its projects in Morocco, the Resulting Issuer will hold three exploration-stage mineral properties: the Silver Strand Project, located in the Silver Valley Mining District of Kootenai County, Idaho; the Eliza Silver Project, located in White Pine County, Nevada; and the Silverton Silver Mine Project, located in Nye County, Nevada. In October 2025, Silver Hammer entered into the Fahey Option Agreement to acquire a 100% interest in the Fahey Property, comprising 18 unpatented US lode mining claims in the Silver Belt portion of the Coeur d'Alene Mining District, Shoshone County, Idaho.

Principal Products or Services

The Resulting Issuer is an exploration-stage company and does not currently mine, produce, or sell any mineral products. None of the Resulting Issuer's properties contain any known or identified mineral resources or mineral reserves as defined under applicable securities legislation. The Resulting Issuer's exploration activities are focused primarily on silver, with secondary exposure to gold and copper.

As an exploration-stage issuer with no producing properties, the Resulting Issuer does not generate operating income, cash flow, or revenue. The Resulting Issuer has not completed any mineral resource estimates on its properties. There is no assurance that a commercially viable mineral deposit exists on any of the Resulting Issuer's projects. The Resulting Issuer does not expect to receive income from its properties in the foreseeable future.

The Resulting Issuer intends to continue evaluating, exploring, and advancing its projects through additional financings. The Resulting Issuer's primary objective is to explore and assess its portfolio of silver projects, and it intends to undertake exploration work programs consistent with recommendations from its geological and technical advisors.

Production and Sales

The Resulting Issuer has no producing properties and therefore has no production or sales activities at this time.

Specialized Skill and Knowledge

Mineral exploration and development requires a broad range of specialized skills and expertise, including geology, engineering, environmental compliance, drilling, logistical planning, project management, finance, accounting, and legal. The Resulting Issuer relies on both internal personnel and external consultants who possess these skills. To attract and retain qualified individuals, the Resulting Issuer seeks to maintain competitive compensation structures and consultant arrangements.

Competitive Conditions

As a mineral exploration and development company, the Resulting Issuer may compete with other entities in the mineral exploration and development business in various aspects, including: (a) seeking out and acquiring mineral exploration and development properties; (b) obtaining the resources necessary to identify and evaluate mineral properties and to conduct exploration and development activities on such properties; and (c) raising the capital necessary to fund its operations. The mining industry is intensely competitive in all its phases, and the Resulting Issuer may compete with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Resulting Issuer's ability to acquire suitable properties or prospects in the future or to raise the capital necessary to continue with operations. See "*Risk Factors*."

Cycles

The mineral exploration industry is cyclical. The Resulting Issuer's ability to raise capital and advance exploration programs is heavily influenced by global economic conditions and by fluctuations in the prices of silver and gold. These prices have experienced substantial volatility in recent years and are difficult to forecast. Periods of declining commodity prices can reduce investor interest in exploration companies, restrict access to capital, and negatively impact the economic potential of the Resulting Issuer's projects.

External events, including global economic disruptions, financial market instability, geopolitical developments, and public health emergencies, may further exacerbate commodity price volatility and financing challenges. Such conditions may affect the Resulting Issuer's ability to implement its business plans. See "*Risk Factors*."

Economic Dependence

As an exploration-stage company with no producing assets or operating revenue, the Resulting Issuer is economically dependent on its ability to obtain external financing to fund its operations and exploration programs. The Resulting Issuer also relies heavily on its portfolio of mineral projects in Idaho and Nevada, and its future business prospects are dependent on the successful advancement of these projects. Upon completion of the Amalgamations, the Resulting Issuer will also have exposure to the Santo Domingo silver-gold property in Jalisco, Mexico and the Akka Mine silver and polymetallic project in Morocco. These additional properties will expand the Resulting Issuer's geographic and jurisdictional exposure significantly, including to jurisdictions that carry materially different political, regulatory, and operational risks. See "*Risk Factors*".

The Resulting Issuer may additionally depend on a limited number of consultants, contractors, and service providers to carry out key exploration and technical activities. Any disruption in access to financing, the Resulting Issuer's mineral projects, or essential third-party services could have a material adverse effect on the Resulting Issuer's business and planned exploration activities.

Environmental Protection

The Resulting Issuer is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Resulting Issuer may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties. The Resulting Issuer conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Resulting Issuer is not aware of any existing environmental problems related to any of its properties that may result in material liability to the Resulting Issuer.

Future changes to environmental laws or regulations, or more stringent enforcement, could result in increased costs, operating restrictions, or delays in planned exploration activities. Additional information on environmental risks is provided under "*Risk Factors*".

Employees

As of the date hereof, the Resulting Issuer has no permanent full-time or part-time employees. The Resulting Issuer's operations are managed by its directors and officers, and the Resulting Issuer anticipates engaging consultants in geology, exploration, and related technical and administrative fields as required.

Foreign Operations and Governmental Regulation

The Resulting Issuer's mineral projects are located in the United States, Mexico and Morocco. Each jurisdiction carries its own distinct regulatory, political, and operational risk profile and is subject to the political, economic, regulatory, and social conditions of that jurisdiction.

The Resulting Issuer's exploration activities across its Idaho and Nevada projects are governed by extensive federal, state, and local laws and regulations relating to environmental protection; the use and management of hazardous substances and explosives; natural resource management; mineral exploration; mine development, operation, and closure; reclamation and remediation; exports; taxation; business dealings with

Indigenous peoples; labour and occupational health and safety (including mine safety); and the preservation of historic and cultural resources.

Regulatory approvals, permits, and licences are required for various aspects of the Resulting Issuer's exploration activities, and such approvals may not be granted on a timely basis or at all. Changes to permitting processes, amendments to taxation or mining policies, shifts in enforcement practices, or broader regulatory changes at the federal or state level could impose additional costs, new restrictions, or delays on the Resulting Issuer's planned exploration programs. Failure to comply with applicable laws may result in fines, penalties, permit revocation, loss of mineral rights, or requirements to undertake corrective or remedial measures, which could involve significant expenditures. The Resulting Issuer may also be required to compensate third parties for loss or damage arising from regulatory non-compliance.

The Santo Domingo property in Jalisco, Mexico, held through Amalco 1, will subject the Resulting Issuer to Mexican federal and state laws and regulations governing mineral exploration and development, environmental protection, land use, Indigenous community consultation, and export controls, as well as the general political and economic conditions of Mexico, including risks relating to changes in government policy, currency controls, taxation, and social instability. The Akka Mine project in Morocco, held indirectly through Amalco 2's interest in the Moroccan Assets, will subject the Resulting Issuer to Moroccan laws and regulations governing mining rights, foreign investment, environmental standards, labour, and export of mineral products. The Resulting Issuer's ability to maintain and advance its interest in the Akka Mine is also subject to the terms and conditions of the SABI-AIM Option Agreements, including the satisfaction of earn-in obligations. Operating in these jurisdictions exposes the Resulting Issuer to risks that are in addition to, and in some respects materially greater than, those associated with its existing U.S. operations, including less developed legal and regulatory frameworks, the potential for adverse changes in foreign investment laws, and heightened currency and repatriation risk.

These regulatory and governmental risks, together with broader global political and economic uncertainties — such as currency fluctuations, inflation, labour issues, or increased environmental advocacy — could have a material impact on the Resulting Issuer's operations, financial condition, or future profitability. See "*Risk Factors*".

Lending Operations, Investment Policies and Restrictions

The Resulting Issuer has not adopted any specific investment or lending policies but will ensure that any investment or debt-related activities undertaken are consistent with the interests of the Resulting Issuer and its shareholders.

Bankruptcy and Similar Procedures

There is no bankruptcy, receivership or similar proceedings against the Resulting Issuer, nor is the Resulting Issuer aware of any such pending or threatened proceedings. There have not been any voluntary bankruptcy, receivership or similar proceedings by the Resulting Issuer since incorporation or currently proposed for the current financial year.

Reorganizations

The completion of the Stroud Amalgamation will be the only material reorganization of or involving the Resulting Issuer within the three most recently completed financial years or during the current financial year.

Social or Environmental Policies

At its current stage of development and activities, the Resulting Issuer has limited financial obligations in meeting applicable environmental standards. This may change as the Resulting Issuer advances its projects. Environmental regulations applicable to the Resulting Issuer cover a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. While the Resulting Issuer does not currently expect the impact of costs and other effects related to compliance with environmental, health and safety regulations to have a material adverse effect on its financial condition or results of operations, such regulations are evolving in a manner which is likely to result in stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their directors and employees. Such stricter standards could impact the Resulting Issuer's costs and have an adverse effect on results of operations. Furthermore, an environmental, safety or security incident could impact the Resulting Issuer's reputation in such a way that the result could have a material adverse effect on its business and on the value of its securities.

Trends, Commitments, Events or Uncertainties

There are significant uncertainties related to the price of silver, gold, and other minerals, as well as the availability of equity financing required to support current and future mineral exploration and development activities. Mineral prices have experienced substantial volatility in recent years, and similar fluctuations are expected to continue. There is no guarantee that the Resulting Issuer will be able to secure the financing necessary to advance its exploration programs or pursue new opportunities. Any inability to raise funds on a timely basis may constrain the Resulting Issuer's ability to grow and execute its business strategy. Apart from these risks and those identified under "*Risk Factors*", the Resulting Issuer is not aware of any additional trends, commitments, events, or uncertainties that are reasonably likely to have a material adverse effect on its business, financial condition, or results of operations.

Post-Closing Board Composition

Following completion of the Transactions, the Resulting Issuer Board will be comprised of six (6) members, three (3) of whom will be nominees of Stroud, initially being Dr. Scott Jobin-Bevans, Jeff Kennedy and Conor O'Brien, or such other nominees as may be mutually agreed by the parties. The remaining three directors will be nominees of Silver Hammer, being Peter A. Ball, Donald Birak and Michael Willett.

MINERAL PROJECTS

Upon completion of the Amalgamations, the Resulting Issuer will hold a 100% interest in the Santo Domingo project, which will constitute the Resulting Issuer's material property. In addition, the Resulting Issuer will hold 100% interests in three mineral exploration properties in the United States: the Silver Strand Project, located in the Silver Valley Mining District of Kootenai County, Idaho; the Eliza Silver Project, located in White Pine County, Nevada; and the Silverton Silver Mine Project, located in Nye County, Nevada. The Resulting Issuer will also hold an option to acquire a 100% interest in the Fahey Property, comprising 18 unpatented lode mining claims in the Silver Belt portion of the Coeur d'Alene Mining District, Shoshone County, Idaho, pursuant to the Fahey Option Agreement. In addition, the Resulting Issuer will hold an indirect interest in the Akka Mine silver and polymetallic project in Morocco, subject to the terms and conditions of the SABI-AIM Option Agreements.

On August 28, 2026 Stroud filed on SEDAR+ the Technical Report prepared in accordance with NI 43-101 titled "*National Instrument 43-101 Mineral Resource Estimate on the Santo Domingo Silver-Gold Deposit and Technical Report for the Santo Domingo Project*" and dated effective August 21, 2026 for the Santo Domingo Project.

<u>The Santo Domingo Project</u>

The Resulting Issuer will acquire the Santo Domingo project through the Stroud Amalgamation. The Santo Domingo project is expected to be the only material property of the Resulting Issuer. For a detailed description of the Santo Domingo project, please see "*Santo Domingo*" under Appendix "E" - "*Information Concerning Stroud Resources Ltd.*" in this Information Circular.

