UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ___________ to ___________

Commission File Number 1-43371

Sinda Ltd.

(Exact Name of Registrant as Specified in its Charter)

Delaware	98-1946183
State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification No.
Antiguo Camino a Don Diego S/N, Fraccionamiento Mi Bendición, Interior 6, San Miguel de Allende, Guanajuato, Mexico	37898
Address of Principal Executive Offices	Zip Code

+52 (415) 688-7951
Registrant's Telephone Number, Including Area Code

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	SIND	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of August 14, 2026, there were 158,790,885 shares of Sinda Ltd.'s common stock, par value $0.0001 per share, outstanding.

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Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q, including Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements. All statements contained in this report, other than statements of historical fact, are forward-looking statements, including, but not limited to, statements regarding our future results of operations or financial condition, business strategy and plans, and objectives of management for future operations. Certain of the forward-looking statements can be identified by the use of terms such as "may," "might," "could," "would," "achieve," "budget," "scheduled," "forecasts," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue," the negative of these terms and other comparable terminology. These forward-looking statements may include projections of our future financial performance, our anticipated business strategies and anticipated trends in our industry. All forward-looking statements speak only as of the date on which they are made. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions concerning future events that are difficult to predict. Therefore, actual future events or results may differ materially from these statements. We believe that the factors that could cause our actual results to differ materially from those expressed or implied by forward-looking statements include the following:

- our dependence on our ability to obtain suitable financing in order to continue the exploration, permitting, development and construction of the Sinda Property (as defined below) and to continue as a going concern;
- our history of negative operating cash flows and net losses and the lack of assurance that we will achieve or sustain profitability;
- our dependence on the Sinda Property for our future operating revenues;
- Mineral Resource and Exploration Target statements at the Sinda Property are only estimates;
- actual capital costs, operating costs, production and economic returns may differ significantly from those we have anticipated;
- the title to, or relevant rights on, the five contiguous mining concessions underpinning the Sinda Property may be challenged or impaired;
- our rights to access the surface of the five mining concessions underpinning the Sinda Property, and to explore and exploit the El Milagro Concession, could be limited, impaired or terminated;
- the need for additional financing in the future to develop the Sinda Property;
- inflation, restrictive exchange control policies and fluctuations in the exchange rate of the Mexican peso to the U.S. dollar;
- our reliance on third-party contractors;

- changes in the prices of and further demand for silver and gold;
- claims and legal proceedings against us;
- significant risk and hazards associated with mining operations;
- our dependence on developing and maintaining relationships with local communities and stakeholders;
- the requirements that we obtain, maintain and renew environmental, construction and mining permits, which is often a costly and time-consuming process;
- heightened and evolving environmental restrictions on activities in the Presa Neutla Natural Protected Area;
- the risk of failing to reach or maintain agreements for the use of lands with local communities and risks of civil disobedience;
- macroeconomic conditions, including inflation, interest rates and disruptions to global trade, including trade between the United States and Mexico;
- our exposure to material costs, liabilities and obligations as a result of environmental laws and regulations and permits, including in connection with water treatment and tailings management;
- political, economic or other conditions in Mexico;
- the impacts of changes in the legal and regulatory environment in which we operate, including relating to state, regional, national, domestic and foreign laws, such as amendments to the Federal Rights Law (Ley Federal de Derechos) and change in Mexican environmental and water laws and regulations; and
- climate strategy and expectations regarding greenhouse gas emission targets and related operating costs and capital expenditures.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements included in this report. Please refer to "Risk Factors" in Part II, Item 1A of this report for additional discussion of the foregoing factors and risks. These risks and uncertainties, as well as other risks of which we are not aware or which we currently do not believe to be material, may cause our actual future results to be materially different than those expressed in our forward-looking statements. We caution you not to place undue reliance on these forward-looking statements. We do not undertake any obligation to make any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events, except as required by law.

PART I—FINANCIAL INFORMATION

Item 1. Unaudited Condensed Consolidated Financial Statements.

Unaudited Condensed Consolidated Balance Sheets
As of June 30, 2026 and December 31, 2025
(In U.S. dollars)

Assets	**Notes**	**As of June 30, 2026**	**As of December 31, 2025**
Current assets:			
Cash and cash equivalents		$ 204,305,075	$ 10,804,841
Prepaid expenses	3	1,345,171	143,035
Other current assets		93,498	94,115
Total current assets		205,743,744	11,041,991
VAT receivable – net	4	4,050,836	2,293,878
Property, plant and equipment - net		4,910,215	4,986,976
Exploration assets		4,616,378	4,616,378
Operating lease right-of-use asset - net		1,098,610	722,155
Other assets		111,545	25,261
Total		$ 220,531,328	$ 23,686,639
Liabilities and Stockholders' equity			
Current liabilities:			
Accounts payable	5	$ 11,126,030	$ 2,079,887
Accrued expenses		1,287,454	225,158
Accounts payable to related party	8	5,167	122,546
Current portion of operating lease liabilities		61,760	121,831
Accrued payroll withholding taxes		106,792	115,071
Total current liabilities		12,587,203	2,664,493
Operating lease liabilities		977,168	622,126
Labor obligations		88,023	85,599
Total liabilities		13,652,394	3,372,218
Commitments and contingencies	12		
Stockholders' equity			
Ordinary shares / shares of common stock - $0.0001 par value, 3,500,000,000 shares of common stock authorized; 148,936,013 shares of common stock issued and outstanding as of June 30, 2026. Ordinary shares - $0.0001 par value, 500,000,000 ordinary shares authorized, 128,136,859 ordinary shares issued and outstanding as of December 31, 2025.	6	$ 14,894	$ 12,814
Additional paid in capital	6	356,356,681	141,454,897
Stock subscriptions received but not issued		-	100,009
Accumulated deficit		(149,492,641)	(121,253,299)
Total stockholders' equity		206,878,934	20,314,421
Total		$ 220,531,328	$ 23,686,639

See accompanying notes to these Unaudited Condensed Consolidated Financial Statements.

Unaudited Condensed Consolidated Statements of Operations
For the Three and Six Months Ended June 30, 2026 and 2025
(In U.S. dollars)

	Notes	Three Months Ended June 30,		Six Months Ended June 30,	
		2026	**2025**	**2026**	**2025**
Operating expenses:					
Exploration expenses		$ 7,692,013	$ 804,736	$ 14,312,278	$ 1,487,733
General and administrative expenses (including expenses with related parties, see note 8)		9,014,816	1,493,562	14,069,673	3,114,083
Total operating expenses		16,706,829	2,298,298	28,381,951	4,601,816
Other income (expense), net		58	15,183	58	15,183
Interest expense with related parties		-	-	-	(265,632)
Interest income		67,296		105,155	151
Foreign exchange gain (loss) - net		23,273	122,392	37,395	88,425
Total other income (expense), net		90,627	137,575	142,608	(161,873)
Net loss before income taxes		(16,616,202)	(2,160,723)	(28,239,343)	(4,763,689)
Income tax	9	-	-	-	-
Net loss	10	$ (16,616,202)	$ (2,160,723)	$ (28,239,343)	$ (4,763,689)
Loss per share					
Basic and diluted	11	$ (0.13)	$ (0.02)	$ (0.22)	$ (0.04)
Weighted average shares outstanding					
Basic and diluted		130,499,110	119,280,248	130,499,110	119,280,248

See accompanying notes to these Unaudited Condensed Consolidated Financial Statements.

Unaudited Condensed Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2026 and 2025
(In U.S. dollars)