<u>Moroccan Assets</u>

The Resulting Issuer will hold an indirect interest in the Moroccan Assets through Amalco 2, which will be created pursuant to the SilverMark Amalgamation. The Moroccan Assets comprise a portfolio of Moroccan mineral assets held by SABI-AIM Minerals, a corporation organized under the laws of Morocco, in respect of which SilverMark has the right to acquire up to a 75% interest (or the maximum earn-in interest available) pursuant to the SABI-AIM Option Agreements. The Moroccan Assets include: (i) the past-producing Akka Mine and related mineral properties; (ii) a portfolio of additional mining concessions and permits designated as "Group A Properties" and "Group B Properties" under the applicable SABI-AIM Option Agreements; and (iii) certain stockpile areas and associated ore, tailings and rock. Upon completion of the SilverMark Amalgamation, the Resulting Issuer will assume all of SilverMark's obligations under the SABI-AIM Option Agreements and will succeed to SilverMark's rights to earn into the Moroccan Assets. The Resulting Issuer's interest in the Moroccan Assets is subject to the terms and conditions of the SABI-AIM Option Agreements, including the satisfaction of earn-in obligations. The Moroccan Assets are not expected to be a material property of the Resulting Issuer.

The Akka Mine is a past-producing polymetallic (Ag-Pb-Zn-Cu-Au) mine located in one of Morocco's four historical medieval silver districts. The mineralized system at the Akka Mine is characterized by a ridge approximately 7 km by 2.5 km in extent, hosting multiple parallel vein structures with individual vein widths of up to approximately 20 metres and spaced approximately 200 to 250 metres apart.

The Moroccan Assets also include an option to earn into an existing permitted flotation-gravity processing facility with a capacity of approximately 200 tonnes per day, capable of producing lead-zinc-silver concentrates and processing copper, barite, and antimony ores. Pursuant to the SABI-AIM Option Agreements, the Resulting Issuer will have the right to earn a 75% interest in such processing facility within 12 months of signing the applicable agreement.

The broader Moroccan Assets portfolio consists of up to approximately 70 mineral properties, with a focus on silver.

The Moroccan Assets are subject to Moroccan laws and regulations governing mining rights, foreign investment, environmental standards, labour, and the export of mineral products. No mineral resource estimate or mineral reserve estimate has been completed in respect of the Moroccan Assets. The Resulting Issuer intends to continue evaluating the Moroccan Assets and satisfying its earn-in obligations as warranted by results and available funding.

For additional information regarding the material terms of the SABI-AIM Option Agreements, the Moroccan Assets and SilverMark's interest therein, including the earn-in obligations applicable to the Moroccan Assets, see "*Information Concerning SilverMark Resources Inc.*" and "*SilverMark Amalgamation – SABI-AIM Option Agreements*" in the Information Circular.

<u>Silver Strand Project</u>

The Silver Strand Project is an exploration-stage gold-silver property located in the Silver Valley Mining District of Kootenai County, Idaho, USA, within the Coeur d'Alene Mining District, one of the world's most prolific silver-producing regions. The property encompasses the historic Silver Strand Mine and surrounding mineral claims. Silver Hammer acquired a 100% interest in the Silver Strand Project in 2021. The Silver Strand Project is not expected to be a material property of the Resulting Issuer.

Mineralization at the Silver Strand Mine consists of a steeply dipping quartz body cutting Revett Formation beds, with elevated gold and silver values associated with silicification alteration and mafic dykes. No mineral resource estimate or mineral reserve estimate has been completed for the Silver Strand Project. Since acquiring the property in 2021, Silver Hammer's exploration activities have included geological mapping, UAV magnetic and induced polarization geophysical surveys, and underground core drilling. The Resulting Issuer intends to continue evaluating the Silver Strand Project through additional exploration work as warranted by results and available funding.

A technical report entitled "*Independent NI 43-101 Technical Report for the Silver Strand Gold-Silver Project, Kootenai County, Idaho, USA*", prepared by Dr. Wayne Barnett, Ph.D., P.Geo. of SRK Consulting (Canada) Inc., with an effective date of November 3, 2022 and a report date of May 13, 2023, is available under the Resulting Issuer's profile on SEDAR+ at www.sedarplus.ca. Readers are encouraged to review the technical report in its entirety.

Eliza Silver Project

The Eliza Silver Project is an exploration-stage property located in White Pine County, Nevada, comprising unpatented lode mining claims prospective for silver mineralization. Silver Hammer holds a 100% interest in the Eliza Silver Project.

The Eliza Silver Project is not a material property of Silver Hammer and, accordingly, no technical report has been prepared in respect thereof pursuant to NI 43-101. No mineral resource or mineral reserve estimates have been completed for the Eliza Silver Project. Silver Hammer's exploration activities on the property have been limited to preliminary geological assessment, surface sampling, and target identification. Silver Hammer intends to continue evaluating the Eliza Silver Project through additional exploration work as warranted by results and available funding.

Silverton Silver Mine Project

The Silverton Silver Mine Project is an exploration-stage property located in Nye County, Nevada, encompassing historical silver workings and surrounding mineral claims. Silver Hammer holds a 100% interest in the Silverton Silver Mine Project.

The Silverton Silver Mine Project is not a material property of Silver Hammer and, accordingly, no technical report has been prepared in respect thereof pursuant to NI 43-101. No mineral resource or mineral reserve estimates have been completed for the Silverton Silver Mine Project. Silver Hammer's exploration activities on the property have been limited to preliminary geological assessment, compilation of historical data, and surface sampling. Silver Hammer intends to continue evaluating the Silverton Silver Mine Project through additional exploration work as warranted by results and available funding.

Fahey Property

The Fahey Property comprises 18 unpatented US lode mining claims located in the Silver Belt portion of the Coeur d'Alene Mining District, Shoshone County, Idaho, an area historically prospective for silver, lead, and zinc mineralization. Silver Hammer does not currently hold a direct interest in the Fahey Property but has an option to acquire a 100% interest therein pursuant to the Fahey Option Agreement entered into in October

2025. For a description of the material terms of the Fahey Option Agreement, see "*General Development of the Business*" in this Information Circular.

The Fahey Property is not a material property of Silver Hammer and, accordingly, no technical report has been prepared in respect thereof pursuant to NI 43-101. No mineral resource or mineral reserve estimates have been completed for the Fahey Property. Silver Hammer's exploration activities on the property remain at a preliminary stage, consisting principally of initial geological review and assessment of historical data.

DESCRIPTION OF SECURITIES

Upon completion of the Transactions, the Resulting Issuer will have issued and outstanding the Resulting Issuer Shares held by existing Silver Hammer Shareholders, the shares issued to Stroud Shareholders and SilverMark Shareholders pursuant to the Amalgamations, and the Resulting Issuer Shares issued upon conversion of the Subscription Receipts pursuant to the Private Placement.

In addition, Contingent Value Shares will be issued to holders of SilverMark Class B Special Shares in accordance with the Class B Exchange Ratio. There will be no preferred shares issued or outstanding. See "*Fully Diluted Share Capital*".

Common Shares

The Resulting Issuer's authorized capital consists of an unlimited number of common shares without par value. Following the Transactions, and assuming completion of the Minimum Private Placement, it is expected that 116,980,430 Resulting Issuer Shares will be issued and outstanding.

Each common share ranks equally with all other common shares with respect to dissolution, liquidation or winding-up of the Resulting Issuer and payment of dividends. The holders of Resulting Issuer Shares are entitled to one vote for each share of record on all matters to be voted on by such holders and are entitled to receive pro rata such dividends as may be declared by the Resulting Issuer Board out of funds legally available therefor and to receive, pro rata, the remaining property of the Resulting Issuer on dissolution. The holders of Resulting Issuer Shares have no redemption, retraction, purchase, pre-emptive or conversion rights. The rights attaching to the Resulting Issuer Shares can only be modified by the affirmative vote of at least two-thirds of the votes cast at a meeting of shareholders called for that purpose.

Contingent Value Shares

Following the Transactions, it is expected that 6,057,692 Contingent Value Shares will be issued and outstanding. For a detailed description of the rights attaching to the Contingent Value Shares, please see "*Contingent Value Shares*" in this Information Circular.

Warrants

Upon completion of the Transactions, assuming completion of the Minimum Private Placement, the Resulting Issuer expects to have 43,651,344 Resulting Issuer Warrants outstanding, comprised of: (i) the Silver Hammer Warrants outstanding as of the date of the Circular, which will remain outstanding as warrants of the Resulting Issuer, adjusted for the Consolidation, resulting in 14,555,190 Resulting Issuer Warrants; (ii) the Resulting Issuer Warrants to be issued in exchange for SilverMark Warrants outstanding immediately prior to the completion of the Amalgamations, in accordance with the applicable exchange ratio; and (iii) the Resulting Issuer Warrants issuable upon conversion of the Subscription Receipts pursuant to the Minimum Private Placement, and the broker warrants to be issued to the Agents in connection therewith.

As of the date of the Circular, there are 58,220,763 Silver Hammer Warrants outstanding on a pre-Consolidation basis, comprised of: (i) 37,177,778 warrants exercisable at $0.07, with expiry dates ranging from December 16, 2027 to September 18, 2030; (ii) 19,568,085 warrants exercisable at $0.15, expiring February 20, 2029; and (iii) 1,474,900 finder’s warrants exercisable at $0.15, expiring February 20, 2029. Following the Consolidation, such Silver Hammer Warrants will be adjusted to result in 14,555,190 Resulting Issuer Warrants, comprised of: (i) 9,294,444 Resulting Issuer Warrants exercisable at $0.28, with expiry dates ranging from December 16, 2027 to September 18, 2030; (ii) 4,892,021 Resulting Issuer Warrants exercisable at $0.60, expiring February 20, 2029; and (iii) 368,725 finder's warrants exercisable at $0.60, expiring February 20, 2029, all on a post-Consolidation basis.

In addition, upon completion of the Amalgamations, 288,461 Resulting Issuer Warrants will be issued in exchange for 833,333 SilverMark Warrants outstanding immediately prior to the completion of the Amalgamations, each such Resulting Issuer Warrant entitling the holder to acquire one Resulting Issuer Share at an exercise price reflecting the SilverMark Exchange Ratio (being an adjusted exercise price based on an original exercise price of $0.12 per SilverMark Class A Common Share), expiring on May 4, 2028, all on a post-Consolidation basis.

Upon completion of the Amalgamations, assuming the Minimum Private Placement, each Subscription Receipt will be automatically converted into one unit of SilverMark consisting of one SilverMark Class A Common Share and one SilverMark Warrant, which SilverMark Warrants will, pursuant to the SilverMark Amalgamation, be exchanged for Resulting Issuer Warrants, resulting in the issuance of an aggregate of 26,923,077 Resulting Issuer Warrants (assuming completion of the Minimum Private Placement), each such Resulting Issuer Warrant will be exercisable to acquire one Resulting Issuer Share at a price of $0.38 per share (on a post-Consolidation basis) for a period of 24 months following the closing date of the Private Placement. In addition, assuming completion of the Minimum Private Placement, 1,884,615 broker warrants will be issued to the Agents in connection therewith, equal to 7.0% of the number of Subscription Receipts sold, with each broker warrant exercisable to acquire one Resulting Issuer Share at the Offering Price for a period of 24 months following the closing date of the Private Placement.

Options

Upon completion of the Transactions, the Resulting Issuer expects to have 2,424,811 Resulting Issuer Options outstanding, comprised of: (i) 1,526,250 Resulting Issuer Options (being 6,105,000 Silver Hammer Options outstanding as of the date of the Circular, adjusted for the Consolidation), which will remain outstanding as options of the Resulting Issuer; and (ii) up to 898,561 Resulting Issuer Shares issuable upon exercise of the amended Stroud Options, as described below, subject to the Omnibus Plan being approved by Silver Hammer Shareholders at the Silver Hammer Meeting.

As of the date of the Circular, there are 6,105,000 Silver Hammer Options outstanding, which will, following the Consolidation, result in 1,526,250 Resulting Issuer Options. In addition, each of the 1,155,000 outstanding Stroud Options will be amended prior to the effective date of the Stroud Amalgamation such that the obligation to issue Stroud Shares on exercise will be replaced with an obligation to issue Resulting Issuer Shares, and the number of Resulting Issuer Shares issuable on exercise and the exercise price therefor will be adjusted in accordance with the Stroud Exchange Ratio, on the same economic terms and conditions, resulting in up to 898,561 Resulting Issuer Shares being issuable upon exercise of such amended Stroud Options, subject to the Omnibus Plan being approved by Silver Hammer Shareholders at the Silver Hammer Meeting. All other terms of the Stroud Options shall remain unchanged.

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table outlines the expected *pro forma* share capitalization of the Resulting Issuer on completion of the Transactions. This table should be read in conjunction with the pro forma financial statements of the Resulting Issuer, attached as Appendix "D" to this Information Circular.

Designation of Security	**Amount Authorized**	**Amount Outstanding after Completion of the Amalgamations and the Minimum Private Placement (Subscription Receipts at the Offering Price)**	**Amount Outstanding after Completion of the Amalgamations and the Maximum Private Placement (Subscription Receipts at the Offering Price)**
Resulting Issuer Shares	Unlimited	116,980,430	128,518,891
Contingent Value Shares	Unlimited	6,057,692	6,057,692
Resulting Issuer Warrants		43,651,344	55,997,498
Resulting Issuer Options	Up to 10% of the aggregate number of issued and outstanding Resulting Issuer Shares (combined with Resulting Issuer RSUs)	2,424,811	2,424,811
Resulting Issuer RSUs	Up to 10% of the aggregate number of issued and outstanding Resulting Issuer Shares (combined with Resulting Issuer Options)	Nil	Nil

Fully Diluted Share Capital

The following table outlines the expected number and percentage of securities of the Resulting Issuer to be outstanding on a fully diluted basis after giving effect to the Transactions:

	Number of Resulting Shares issued or reserved for issuance	Percentage of issued and outstanding Resulting Issuer Shares, assuming the Minimum Private Placement (non-diluted)	Percentage of issued and outstanding Resulting Issuer Shares, assuming the Minimum Private Placement (fully-diluted)
Resulting Issuer Shares held by existing Silver Hammer shareholders(1)	34,980,742	29.90%	20.68%
Resulting Issuer Shares issuable upon exercise of existing Silver Hammer warrants(2)	14,555,191	0%	8.61%
Resulting Issuer Shares issuable upon exercise of existing Silver Hammer options(3)	1,526,250	0%	0.90%
Silver Hammer Shares to be exchanged pursuant to the Stroud Amalgamation(4)	49,496,496	42.31%	29.23%
Resulting Issuer Shares issuable upon exercise of the outstanding Stroud Options(5)	898,561	0%	0.53%
Resulting Issuer Shares to be issued pursuant to the SilverMark Amalgamation(6)	4,807,692	4.11%	2.84%
Contingent Value Shares to be issued pursuant to the SilverMark Amalgamation(6)	6,057,692	0%	3.58%
Silver Hammer Shares issuable upon exercise of the outstanding SilverMark warrants(7)	288,461	0%	0.17%
Resulting Issuer Shares issuable to SABI-AIM pursuant to the SABI-AIM Option Agreements upon closing of the SilverMark Amalgamation(8)	772,423	0.66%	0.46%

	Number of Resulting Shares issued or reserved for issuance	Percentage of issued and outstanding Resulting Issuer Shares, assuming the Minimum Private Placement (non-diluted)	Percentage of issued and outstanding Resulting Issuer Shares, assuming the Minimum Private Placement (fully-diluted)
Resulting Issuer Shares issuable in exchange for SilverMark Class A Common Shares to be issued pursuant to the Private Placement(9)	26,923,077	23.01%	15.92%
Resulting Issuer Shares issuable upon exercise of warrants to be issued by SilverMark in connection with the Private Placement(10)	26,923,077	0%	15.92%
Resulting Issuer Shares issuable upon exercise of the broker warrants issued by SilverMark in connection with the Private Placement(11)	1,884,615	0%	1.11%
TOTAL:	**169,114,277**	**100%**	**100%**

Notes:

(1) As of the date of the Information Circular, Silver Hammer has 139,922,966 Silver Hammer Shares issued and outstanding on a pre-Consolidation basis, representing 34,980,742 Silver Hammer Shares on a post-Consolidation basis (reflecting the 4:1 Consolidation).

(2) As of the date of the Information Circular, Silver Hammer has 58,220,763 common share purchase warrants outstanding on a pre-Consolidation basis, representing 14,555,191 warrants on a post-Consolidation basis (reflecting the 4:1 Consolidation).

(3) As of the date of the Information Circular, Silver Hammer has 6,105,000 stock options outstanding on a pre-Consolidation basis, representing 1,526,250 stock options on a post-Consolidation basis (reflecting the 4:1 Consolidation).

(4) As at the date of the Stroud Agreement, there were 63,623,199 Stroud Shares issued and outstanding. The number of Resulting Issuer Shares issuable will be determined by reference to the Stroud Exchange Ratio and the number of Stroud Shares outstanding immediately prior to the effective time of the Stroud Amalgamation. See "*The Stroud Amalgamation*".

(5) As at the date of the Stroud Agreement, there were 1,155,000 Stroud Options outstanding. Each Stroud Option will be amended prior to the effective date of the Stroud Amalgamation such that the number of Resulting Issuer Shares issuable on exercise and the exercise price therefor will be adjusted in accordance with the Stroud Exchange Ratio, on the same economic terms and conditions, resulting in up to 898,561 Resulting Issuer Shares being issuable upon exercise of such amended Stroud Options. See *"The Stroud Amalgamation*".

(6) As at the date of the SilverMark Agreement, there were 13,888,889 SilverMark Class A Common Shares and 3,937,500 Class B Special Shares issued and outstanding. Each SilverMark Class A Common Share will be exchanged for 0.346154 of one (1) post-Consolidation Silver Hammer Share pursuant to the Exchange Ratio. Each Class B Special Share will be exchanged for such number of Contingent Value Shares as is determined by the Class B Exchange Ratio, which, based on an assumed Private Placement Price of $0.26 per Subscription Receipt and 3,937,500 Class B Special Shares outstanding, results in approximately 1.5384 Contingent Value Share(s) per Class B Special Share, with each Contingent Value Share convertible into one (1) Silver Hammer Share upon the occurrence of each applicable Milestone Conversion Event. See "*The SilverMark Amalgamation*".

(7) As of the date of the SilverMark Agreement, there were 833,333 SilverMark warrants outstanding, each exercisable to acquire one SilverMark Class A Common Share at $0.12 per share until May 4, 2028. Following the effective time of the

SilverMark Amalgamation, the SilverMark warrants will, in accordance with their terms, be adjusted to give effect to the SilverMark Exchange Ratio, such that the SilverMark warrants will thereafter be exercisable to acquire an aggregate of 288,461 Resulting Issuer Shares at an adjusted exercise price. See "*The SilverMark Amalgamation*".

(8) Pursuant to the SABI-AIM Option Agreements, Silver Hammer is required to pay aggregate initial earn-in consideration at the closing of the Amalgamations of US$667,647 in cash and US$145,529 in post-Consolidation Silver Hammer Shares. The number of Silver Hammer Shares issuable in respect of the share component of such consideration is determined by: (i) converting the applicable US dollar amount to Canadian dollars at an assumed exchange rate of 1.38 (being approximately C$200,830); (ii) dividing the resulting Canadian dollar amount by the deemed price per pre-Consolidation Silver Hammer Share of $0.065 ($0.26 on a post-Consolidation basis), resulting in 3,089,693 pre-Consolidation Silver Hammer Shares; and (iii) adjusting for the 4:1 Consolidation, resulting in 772,423 post-Consolidation Silver Hammer Shares issuable to SABI-AIM. See "*SilverMark Amalgamation – SABI-AIM Option Agreements*".

(9) Assumes minimum gross proceeds of $7,000,000 (being 26,923,077 Subscription Receipts at $0.26 per Subscription Receipt), resulting in 26,923,077 SilverMark Class A Common Shares to be exchanged for Resulting Issuer Shares pursuant to the Amalgamations. The actual number may be greater if the Private Placement is completed for gross proceeds in excess of the minimum amount. See "*Private Placement*".

(10) Assumes minimum gross proceeds of $7,000,000 (being 26,923,077 Subscription Receipts at $0.26 per Subscription Receipt), resulting in 26,923,077 SilverMark warrants to be exchanged for warrants exercisable for Resulting Issuer Shares pursuant to the Amalgamations. The actual number may be greater if the Private Placement is completed for gross proceeds in excess of the minimum amount. See "*Description of Capital Structure – Warrants*".

(11) Assumes minimum gross proceeds of $7,000,000 (being 26,923,077 Subscription Receipts at $0.26 per Subscription Receipt), resulting in 1,884,615 broker warrants (equal to 7.0% of Subscription Receipts sold), each exercisable to acquire one SilverMark Class A Common Share (exchangeable for one Resulting Issuer Share pursuant to the Amalgamations) at $0.26 per share for 24 months following closing. The actual number may be greater if the Private Placement is completed for gross proceeds in excess of the minimum amount or if the Over-Allotment Option is exercised. See "*Private Placement*".

Other than as disclosed above, no other securities will be outstanding which are convertible into, or exchangeable for, Resulting Issuer Shares following the completion of the Transactions.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Available Funds

As at July 31, 2026, Silver Hammer had gross working capital of $3,047,899, and the estimated working capital of Stroud was $70,328.

The closing of the Private Placement will allow for additional net proceeds of at least $7,000,000 and up to $10,000,000 (plus up to an additional $2,000,000 pursuant to the Over-Allotment Option), representing net proceeds (after deducting the Agents' cash commission of 7.0%) of at least $6,510,000 and up to $9,300,000 (plus up to an additional $1,860,000 pursuant to the Over-Allotment Option).

It is anticipated that the available funds, together with anticipated revenues to be earned by Silver Hammer and Stroud over the next 12 months, will be sufficient to meet the Resulting Issuer's operating expenses for the following 12 months and to achieve the Resulting Issuer's principal purposes as described in this Information Circular. The following table sets forth the estimated working capital of Silver Hammer and Stroud, as at July 31, 2026, before and after giving effect to the Transactions.

Based on Minimum funds raised through Offering - $7,000,000

	Silver Hammer	**Stroud**	**Consolidated Estimate**
Estimated working capital	$3,047,899	$70,328	$3,118,227

Net proceeds from closing of the Minimum ($7M) Private Placement (after deducting Agents' cash commission of 7.0%)	$6,510,000	$Nil	$6,510,000
Total	$9,557,899	$70,328	$9,628,227

<u>Based on Maximum funds raised through Offering - $10,000,000</u>

	Silver Hammer	Stroud	Consolidated Estimate
Estimated working capital	$3,047,899	$70,328	$3,118,227
Net proceeds from closing of the Anticipated ($10M) Private Placement (after deducting Agents' cash commission of 7.0%)	$9,300,000	Nil	$9,300,000
Total	$12,347,899	70,328	$12,418,227

Principal Purpose of Funds

The Resulting Issuer will use the funds available to it upon the completion of the Transactions for the following purposes:

Use of Available Funds	Minimum Amount	Maximum Amount
Mexico Exploration (Santo Domingo Project)	$3,349,500	$4,785,000
Idaho Exploration (Silver Strand Project)	$625,000	$850,000
Idaho Exploration (Fahey Project)	$245,000	$350,000
Nevada Exploration (Eliza Silver Project)	$670,000	$850,000
Morocco Exploration (Akka Mine Project)	$700,000	$1,000,000
Morocco Exploration (Portfolio A Projects)	$200,000	$500,000
Morocco Exploration (Portfolio B Projects)	$100,000	$250,000
Morocco Mill / Processing Plant Due Diligence	$280,000	$400,000
51% Cash Payment Akka Mine / Stockpiles / Group A/B Projects	$915,000	$915,000
General and administrative expenses for the first 12 months including support and service fees, payroll and other operational expenses	$1,925,000	$1,925,000
Unallocated working capital to fund ongoing operations	$618,727	$593,227

TOTAL USES	$9,628,227	$12,418,227

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of Silver Hammer and the Privcos consider it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates. See *"Forward-Looking Information*".

Dividends and Distributions

There will be no restrictions in the Resulting Issuer's articles or elsewhere which would prevent the Resulting Issuer from paying dividends subsequent to the completion of the Amalgamations. It is not contemplated that any dividends will be paid on the Resulting Issuer Shares in the immediate future following the completion of the Amalgamations, as it is anticipated that all available funds will be invested to finance the growth of the Resulting Issuer's business. The Resulting Issuer Board will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares are entitled to an equal share in any dividends declared and paid. See "*Forward-Looking Information*".

<u>Additional Disclosure for Venture Issuers Without Significant Revenue</u>

As of March 31, 2026, the Resulting Issuer has generated $nil revenue from operations since incorporation on May 2, 2017. See "*Risk Factors*".

<u>Additional Disclosure for Venture Issuers</u>

As at March 31, 2026, Silver Hammer had working capital of approximately $3,931,934. There is no guarantee that Silver Hammer will be able to raise any additional funds when and if needed and if such funds would be available on terms favourable to Silver Hammer. See "*Risk Factors*".

RISK FACTORS

An investment in Resulting Issuer Shares involves a significant degree of risk and should be considered speculative due to the nature of the Resulting Issuer's business and the present stage of its development. In evaluating the proposed transactions, shareholders should carefully consider all of the information in this section, and, in particular, should evaluate the risk factors set out below. However, such risks may not be the only risks faced by the Resulting Issuer. Risks and uncertainties not presently known by the Resulting Issuer or which are presently considered immaterial may also adversely affect the Resulting Issuer's business, properties, results of operations and/or condition (financial or otherwise).

<u>Risks Related to the Business of the Resulting Issuer</u>

Resource Exploration and Development is a Speculative Business

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production.

The marketability of natural resources that may be acquired or discovered by the Resulting Issuer will be affected by numerous factors beyond its control. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Resulting Issuer not receiving an adequate return on invested capital.

Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit, even it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body which can be legally and economically exploited. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Ability to Raise Funding to Continue Exploration and other Activities

The Resulting Issuer has no revenues from operations and has recorded losses since inception. The Resulting Issuer expects to incur operating losses in future periods due to continuing expenses associated with general and administrative costs, costs of seeking new business opportunities, and advancing its projects.

The Resulting Issuer has finite financial resources and its ability to achieve and maintain profitability and positive cash flow is dependent upon its ability to:

- generate revenues in excess of expenditures;
- reduce costs in the event revenues are insufficient; and
- secure near and long-term financing.

The Resulting Issuer may rely on a combination of equity and debt financing to meet its capital requirements. Additional funds raised by the Resulting Issuer through the issuance of equity or convertible debt securities will cause current Resulting Issuer Shareholders to experience dilution. Such securities may grant rights, preferences or privileges senior to those of the Resulting Issuer Shareholders.

The Resulting Issuer does not have any contractual restrictions on its ability to incur debt and accordingly, the Resulting Issuer could incur significant amounts of indebtedness to finance its operations. Any such indebtedness could contain covenants, which would restrict the Resulting Issuer's operations.

The Resulting Issuer may need to pursue alternative ways to finance its future operations and seeks new business opportunities. There are no assurances or guarantees that any financing alternative will be successful. There is no certainty that additional financing either through traditional equity and debt financing arrangements or an alternative transaction, or any combination thereof, will be available at all or on acceptable terms.

Development of Properties

The Resulting Issuer is an exploration and development company and all of its properties and property interests are in the exploration stage. The Resulting Issuer has not defined or delineated any mineral resources or mineral reserves on any of its properties, which include the Silver Strand Project and Fahey Group Silver Project in Idaho, and the Eliza Silver Project and Silverton Silver Mine in Nevada. Following completion of the Amalgamations, the Resulting Issuer's portfolio will also include the Santo Domingo silver-gold property in Jalisco, Mexico (acquired through the Stroud Amalgamation) and an indirect interest in the Moroccan Assets, including the Akka Mine silver/polymetallic project in Morocco, held through SilverMark's rights under the SABI-AIM Option Agreements. There can be no assurance that any of these properties will be successfully advanced to the development or production stage.

Fluctuation of Metal Prices

Even if commercial quantities of mineral deposits are discovered by the Resulting Issuer, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Resulting Issuer may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time and are affected by numerous factors beyond the control of the Resulting Issuer, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Resulting Issuer has, or has the right to acquire, an interest may be mined at a profit.

Increased Costs

Management anticipates that costs at the Resulting Issuer's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Resulting Issuer's operating funds and ability to continue its planned exploration programs.

Reclamation

There is a risk that monies allotted for land reclamation may not be sufficient to cover all risks, due to changes in the nature of the waste rock or tailings and/or revisions to government regulations. Therefore, additional funds, or reclamation bonds or other forms of financial assurance may be required over the tenure of any mineral project of the Resulting Issuer to cover potential risks. These additional costs may have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Mining Industry is Intensely Competitive

The Resulting Issuer's business of the acquisition, exploration and development of mineral properties is intensely competitive. Increased competition could adversely affect the Resulting Issuer's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Permits and Licenses

The operations of the Resulting Issuer will require licenses and permits from various governmental authorities. There can be no assurance that the Resulting Issuer will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Resulting Issuer does obtain, could have a material adverse effect on the Resulting Issuer.

Government Regulation

Any exploration, development or mining operations carried on by the Resulting Issuer, will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental Restrictions

The activities of the Resulting Issuer are subject to environmental regulations promulgated by government agencies in different countries from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Public Health Crises

The Resulting Issuer's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises. The occurrence of such events could result in temporary business closures, quarantines and a general reduction in consumer and economic activity across multiple jurisdictions, including Canada, the United States, Europe and Asia. Governments and international jurisdictions may impose travel, gathering and other public health restrictions in response to such events.

Such public health crises can result in volatility and disruptions in the supply and demand for metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Resulting Issuer of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. Any of these could affect the Resulting Issuer's ability to advance exploration and development with such risks to include challenges in recruiting and retaining staff and personnel, restricted access for employees and contractors to the Projects, equipment and materials not being delivered to site on schedule or at all, and further inefficiencies required to be put in place to health and safety resulting in less productivity.

Geopolitical and International Conflict Risks

Geopolitical instability, armed conflicts, and international tensions in various regions of the world could lead to heightened volatility in the global financial markets, increased inflation, and turbulence in mining and commodity markets. In response to armed conflicts or other geopolitical events, governments and international bodies may impose economic sanctions, export control measures, trade restrictions, or other measures that could disrupt global supply chains, commodity markets, and capital flows. Such measures have and could in the future result in, among other things, severe or complete restrictions on exports and other commerce and business dealings involving affected regions and particular entities and individuals. While the Resulting Issuer does not currently have direct exposure to active conflict zones, geopolitical events are rapidly developing situations and it is uncertain as to how such events and any related economic sanctions or trade restrictions could impact the global economy, commodity prices, or the Resulting Issuer's ability to raise capital or conduct operations. Any negative developments in respect thereof could have an adverse effect on the Resulting Issuer's business, operations, financial condition, and the value of the Resulting Issuer's securities.

Title Matters

Although the Resulting Issuer has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Resulting Issuer or of any underlying vendor(s) from whom the Resulting Issuer may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of indigenous peoples. The Resulting Issuer has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties for which titles have been issued are in good standing.

Indigenous and First Nations Rights

The Resulting Issuer's mineral exploration and development activities may be affected by the rights of Indigenous Peoples in the jurisdictions where it operates. The Resulting Issuer currently holds mineral properties in the United States, including in Idaho and Nevada, where certain federal and state permitting processes require consultation with Indigenous or Tribal Nations whose traditional territories may overlap with mineral projects. In Canada, governments may be required to consult and, where appropriate, accommodate Indigenous Peoples in connection with the granting of mineral rights or the issuance or amendment of project authorizations. These consultation obligations and related legal frameworks continue to evolve.

Legislative developments may result in enhanced consultation requirements or additional accommodations, including financial commitments, employment and training opportunities, or other terms under impact and benefit agreements. Such requirements may affect the timing and cost of obtaining mineral titles, permits, or approvals, and could delay or increase the cost of exploration and development activities.

Unforeseen claims, grievances, or opposition by Indigenous Peoples could impact the Resulting Issuer's existing or planned operations, project timelines, or future acquisitions. The need to address Indigenous rights considerations may increase operating costs and could affect the Resulting Issuer's ability to advance, expand, or dispose of its mineral projects.

Exploration and Mining Risks

Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations.

There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

Regulatory Requirements

The activities of the Resulting Issuer are subject to extensive regulations governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with indigenous peoples, labour standards on occupational health and safety, including mine safety, and historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties, enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions, any of which could result in the Resulting Issuer incurring significant expenditures. The Resulting Issuer may also be required to compensate those suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Resulting Issuer's operations and delays in the exploration and development of the Resulting Issuer's properties.

Influence of Third Parties

The mineral properties in which the Resulting Issuer holds an interest, or the exploration equipment and road or other means of access which the Resulting Issuer intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Resulting Issuer's work programs may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for the Resulting Issuer.

No Assurance of Profitability

The Resulting Issuer has no history of earnings and, due to the nature of its business there can be no assurance that the Resulting Issuer will ever be profitable. The Resulting Issuer has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Resulting Issuer is from the sale of its shares or, possibly, from the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Resulting Issuer may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Resulting Issuer may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Resulting Issuer at risk.

Uninsured or Uninsurable Risks

Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Resulting Issuer may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Resulting Issuer may elect not to insure where premium costs are disproportionate to the Resulting Issuer's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Potential Conflicts of Interest

The directors and officers of the Resulting Issuer may serve as directors and/or officers for other public and private companies, including companies in which the Resulting Issuer has invested in, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Resulting Issuer is also participating, and to the extent that such companies may receive funds from the Resulting Issuer, such directors and officers of the Resulting Issuer may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The BCBCA, which governs the Resulting Issuer, requires the directors and officers to act honestly, in good faith, and in the best interests of the Resulting Issuer and its shareholders. However, in conflict-of-interest situations, directors and officers of the Resulting Issuer may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions. There is no assurance that the needs of the Resulting Issuer will receive priority in all cases. From time to time, several companies may participate together in the acquisition, exploration and development of natural resource properties, thereby allowing these companies to: (i) participate in larger programs; (ii) acquire an interest in a greater number of programs; and (iii) reduce their financial exposure to any one program. A particular company may assign, at its cost, all or a portion of its interests in a particular program to another affiliated company due to the financial position of the Resulting Issuer making the assignment. In determining whether or not the Resulting Issuer will participate in a particular program and the interest therein to be acquired by it, it is expected that the directors and officers of the Resulting Issuer will primarily consider the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time.

Key Executives and Outside Consultants

The Resulting Issuer is dependent upon the services of key executives, including the directors of the Resulting Issuer, and will be dependent on a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Resulting Issuer, the loss of these persons or the inability of the Resulting Issuer to attract and retain additional highly skilled employees may adversely affect its business and future operations.

The Resulting Issuer has also relied upon outside consultants, geologists, engineers and others and intends to rely on these parties for their exploration and development expertise. Substantial expenditures are required to construct mines, to establish mineral resources and reserves estimates through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes and to develop the development, exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Joint ventures

The Resulting Issuer may enter into joint venture arrangements with regard to future exploration, development and production properties. There is a risk any future joint venture partner does not meet its obligations and the Resulting Issuer may therefore suffer additional costs or other losses. It is also possible that the interests of the Resulting Issuer or future joint venture partners are not aligned resulting in project delays or additional costs and losses. The Resulting Issuer may have minority interests in the companies, partnerships and ventures in which it invests and may be unable to exercise control over the operations of such companies.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Resulting Issuer's operations, financial condition and results of operations.

Accounting Policies and Internal Controls

The Resulting Issuer prepares its financial reports in accordance with IFRS. In preparation of its financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Resulting Issuer. Significant accounting policies are described in more detail in the Resulting Issuer's audited financial statements. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported, the Resulting Issuer has implemented and continues to analyze its internal control systems for financial reporting, as further explained in its audited financial statements. Although the Resulting Issuer believes its financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, the Resulting Issuer cannot provide absolute assurance in this regard.

Negative Operating Cash Flow

The Resulting Issuer has incurred losses since inception and currently experiences negative operating cash flow, a trend that is expected to continue for the foreseeable future. Although the Resulting Issuer aims to advance its mineral projects and ultimately generate revenues, there is no assurance that it will ever achieve profitability. As an exploration-stage company with no material revenues to date, the Resulting Issuer must rely on its cash reserves and will likely require additional financing – through equity, debt or other means – to fund ongoing operations and planned exploration activities. Many of the Resulting Issuer's expenditures are fixed or committed in nature, including costs associated with exploration programs, property maintenance, technical consultants, and corporate overhead.

The Resulting Issuer's ability to generate future revenues and move toward profitability depends on the successful exploration and development of its mineral properties, the availability of capital, favourable commodity prices, and the receipt of required regulatory approvals. There can be no assurance that the Resulting Issuer will ever achieve or sustain profitability, that additional financing will be available when needed, or that such financing will be available on acceptable terms. If the Resulting Issuer continues to incur losses for an extended period or is unable to secure adequate financing, it may be unable to continue its business or advance its projects.

Limited Operating History

The Resulting Issuer is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Reputation Risk

Damage to the Resulting Issuer's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Resulting Issuer and its activities, whether true or not. Although the Resulting Issuer believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Resulting Issuer does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Resulting Issuer's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Liability for Actions of Employees, Contractors and Consultants

The Resulting Issuer could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Resulting Issuer.

The Resulting Issuer is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Issuer that violates: (i) government regulations; (ii) manufacturing standards; (iii) fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Resulting Issuer to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Issuer from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Resulting Issuer, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, the curtailment of the Resulting Issuer's operations or asset seizures, any of which could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Litigation

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Like most companies, the Resulting Issuer is subject to the threat of litigation and may be involved in disputes with other parties in the future which may result in litigation or other proceedings. The results of litigation or any other proceedings cannot be predicted with certainty. If the Resulting Issuer is unable to resolve these disputes favourably, it could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Information Systems

Targeted attacks on the Resulting Issuer's systems (or on systems of third parties that the Resulting Issuer relies on), failure or non-availability of a key information technology ("**IT**") systems or a breach of security measures designed to protect the Resulting Issuer's IT systems could result in disruptions to the Resulting Issuer's operations, extensive personal injury, property damage or financial or reputational risks. The Resulting Issuer has engaged IT consultants to implement and test system controls and disaster recovery infrastructure for certain IT systems. As the threat landscape is ever-changing, the Resulting Issuer must make continuous mitigation efforts, including: risk prioritized controls to protect against known and emerging threats; tools to provide automate monitoring and alerting and backup and recovery systems to restore systems and return to normal operations.

Risks Related to the Resulting Issuer Shares

Market for Securities and Volatility of Share Price

Following completion of the Transactions, the Resulting Issuer Shares are expected to be listed and posted for trading on the CSE under the symbol “SLVF”. Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies’ financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Factors unrelated to the Resulting Issuer's performance that may affect the price of the Resulting Issuer Shares include the following: other developments that affect the breadth of the public market for the Resulting Issuer Shares; the release or expiration of lock-up or other transfer restrictions on the Resulting Issuer Shares; the attractiveness of alternative investments; the extent of analytical coverage available to investors concerning the Resulting Issuer's business may be limited if investment banks with research capabilities do not follow the Resulting Issuer; lessening in trading volume and general market interest in the Resulting Issuer Shares may affect an investor’s ability to trade significant numbers of Resulting Issuer Shares; the size of the Resulting Issuer's public float may limit the ability of some institutions to invest in Resulting Issuer Shares; and a substantial decline in the price of the Resulting Issuer Shares that persists for a significant period of time could cause the Resulting Issuer Shares to be delisted from the CSE, further reducing market liquidity. As a result of any of these factors, the market price of the Resulting Issuer Shares at any given point in time may not accurately reflect the Resulting Issuer's long-term value and may be volatile in the future, which may result in losses to investors. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Resulting Issuer may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management’s attention and resources.

External factors outside of the Resulting Issuer's control, such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks, may have a significant impact on the market price of the Resulting Issuer Shares. Global stock markets, including the CSE, have experienced extreme price and volume fluctuations from time to time. There can be no assurance that an active or liquid market will be sustained for the Resulting Issuer Shares.

Future Sales of Resulting Issuer Shares by Existing Shareholders

Sales of a large number of Resulting Issuer Shares in the public markets, or the potential for such sales, could decrease the trading price of the Resulting Issuer Shares and could impair the Resulting Issuer's ability to raise capital through future sales of Resulting Issuer Shares. The Resulting Issuer has previously completed private placements at prices per share which may be, from time to time, lower than the market price of the Resulting Issuer Shares. Accordingly, a significant number of the Resulting Issuer's shareholders at any given time may have an investment profit in the Resulting Issuer Shares that they may seek to liquidate.

Dividends

The Resulting Issuer has not paid dividends in the past and does not anticipate paying dividends in the near future. The Resulting Issuer intends to retain earnings, if any, to finance the growth and development of the Resulting Issuer's business and, where appropriate, retire debt. The payment of future cash dividends, if any, will be reviewed periodically by the Resulting Issuer Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

Dilution

Future sales or issuances of equity securities could decrease the value of the Resulting Issuer Shares, dilute shareholders' voting power and reduce future potential earnings per Resulting Issuer Share. The Resulting Issuer intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Resulting Issuer Shares) and may issue additional equity securities to finance its operations, development, exploration, acquisitions or other projects. The Resulting Issuer cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Resulting Issuer Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Resulting Issuer Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in earnings per Resulting Issuer Share.

As a result of any of these factors, the market price of the Resulting Issuer Shares at any given point in time may not accurately reflect the long-term value of the Resulting Issuer. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Resulting Issuer may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Additional Financing

The Resulting Issuer will require equity and/or debt financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to fund ongoing operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Resulting Issuer's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Risks Related to the Amalgamations

There can be no certainty that all conditions precedent to the Amalgamations will be satisfied

The completion of the Amalgamations is subject to a number of conditions precedent, certain of which are outside the control of the Resulting Issuer, including receipt of all required regulatory approvals (including the approvals of the CSE and the TSXV), completion of the Consolidation, completion of the minimum amount of the Private Placement, and the listing and posting for trading on the CSE of the Resulting Issuer Shares to be issued pursuant to the Amalgamations. There can be no certainty, nor can the Resulting Issuer provide any assurance, if and when these conditions will be satisfied or waived. These conditions also include approval of the Amalgamations by the shareholders of Silver Hammer at the Silver Hammer Meeting and approval of the Stroud Amalgamation by Stroud shareholders at the Stroud meeting. If, for any reason, the conditions to the Amalgamations are not satisfied or waived and the Amalgamations are not completed, the market price of the

Silver Hammer Shares may be adversely affected and the announcement of the Amalgamations and the dedication of substantial resources of Silver Hammer to the completion thereof could have a negative impact on Silver Hammer's business relationships and could have a material adverse effect on the current and future operations, financial condition and prospects of the Resulting Issuer. If the Amalgamations are not completed and the Board decides to seek another merger or arrangement, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the consideration payable pursuant to the Amalgamations.

The Stroud Agreement or SilverMark Agreement may be terminated in certain circumstances, including in the event of a material adverse change with respect to Silver Hammer

Each of the parties to the Stroud Agreement and the SilverMark Agreement has the right to terminate the applicable agreement and the corresponding Amalgamation in certain circumstances. Accordingly, there is no certainty, nor can Silver Hammer provide any assurance, that the Stroud Agreement or the SilverMark Agreement will not be terminated before the completion of the respective Amalgamation. For example, Stroud has the right, in certain circumstances, to terminate the Stroud Agreement if changes occur that, in the aggregate, result in a material adverse effect with respect to Silver Hammer. Although a material adverse effect excludes certain events that are beyond the control of Silver Hammer, there is no assurance that a material adverse effect with respect to Silver Hammer will not occur before the completion of the Amalgamations, in which case the applicable counterparty could elect to terminate the relevant agreement and the applicable Amalgamation would not proceed.

While the Amalgamations are pending, Silver Hammer is restricted from taking certain actions

The Stroud Agreement and the SilverMark Agreement restrict Silver Hammer from taking specified actions until the respective Amalgamation is completed without the consent of the applicable counterparty. These restrictions may prevent Silver Hammer from pursuing attractive business opportunities that may arise prior to the completion of the Amalgamations.

The issuance of a significant number of Silver Hammer Shares could adversely affect the market price of Silver Hammer Shares

If the Amalgamations are completed, a significant number of additional Resulting Issuer Shares will be issued and will become available for trading in the public market. The increase in the number of Resulting Issuer Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, Resulting Issuer Shares.

Market for Silver Hammer Shares

There can be no assurance that an active public market for the Resulting Issuer Shares will be sustained following the completion of the Amalgamations. Even if an active market is maintained, there is no assurance that the prevailing market price of the Resulting Issuer Shares will reflect the value of the Resulting Issuer's business and assets following the Amalgamations. If an active public market for the Resulting Issuer Shares is not sustained, the liquidity of a shareholder's investment may be limited, and the Resulting Issuer Share price may decline. In addition, any significant increase in demand to buy or sell the Resulting Issuer Shares can create volatility in price and volume.

Private Placement Risk

The completion of the Amalgamations is conditional upon, among other things, the completion of the Minimum Private Placement. The Private Placement involves the sale of Subscription Receipts on a best efforts basis, and there can be no assurance that the Minimum Private Placement will be raised or that the Private Placement will be completed on the terms described herein or at all. If the Minimum Private Placement is not raised, the Amalgamations will not be completed unless this condition is waived by the applicable parties. Failure to complete the Private Placement could result in the Amalgamations not proceeding, which could have a material adverse effect on the market price of the Silver Hammer Shares and on Silver Hammer's business relationships and prospects.

Foreign Operations and Moroccan Asset Risks

Following completion of the Amalgamations, the Resulting Issuer's portfolio will include the Santo Domingo silver-gold property in Jalisco, Mexico (acquired through the Stroud Amalgamation) and an indirect interest in the Akka Mine silver/polymetallic project in Morocco, held through SilverMark's rights under the SABI-AIM Option Agreements. Operations in foreign jurisdictions, including Morocco, are subject to risks not typically associated with operations in Canada or the United States, including: political instability or changes in government; changes in laws or regulations governing foreign investment, mining, taxation, royalties, or repatriation of capital; currency exchange controls or fluctuations; expropriation or nationalization of assets; civil unrest or social instability; difficulties in enforcing legal rights or obtaining regulatory approvals; and the complexity of operating through joint venture structures with local partners. The SABI-AIM Option Agreements governing SilverMark's rights to earn into the Moroccan Assets may give rise to disputes or disagreements between the parties, and there can be no assurance that the Resulting Issuer will be able to exercise effective control over the Moroccan Assets or that SABI-AIM will fulfill its obligations under such agreements. There can be no assurance that any of these properties will be successfully advanced to the development or production stage. Any of these factors could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

PRINCIPAL SECURITYHOLDERS

To the knowledge of Silver Hammer and the Privcos, no Person will, as at the completion of the Transactions, own of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the Resulting Issuer Shares other than as follows:

Name and Location of Residence	**Resulting Issuer Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised**	
	Number and Percentage after Completion of the Amalgamations and the Minimum Private Placement(1)	**Number and Percentage after Completion of the Amalgamations and the Maximum Private Placement(2)**
2176423 Ontario Ltd. (Eric Sprott)	29,000,731(3) (24.79%)	29,000,731(3) (22.57%)

Notes:

(1) Based on 116,980,430 Resulting Issuer Shares issued and outstanding following the completion of the Transactions, assuming the Minimum Private Placement.

(2) Based on 128,518,891 Resulting Issuer Shares issued and outstanding following the completion of the Transactions, assuming the Maximum Private Placement.

(3) Based on the conversion of 37,277,777 Stroud Shares held by 2176423 Ontario Ltd., a corporation beneficially owned by Mr. Eric Sprott, into Resulting Issuer Shares based on the Stroud Exchange Ratio. Mr. Eric Sprott is expected to participate in the Private Placement. This table does not include any additional Resulting Issuer Shares Mr. Eric Sprott will obtain through the Private Placement.

DIRECTORS, OFFICERS AND PROMOTERS

The names, municipalities of residence, the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, following the Closing of the Transactions, and the offices to be held by each in the Resulting Issuer and the principal occupation of the proposed directors and senior officers of the Resulting Issuer during the past five years are as follows:

Name, Location of Residence and Age	Position or Office	Principal Occupation	Director or Officer of Silver Hammer or Privcos Since	Number and Percentage of Resulting Issuer Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly after Completion of the Amalgamations and the Minimum Private Placement (1)	Number and Percentage of Resulting Issuer Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly after Completion of the Amalgamations and the Maximum Private Placement (2)
Peter A. Ball Vancouver, British Columbia, Canada 58 years old	President, Chief Executive Officer and Director	President, Chief Executive Officer and Director of Silver Hammer Mining Corp. (February 2023 – present); and prior thereto, executive roles in the resource sector, most recently with Noram Lithium.	Officer and Director of Silver Hammer since February 15, 2023	1,838,339(3) 1.57%	1,838,339(3) 1.43%
Alnesh Mohan Vancouver, British Columbia, Canada 55 years old	Chief Financial Officer, Corporate Secretary	Partner, Quantum Advisory Partners LLP (a professional services firm providing outsourced CFO, financial advisory, and accounting	Chief Financial Officer, Corporate Secretary, and Director of Silver Hammer since May 14, 2021	497,296(4) (0.43%)	497,296(4) (0.39%)

		services), since 2005			
Dr. Scott Jobin-Bevans Santiago, Chile 59 years old	Vice President, Exploration, Director	Registered Geoscientist (PGO), Founder Caracole Creek Group – International Geo-Consulting, Santiago, Chile	Director of Stroud since June 9, 2014 and Interim CEO since July 22, 2019	1,565,401[(5)] (1.34%)	1,565,401 [(5)] (1.22%)
Andrew Gillin Toronto, Ontario Canada 44 years old	Vice President, Corporate Development & Investor Relations	Vice President, Corporate Development & Investor Relations	Vice President, Corporate Development & Investor Relations of Silver Hammer since 07/15/2026	Nil (0%)	Nil (0%)
Donald J. Birak Coeur d'Alene, Idaho, USA 73 years old	Independent Director	Independent Consulting Geologist, Registered Member of SME and Fellow of AusIMM.	Director of Silver Hammer since 09/27/2023	Nil[(6)] (0)%	Nil[(6)] (0)%
Michael Willett Saskatoon, Saskatchewan, Canada 67 years old	Independent Director	Director of Silver Hammer Mining Corp. (September 2025 – present); prior thereto, mining executive and independent advisor providing senior-level project evaluation and advisory services to mining companies	Director of Silver Hammer since 09/15/2025	Nil[(7)] (0)%	Nil[(7)] (0)%

		across North America.			
William J. Kennedy Toronto, Ontario, Canada 67 years old	Chairman & Independent Director	Chairman of the Board and Director, Jaguar Mining Inc.	Director of Stroud since January 12, 2021	Nil(8) (0)%	Nil(8) (0)%
Conor O'Brien Toronto, Ontario, Canada 49 years old	Independent Director	Portfolio Manager, Eric Sprott Family Office	Director of Stroud since September 24, 2025	Nil(9) (0)%	Nil(9) (0)%

Notes:
(1) Based on 116,980,430 Resulting Issuer Shares issued and outstanding following the completion of the Transactions, assuming the Minimum Private Placement.
(2) Based on 128,518,891 Resulting Issuer Shares issued and outstanding following the completion of the Transactions, assuming the Maximum Private Placement.
(3) Such Resulting Issuer Shares will be held by Ariston Capital Corp., a private company of which Mr. Ball is the principal. The figure above reflects post-Consolidation share counts (pre-Consolidation: 7,353,359 Resulting Issuer Shares). Mr. Ball will also hold (i) 1,211,538 Contingent Value Shares, (ii) 687,500 Resulting Issuer Options (pre-Consolidation: 2,750,000), and (iii) 896,032 Resulting Issuer Warrants (pre-Consolidation: 3,584,128) through Ariston Capital Corp. and Lolgorian Holdings Inc., each a private company of which Mr. Ball is the principal.
(4) 453,546 of such Resulting Issuer Shares will be held by Quantum Advisory Partners LLP, a professional services firm of which Mr. Mohan is a partner (pre-Consolidation: 1,814,183 Resulting Issuer Shares held by Quantum Advisory Partners LLP; 1,989,183 Resulting Issuer Shares in aggregate). Mr. Mohan will also hold 346,250 Resulting Issuer Options (pre-Consolidation: 1,385,000) and 450,000 Resulting Issuer Warrants (pre-Consolidation: 1,800,000), the latter held through Quantum Advisory Partners LLP.
(5) Dr. Jobin-Bevans will also hold 1,938,462 Contingent Value Shares
(6) Mr. Birak will also hold 208,750 Resulting Issuer Options (pre-Consolidation: 835,000). Mr. Birak is not expected to hold any Resulting Issuer Warrants.
(7) Mr. Willett will also hold 125,000 Resulting Issuer Options. Mr. Willett is not expected to hold any Resulting Issuer Warrants.
(8) Mr. Kennedy will also hold 299,517 Resulting Issuer Options. Mr. Kennedy is not expected to hold any Resulting Issuer Warrants.
(9) Mr. O'Brien will also hold 182,822 Resulting Issuer Options. Mr. O'Brien is not expected to hold any Resulting Issuer Warrants.

As of the closing of the Transactions, the directors, officers, Insiders and Promoters of the Resulting Issuer will own, as a group, directly or indirectly, 32,901,767 Resulting Issuer Shares, representing 25.60% of the then issued and outstanding Resulting Issuer Shares on an undiluted basis if the Maximum Private Placement is completed and 28.13% of the then issued and outstanding Resulting Issuer Shares on an undiluted basis if the Minimum Private Placement is completed.

Management

Upon closing of the Transactions, the management team of the Resulting Issuer will consist of Peter A. Ball as President and Chief Executive Officer, Alnesh Mohan as Chief Financial Officer and Corporate Secretary, Dr. Scott Jobin-Bevans as Vice President, Explorations, and Andrew Gillin as Vice President, Corporate Development & Investor Relations. It is anticipated that the Resulting Issuer Board will consist of six (6) directors.

In addition to the information set out in the table above, the following are summaries of the proposed directors and principal management of the Resulting Issuer, including their respective proposed positions with the Resulting Issuer and relevant work and educational background.

Peter A. Ball

Peter A. Ball is a proposed director and the President and Chief Executive Officer of the Resulting Issuer. Mr. Ball brings a progressive track record of proven leadership experience covering more than thirty years in the mining and finance sectors. He has demonstrated competencies in the resource industry on an international level, and held various senior management roles with precious and base metals mining companies in mine engineering, corporate finance, securities trading, business development, corporate communications, public relations and marketing functions. Mr. Ball began his career in the late 1980s working as a mining engineer at Sherritt Gordon Mines, Hudson Bay Mining and Smelting and Echo Bay Mines. Commencing in the 1990s, he held various management and senior executive and corporate roles for numerous companies, including Eldorado Gold, RBC Dominion Securities, Adriana Resources, Century Mining, Argentex Mining, Columbus Gold, Redstar Gold, NV Gold, and Noram Lithium. Mr. Ball has led and assisted in raising over $250 million in capital in the resource sector, and is a member of CIMM. Mr. Ball is also an independent director of Big Gold Inc.

Jeff Kennedy

Jeff Kennedy is the proposed chairman of the Resulting Issuer. Mr. Kennedy served as the Managing Director Equity Capital Markets and Operations at Cormark Securities Inc. With over 30 years of experience, Mr. Kennedy also served as the CFO of Cormark Securities Inc. where he was responsible for financial oversight, controls and governance of operations. He is a Chartered Professional Accountant from the Institute of Chartered Professional Accountants of Ontario and completed his Bachelor of Commerce from McMaster University.

Alnesh Mohan

Alnesh Mohan is the Chief Financial Officer and Corporate Secretary of the Resulting Issuer. Mr. Mohan brings over 20 years of experience and is a partner at Quantum Advisory Partners LLP, a professional services firm focused on providing Chief Financial Officer and full-cycle accounting services to private and public companies, since 2005. Alnesh has acquired considerable experience in financial reporting, corporate governance and regulatory compliance. He holds a Bachelor of Business Administration from Simon Fraser University, a Master of Science in Taxation from Golden Gate University and is a Chartered Professional Accountant (CPA, CA).

Dr. Scott Jobin-Bevans

Dr. Scott Jobin-Bevans is a proposed director of the Resulting Issuer and the Vice President, Exploration (Stroud nominee). Dr. Jobin-Bevans brings over 30 years in the mineral exploration industry and more than 25 years of direct experience with public and private companies as an officer, director and technical advisor and has been involved with taking numerous private companies public. He is a registered geoscientist with PGO (Ontario), APEGS (Saskatchewan), EGM (Manitoba), and PEGNL (Newfoundland), adjunct Professor in the Department of Geology, Lakehead University, and a certified Project Management Professional (PMP). Dr. Jobin-Bevans has a wide range of exploration experience in most commodities including expertise in magmatic sulphides (Ni-Cu-Co) and PGE (Pt-Pd) mineralization, gold, silver, copper (porphyry) and base metals (VMS). Dr. Jobin-Bevans has an extensive industry and government network and served as President (2010-2012) and a Director (2002-2010) of the Prospectors and Developers Association of Canada (PDAC).

Andrew Gillin

Andrew Gillin is the proposed Vice President, Corporate Development & Investor Relations, with the Resulting Issuer. Mr. Gillin is a seasoned investment banking and corporate development professional with over 15 years of experience in the metals and mining sector. Throughout his career, he has advised on more than 25 M&A transactions and over 50 lead financing mandates. Most recently, he served as Director, Investment Banking at Echelon Wealth Partners (now Ventum Financial), where he completed transactions with an aggregate value exceeding C$1.2 billion. Prior to Echelon, Mr. Gillin held senior investment banking roles at Eight Capital, where he was a member of the firm's founding partnership group, and Dundee Capital Markets. Earlier in his career, he worked at Paradigm Capital and also gained international private equity experience at an Abu Dhabi-based asset manager. Mr. Gillin holds a Bachelor of Commerce degree from McGill University and an MBA from the University of Cambridge.

Conor O'Brien

Conor O'Brien is a proposed director of the Resulting Issuer. Mr. O'Brien is a seasoned financial professional in global capital markets. With over 20 years of experience in equities, derivatives, fixed income and credit default swaps, he has consistently demonstrated an ability to navigate complicated financial instruments and environments. Prior to joining the Eric Sprott Family Office he worked for prominent Canadian brokerages GMP Securities and more recently, Paradigm Capital. Previously, he worked in New York for Cantor Fitzgerald in equity derivatives.

Donald Birak

Donald Birak is a proposed director of the Resulting Issuer. Mr. Birak has over 40 years of experience in mineral exploration and operations, including the roles of Senior Vice-President of Exploration with Coeur Mining (2004 to 2013) responsible for global Greenfields and Brownfields exploration, Vice President of Exploration for AngloGold North America (1998 to 2004), Independence Mining Company (1995 to 1998), and Hudson Bay Mining & Smelting Ltd. (1992 to 1995) and Chief Geologist & Exploration Geologist for Freeport-McMoRan Gold Company (1978 to 1991). In 2000, he received the Bill Dennis Prospector of the Year award presented by the PDAC. Mr. Birak has a M. Sc. Geology and has authored and co-authored several professional publications on the geology and metallurgy of sediment-hosted and epithermal precious metal deposits and on the use of geostatistics in resource modeling and grade control.

Michael Willett

Michael Willett is a proposed director of the Resulting Issuer. Mr. Willett, P. Eng. (Director) is a seasoned mining executive with 40+ years in mine engineering, development, and operations including senior level project evaluation and advisory roles for project re-starts with various mining companies across North America including Battle North Gold and Hudbay Minerals for 20+ years. Mike has operated at many senior roles including Chief Executive Officer and Vice President, more recently, Mr. Willett held the position of Vice President of Operations and Projects for Battle North Gold and was part of that team which successfully sold the company to Evolution Mining for $343 Million in 2021. Mr. Willett is a graduate of Queens University, with a BSc. in Mining Engineering and a Masters Certificate in Project Management from the Schulich School of Business.

Promoter Consideration

No person or company is or has been within the two years immediately preceding the date of the Information Circular, a promoter of Silver Hammer or the Privcos.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below and under "*Securityholder Approval*" – "*Particulars of Matters to be Acted on at the Silver Hammer Meeting*" – "*Appointment of Directors*" in this Circular, no proposed director, officer or Promoter of the Resulting Issuer or shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is or has, within the past 10 years, been a director, officer or Promoter of any Person or issuer that, while such Person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied that Person or issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that Person.

Penalties or Sanctions

No proposed director, officer or Promoter of the Resulting Issuer or shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer or a personal holding corporation of such Persons is or has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions proposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Amalgamations.

Personal Bankruptcies

No proposed director, officer or Promoter of the Resulting Issuer or shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding corporation of such Persons is or has, within the past 10 years, become bankrupt, made a proposal under bankruptcy or insolvency legislation or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflicts of Interest

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the completion of the Amalgamations are also directors, officers and/or Promoters of other reporting and non-reporting issuers. There may be potential conflicts of interest to which the directors, officers, and Insiders of the Resulting Issuer may be subject in connection with the operations of the Resulting Issuer, and situations may arise where a director, officer or Insider will be in direct competition with the Resulting Issuer. As of the date of this Information Circular and to the knowledge of the directors and officers of Silver Hammer and the Privcos, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment as directors or officers following the completion of the Amalgamations. Conflicts of interest will be subject to, and will be resolved in accordance with, the procedures and remedies under the BCBCA.

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the Board of a corporation, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board will be committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

The Resulting Issuer's proposed corporate governance practices are summarized below.

Independence of Members of Board

Directors are considered to be independent if they have no direct or indirect material relationship with the Resulting Issuer. A "material relationship" is a relationship which could, in the opinion of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board will facilitate its exercise of independent judgment in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board will require management to provide complete and accurate information with respect to the Resulting Issuer's activities and to provide relevant information concerning the mineral exploration industry in order to identify and manage risks. The Board will be responsible for monitoring the Resulting Issuer's senior officers, who in turn will be responsible for the maintenance of internal controls and management information systems.

Participation of Directors in Other Reporting Issuers

The following table sets out, as at the date of the Information Circular, the proposed directors of the Resulting Issuer that are currently directors of other reporting issuers:

Name	Name of Reporting Issuer	Name of Exchange or Market
Peter A. Ball	Big Gold Inc.	CSE
Donald J. Birak	Stria Lithium Inc.	TSXV
Michael Willett	None	N/A
Dr. Scott Jobin-Bevans	International Prospect Ventures Ltd. Northern Shield Resources Inc. Vision Lithium Inc. Thunder Gold Corp., Sienna Resources Inc., EV Minerals Corporation, and Makenita Resources Inc.	TSXV TSXV TSXV TSXV CSE CSE
Jeff Kennedy	Jaguar Mining Inc.	TSX

Orientation and Continuing Education

Upon the completion of the Amalgamations, new directors of the Resulting Issuer will participate in an orientation discussion with the Resulting Issuer's management and incumbent directors regarding the role of the Board, its committees, and the nature and operations of the Resulting Issuer's business. Members of the Board will be encouraged to communicate with management of the Resulting Issuer, external legal counsel and auditors, and other external consultants to educate themselves about the Resulting Issuer's business, the mining industry and applicable legal and regulatory developments.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Resulting Issuer and to meeting its responsibilities to shareholders. The Resulting Issuer intends to adopt a Code of Conduct following the completion of the Amalgamations.

The Board, through its meetings with management and other informal discussions with management, will encourage a culture of ethical business conduct and believes the Resulting Issuer's high calibre management team will promote a culture of ethical business conduct throughout the Resulting Issuer's operations and will be expected to monitor the activities of the Resulting Issuer's employees, consultants and agents in that regard.

It will be a requirement of applicable corporate law that directors and senior officers who have an interest in a transaction or agreement with the Resulting Issuer promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and, in the case of directors, abstain from discussions and voting in respect of same if the interest is material. These requirements will also be contained in the Resulting Issuer's Articles, which will be made available to directors and senior officers of the Resulting Issuer.

Nomination of Directors

The Board will consider its size each year when it considers the number of directors to recommend to shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board’s duties effectively and to maintain a diversity of views and experience.

The Board will not initially have a nominating committee, and these functions will be performed by the Board as a whole. However, if there is a change in the number of directors required by the Resulting Issuer, this practice may be reviewed.

Compensation

The Board has established a Corporate Governance Committee, which will continue to assist the Board in its oversight of corporate governance practices following the completion of the Amalgamations. The compensation of directors and officers will be determined by the Board, after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

Board Committees

Upon completion of the Amalgamations, the Board will have the following standing committees: the Audit Committee; the Compensation Committee; and the Corporate Governance Committee.

Corporate Governance Committee

The Corporate Governance Committee will continue to assist the Board in its oversight of the Resulting Issuer's corporate governance practices and in assessing the effectiveness of the Board and its committees. The Corporate Governance Committee will consist of Donald Birak (Chair), Michael Willett and Peter A. Ball. The Charter of the Corporate Governance Committee will be available on the SEDAR+ website under the Resulting Issuer's profile.

Audit Committee

The primary function of the Audit Committee will be to assist the Board in fulfilling its financial oversight responsibilities with respect to the financial reporting process and the quality, transparency and integrity of the financial statements and other related public disclosures; the Resulting Issuer's systems of internal controls regarding finance and accounting; and the Resulting Issuer's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and will foster adherence to, the Resulting Issuer's policies, procedures and practices at all levels. The Audit Committee will consist of Michael Willett (Chair), Donald Birak, and Peter A. Ball. The Audit Committee will meet at least four times annually.

See "*Audit Committee*" for details about its composition and function. The Charter of the Audit Committee is attached as Appendix "G" to the Information Circular.

Compensation Committee

The Compensation Committee will continue to assist the Board in fulfilling its responsibilities relating to matters of human resources and compensation, including equity compensation, and to establish a plan of continuity and development of senior management. The Compensation Committee will have responsibility for evaluating and making recommendations to the Board regarding the compensation of the Resulting Issuer's Chief Executive Officer, the range of compensation for other executives, and the equity-based and incentive compensation plans, policies and programs of the Resulting Issuer. The Compensation Committee will also review and recommend to the Board the compensation payable to directors. The Compensation Committee will review management's annual report on executive compensation for recommendation to the Board for approval and inclusion in the Resulting Issuer's disclosure documents. The Compensation Committee will consist of Jeff Kennedy (Chair), Donald Birak and Michael Willett.

See "*Compensation Committee*" for details about its composition and function. The Charter of the Compensation Committee will be available on the SEDAR+ website under the Resulting Issuer's profile.

Assessments

The Board will monitor the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and its committees.

No formal policy has been established to monitor the effectiveness of the directors, the Board and its committees. However, the Resulting Issuer believes that its corporate governance practices will be appropriate and effective given the Resulting Issuer's stage of development.

EXECUTIVE COMPENSATION

The Resulting Issuer anticipates negotiating compensation agreements with its directors and officers following completion of the Amalgamations. Under this heading, the Resulting Issuer is including the disclosure required by Form 51-102F6V – *Statement of Executive Compensation - Venture Issuers* under National Instrument 51-102 *Continuous Disclosure Obligations*.

<u>Compensation Discussion and Analysis</u>

Executive Compensation is required to be disclosed for (i) each CEO (or individual who served in a similar capacity during the most recently completed financial year), (ii) each CFO (or individual who served in a similar capacity during the most recently completed financial year), (i) the most highly compensated executive officers (other than the CEO and the CFO) who were serving as executive officers at the end of the most recently completed fiscal year and whose total compensation was, individually, more than $150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year (the "**NEOs**").

Based on the above criteria, the NEOs for the Resulting Issuer are expected to be Peter A. Ball, President and Chief Executive Officer, Alnesh Mohan, Chief Financial Officer and Corporate Secretary, Dr. Scott Jobin-Bevans, Vice President, Explorations, and Andrew Gillin, Vice-President, Corporate Development & Investor Relations.

Philosophy and Objectives

The Resulting Issuer will implement a compensation committee (the "**Compensation Committee**") to oversee, among other things, the consulting agreements, compensation of all directors and executive officers, and development of corporate governance policies.

The objective of the Compensation Committee in setting compensation levels will be to attract and retain individuals of high calibre to serve as officers of the Resulting Issuer, to motivate their performance in order to achieve the Resulting Issuer's strategic objectives and to align the interests of executive officers with the long-term interests of the Resulting Issuer's shareholders. These objectives are designed to ensure that the Resulting Issuer continues to grow on an absolute basis as well as to grow cash flow and earnings for shareholders. The Compensation Committee will set the compensation received by NEOs so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin, companies.

Compensation

The Resulting Issuer will compensate its executive officers based on their skill and experience levels and the existing stage of development of the Resulting Issuer. Executive officers will be rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, the Resulting Issuer's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Resulting Issuer intends to implement three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers will be paid a monthly consulting fee or salary determined by the Compensation Committee, if appropriate. Second, the Compensation Committee and Board of Directors may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Compensation Committee may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Resulting Issuer is not expected to provide pension or other benefits to the executive officers.

The base compensation of the executive officers will be reviewed and set annually by the Compensation Committee. The CEO has substantial input in setting annual compensation levels. The CEO will be directly responsible for the financial resources and operations of the Resulting Issuer. In addition, the CEO and Compensation Committee from time to time will determine the stock option grants to be made pursuant to the Omnibus Plan. Previous grants of stock options are taken into account when considering new grants. The Compensation Committee may award bonuses at its sole discretion, there is currently no preexisting performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Resulting Issuer's financial resources and prospects. The Resulting Issuer intends to maintain the management contracts of Silver Hammer and the Privcos. See *"Information Concerning Silver Hammer – Executive Compensation –*

Employment, Consulting and *Management* Agreements" for information concerning the management contracts. Compensation of the NEOs will be reviewed by the Compensation Committee on an annual basis.

Director and NEO Compensation Table (Excluding Compensation Securities)

The following Summary Compensation Table provides a summary of the proposed compensation to be paid by the Resulting Issuer to the NEOs and directors for the 12 month period following the Closing.

Name and Principal Position	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other Compensation ($)	Total Compensation ($)
Peter A. Ball, President, CEO and director	$325,000(1)	Nil(3)	Nil	Nil	Nil	$325,000 (1)
Alnesh Mohan, CFO and Corporate Secretary	$180,000(1)	Nil(3)	Nil	Nil	Nil	$180,000(1)
Dr. Scott Jobin-Bevans, Vice President, Exploration and director	$170,000(1)	Nil(3)	Nil	Nil	Nil	$170,000(1)
Andrew Gillin, Vice President, Corporate Development & Investor Relations	$260,000(1)	Nil(3)	Nil	Nil	Nil	$260,000(1)
Donald J. Birak, director	$18,000(2)	Nil	Nil	Nil	Nil	$18,000(2)
Michael Willett, director	$18,000(2)	Nil	Nil	Nil	Nil	$18,000(2)
Jeff Kennedy, Chairman	$18,000(2)	Nil	Nil	Nil	Nil	$18,000(2)
Conor O'Brien, director	$18,000(2)	Nil	Nil	Nil	Nil	$18,000(2)

Notes:
(1) See "Employment, Consulting and Management Agreements" below for further details.

(2) Related to independent board fees payable of $1500 per month and paid quarterly after closing.
(3) A bonus may be payable upon successful completion of established performance targets.

Employment, Consulting and Management Agreements

Silver Hammer and Peter A. Ball intend to enter into an addendum to the Ball Agreement (the "**Amended Ball Agreement**"). Pursuant to the Amended Ball Agreement, Mr. Ball will provide management services as the Chief Executive Officer of the Company and Resulting Issuer, as applicable, for yearly compensation of $325,000, effective as of September 28, 2026. All other terms and conditions of the Ball Agreement as set out under *"Information Concerning Silver Hammer" - "Executive Compensation" - "Employment, Consulting and Management Agreements*" in this Circular will continue in force with no amendments thereto.

On July 15, 2026, Silver Hammer entered into a consulting agreement (the **"Gillin Agreement**") with Southwood Strategic Corp. ("**Southwood**"), pursuant to which Andrew Gillin will perform the services of Vice President, Corporate Development and Investor Relations for the Resulting Issuer. Pursuant to the Gillin Agreement, Southwood is entitled to a base fee of $260,000 per annum following completion of the Transactions (and $14,000 per month during the period between the date of the Gillin Agreement and the Closing Date). If the Gillin Agreement is terminated by the Resulting Issuer without cause or by Southwood for Good Reason, Southwood is entitled to a termination fee equal to six (6) months' base fee, plus three (3) additional months of base fee for each full year of service (pro-rated for any partial year and rounded up) after the effective date, up to a maximum of 18 months' base fee (the **"Termination Fee"**), and any outstanding stock options will expire and cease to be exercisable 90 days following the date of termination. Additionally, if a Change of Control Event occurs and the Gillin Agreement is terminated for any reason during the Change of Control Period (excluding termination for failure, default or other breach), or Southwood terminates the Gillin Agreement for Good Reason during the Change of Control Period, the Resulting Issuer is required to pay Southwood one and one quarter (1.25) times the Termination Fee that is payable pursuant to the Gillin Agreement.

Following the Closing Date, the Resulting Issuer intends to enter into a consulting agreement (the **"Jobin-Bevans Agreement**") with Caracle Creek International Consulting Inc. (Canada) ("**Caracle Creek**"), pursuant to which Dr. Scott Jobin-Bevans will perform the services of Vice President, Exploration for the Resulting Issuer. Pursuant to the Jobin-Bevans Agreement, Caracle Creek is entitled to a base fee of $170,000 per annum following completion of the Transactions. If the Jobin-Bevans Agreement is terminated by the Resulting Issuer without cause or by Caracle Creek for Good Reason, Caracle Creek is entitled to a termination fee equal to six (6) months' base fee, plus three (3) additional months of base fee for each full year of service (pro-rated for any partial year and rounded up) after the effective date, up to a maximum of 18 months' base fee (the **"Termination Fee"**), and any outstanding stock options will expire and cease to be exercisable 90 days following the date of termination. Additionally, if a Change of Control Event occurs and the Jobin-Bevans Agreement is terminated for any reason during the Change of Control Period (excluding termination for failure, default or other breach), or Caracle Creek terminates the Jobin-Bevans Agreement for Good Reason during the Change of Control Period, the Resulting Issuer is required to pay Caracle Creek one and one quarter (1.25) times the Termination Fee that is payable pursuant to the Jobin-Bevans Agreement.

On September 1, 2026, Silver Hammer entered into a consulting services agreement and accounting services agreement (together, the "**Ascend Agreements**") with Ascend Advisory Partners LLP, pursuant to which Alnesh Mohan will continue to serve as Chief Financial Officer of the Company and the Resulting Issuer and Ascend will provide accounting services to the Company and the Resulting Issuer. Pursuant to the Ascend Agreements, Ascend is entitled to (i) a monthly fee of $10,000 plus applicable taxes (being $120,000 per annum) in respect of the services of Alnesh Mohan as Chief Financial Officer, and (ii) a monthly base fee of $5,000 plus applicable taxes (being $60,000 per annum) for up to 30 hours per month of accounting services (collectively, the "**Ascend Fees**"). The Resulting Issuer may terminate the Ascend Agreements without cause by providing 120 days' prior written notice or by paying the equivalent service fees in lieu of such notice. If the Resulting Issuer terminates the Ascend Agreements without cause and such termination occurs either prior to six (6) months before or after twelve (12) months following a Change of Control or a Fundamental Transaction, effective no later than 30 days following the termination, then Mr. Mohan is entitled to receive a lump sum termination fee equal to 18 months of the Ascend Fees ($180,000), as in effect immediately prior to the termination date of the Ascend Agreements, with up to fifty percent (50%) of such lump sum payable in shares at the Resulting Issuer's election.

Incentive Plan Awards

Share-based awards

During the 12 month period post-Amalgamations, it is not expected that the Resulting Issuer will grant any share-based awards, being awards granted under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock. See "*Forward-Looking Information*".

Option-based awards

The Resulting Issuer will likely grant future option-based awards, being awards under an equity incentive plan of options, including, for greater certainty, by granting stock options to its directors, officers and employees. The timing, amounts, and exercise price of these future option-based awards are not yet determined. Such stock options are expected to be granted under the Omnibus Plan. See "*Securityholder Approval*" – "*Particulars of Matters to be Acted on at the Silver Hammer Meeting*" – "*2026 Omnibus Equity Incentive Compensation Plan*".

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No individual who: (a) is a director or officer of Silver Hammer or any of the Privcos or is proposed to be a director or officer of the Resulting Issuer; (b) at any time during the most recently completed financial year of Silver Hammer or any of the Privcos, was a director or officer of Silver Hammer or any of the Privcos or (c) is an Associate of any of the foregoing, is either: (i) indebted to Silver Hammer or any of the Privcos or any of their subsidiaries; or (ii) indebted to another entity with such indebtedness being the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Silver Hammer, the Privcos or any of their subsidiaries.

INVESTOR RELATIONS ARRANGEMENTS

The Resulting Issuer has not arranged any investor relations agreements nor does it have any understanding regarding investor relations arrangements; however, the Resulting Issuer may enter into investor relations arrangements in the future.

OPTIONS TO PURCHASE SECURITIES

As at the date hereof, there are no stock options to purchase securities of any of the Privcos and none will be issued and outstanding upon Closing of the Amalgamations.

As at the date of the Information Circular, there are 6,105,000 Silver Hammer Options outstanding, which will, following the Consolidation, result in 1,526,250 Resulting Issuer Options. In addition, each of the 1,155,000 outstanding Stroud Options will be amended prior to the effective date of the Stroud Amalgamation such that the obligation to issue Stroud Shares on exercise will be replaced with an obligation to issue Resulting Issuer Shares, and the number of Resulting Issuer Shares issuable on exercise and the exercise price therefor will be adjusted in accordance with the Stroud Exchange Ratio, on the same economic terms and conditions, resulting in up to 898,561 Resulting Issuer Shares being issuable upon exercise of such amended Stroud Options, subject to the Omnibus Plan being approved by Silver Hammer Shareholders at the Silver Hammer Meeting. All other terms of the Stroud Options shall remain unchanged.

Upon Closing, the following Resulting Issuer Options will be outstanding to the following groups:

Held By	Number of Resulting Issuer Options	Number of Resulting Issuer Shares to be issued on exercise of the Resulting Issuer Options
Officers and directors of the Resulting Issuer	2,083,237 (1)	2,083,237 (1)
Officers and directors of subsidiaries of the Resulting Issuer who are not also officers and directors of the Resulting Issuer	Nil	Nil
All other employees of the Resulting Issuer	Nil	Nil
All other consultants of the Resulting Issuer	329,074(2)	329,074 (2)
Any other person or company	Nil	Nil

Notes:
(1) Includes Resulting Issuer Options held by: (i) Lolgorian Holdings Inc., a private company controlled by the CEO, Peter A. Ball, who holds 687,500 Resulting Issuer Options, (ii) CFO Alnesh Mohan holds 346,250 Resulting Issuer Options, (iii) VP Exploration Dr. Scott Jobin-Bevans holds 233,291 Resulting Issuer Options, (iv) Director Don Birak holds 208,750 Resulting Issuer Options, (v) Director Michael Willett holds 125,000 Resulting Issuer Options, (vi) Director Jeff Kennedy holds 299,517 Resulting Issuer Options, and (vii) Director Conor O'Brien holds 182,822 Resulting Issuer Options.
(2) Includes Resulting Issuer Options held by: (i) Board advisor Ron Burk holds 133,750 Resulting Issuer Options, (ii) Corporate Administrator Angie Ball holds 12,500 Resulting Issuer Options, and (iii) Mirsad Jakubovic holds 182,822 Resulting Issuer Options.

There are no assurances that the stock options described above will be exercised in whole or in part.

2026 Omnibus Equity Incentive Compensation Plan

The Resulting Issuer will approve and adopt the Omnibus Plan. For additional information on the terms of the Omnibus Plan, please see "*Securityholder Approval*" – "*Particulars of Matters to be Acted on at the Silver Hammer Meeting*" – "*2026 Omnibus Equity Incentive Compensation Plan*".

Escrowed Securities

As at the date of this Information Circular, there are no Silver Hammer Shares held in escrow.

AUDIT COMMITTEE

A summary of the responsibilities and activities and the membership of the Audit Committee of the Resulting Issuer is set out below, as required by Form 52-110 F2 - *Disclosure by Venture Issuers*. The Charter of the Audit Committee is attached hereto as Appendix "G".

Composition of the Audit Committee

The following directors will be the members of the Audit Committee:

Name	Independent/Not Independent(1)	Financially Literate(2)
Michael Willett (Independent Director)	Chair and Independent	Yes
Don Birak (Independent Director)	Independent	Yes
Peter A. Ball (President & CEO)	Not Independent	Yes

Notes:
(1) A member is independent if the member has no direct or indirect material relationship with the Resulting Issuer, which could, in the view of the board of directors of the Resulting Issuer, reasonably interfere with the exercise of that member's independent judgment.
(2) A member is financially literate if such member has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements.

In accordance with section 6.1.1(3) of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") relating to the composition of the audit committee for venture issuers, a majority of the members of the Audit Committee will not be executive officers, employees or control persons of the Resulting Issuer. All the members of the Audit Committee will be considered to be financially literate as required by section 1.6 of NI 52-110.

Relevant Education and Experience

As a result of their education and experience, each member of the Audit Committee has familiarity with, an understanding of, or experience with:

- the accounting principles that will be used by the Resulting Issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and provisions;

- the review or evaluation of financial statements, that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements; and

- internal controls and procedures for financial reporting.

The relevant education and experience of each member of the Audit Committee is set out in the biographical information of the directors of the Resulting Issuer under "*Resulting Issuer – Directors and Officers*".

AUDITOR, TRANSFER AGENT AND REGISTRAR

Auditor

The auditor of the Resulting Issuer will be Manning Elliott LLP.

Transfer Agent and Registrar

It is expected that Endeavor Trust Corporation will serve as the Resulting Issuer's registrar and transfer agent. It is expected that transfers of the securities of the Resulting Issuer may be recorded at registers maintained by Endeavor Trust Corporation in Vancouver, British Columbia.

APPENDIX “G”
AUDIT COMMITTEE CHARTER

Purpose of the Committee

The purpose of the audit committee (the **“Audit Committee”**) of the directors of the Company (the “**Board**”) is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Audit Committee shall also perform any other activities consistent with this Charter, the Company’s articles and governing laws as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Audit Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board. Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with IFRS, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

AUTHORITY AND RESPONSIBILITIES

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.

2. Review the appointments of the Company’s CFO and CEO and any other key financial executives involved in the financial reporting process.

3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.

6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.

8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.

9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.

10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.

11. Establish and review the Company's procedures for the:

    - receipt, retention and treatment of complaints regarding accounting, financial disclosure,
    - internal controls or auditing matters; and
    - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.

12. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.

13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.