	Six Months Ended June 30,	
	2026	**2025**
Cash flows from operating activities:		
Net loss	$ (28,239,343)	$ (4,763,689)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	168,509	164,551
Share-based compensation	7,017,129	801,132
Non-cash operating lease expense	90,984	-
Interest expense	-	265,632
Changes in operating assets and liabilities:		
Prepaid expenses	(1,202,136)	(24,974)
Other current assets	617	(773,998)
Recoverable VAT	(1,756,958)	(303,374)
Other assets	(86,284)	4,116
Accounts payable	3,802,014	59,917
Accrued expenses	1,062,298	(397,249)
Labor obligations	2,424	-
Operating lease liabilities	(172,817)	-
Accounts payable to related party	(117,379)	(255,834)
Accrued payroll withholding taxes	(8,279)	(15,748)
Net cash used in operating activities	(19,439,221)	(5,239,518)
Cash flows from investing activities:		
Additions to property, plant and equipment	(91,400)	(27,083)
Net cash used in investing activities	(91,400)	(27,083)
Cash flows from financing activities:		
Proceeds from convertible long-term debt with related parties	-	6,250,000
Issuance of shares	213,030,855	-
Net cash provided by financing activities	213,030,855	6,250,000
Cash:		
Net increase (decrease) for the period	193,500,234	983,399
Beginning of period	10,804,841	978,068
End of period	$ 204,305,075	$ 1,961,467
Non-cash activities:		
Accrued liability for offering costs	$ 5,144,120	$ -
Operating lease liabilities arising from obtaining right to use asset	$ 376,455	$ 58,209

See accompanying notes to these Unaudited Condensed Consolidated Financial Statements.

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Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity
For the Three and Six Months Ended June 30, 2026 and 2025
(In U.S. dollars)

	Notes	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Stock subscriptions Received but not issued	Accumulated Deficit	Total Stockholders' Equity
Balance as of December 31, 2025		128,136,859	$ 12,814	$ 141,454,897	$ 100,009	$ (121,253,299)	$ 20,314,421
Issuance of shares, net	6	3,028,744	303	14,840,543			14,840,846
Stock subscriptions issued		20,410	2	100,007	(100,009)	-	-
Share-based compensation	7	-	-	2,645,164	-	-	2,645,164
Net loss		-	-	-	-	(11,623,140)	(11,623,140)
Balance as of March 31, 2026		131,186,013	$ 13,119	$ 159,040,611	$ -	$ (132,876,439)	$ 26,177,291
Issuance of shares, net	6	17,750,000	1,775	192,944,105	-	-	192,945,880
Share-based compensation	7	-	-	4,371,965	-	-	4,371,965
Net loss		-	-	-	-	(16,616,202)	(16,616,202)
Balance as of June 30, 2026		148,936,013	$ 14,894	$ 356,356,681	$ -	$ (149,492,641)	$ 206,878,934

	Notes	Ordinary Shares Shares	Ordinary Shares Amount	Class A Ordinary Shares Shares	Class A Ordinary Shares Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholder' Equity
Balance as of December 31, 2024		104,994,535	$ 10,500	14,285,713	$ 1,428	$ 105,625,546	$(102,558,440)	$ 3,079,034
Share-based compensation		-	-	-	-	533,952	-	533,952
Net loss		-	-	-	-	-	(2,602,966)	(2,602,966)
Balance as of March 31, 2025		104,994,535	$ 10,500	14,285,713	$ 1,428	$ 106,159,498	$(105,161,406)	$ 1,010,020
Share-based compensation		-	-	-	-	267,180	-	267,180
Net loss		-	-	-	-	-	(2,160,723)	(2,160,723)
Balance as of June 30, 2025		104,994,535	$ 10,500	14,285,713	$ 1,428	$ 106,426,678	$(107,322,129)	$ (883,523)

See accompanying notes to these Unaudited Condensed Consolidated Financial Statements.

Sinda Ltd.

Notes to Unaudited Condensed Consolidated Financial Statements
For the Three and Six Months Ended June 30, 2026 and 2025
(In U.S. dollars)

1. Nature of business, basis of presentation and foreign currency financial statements

Nature of business **-** Sinda Ltd. (the “Company”), was formed and registered on November 8, 2012, and began operations under the corporate name of Minera Adularia International Ltd. Effective March 1, 2023, the Company changed its name to Sinda Ltd., an exempted company incorporated in the Cayman Islands. On June 23, 2026, the Company de-registered in the Cayman Islands and registered by way of continuation to incorporate in the State of Delaware, United States of America. The Company was formed for the primary purpose to acquire, explore and develop mineral concessions in Mexico, which is where substantially all of the Company’s assets are located and where substantially all operations occur. The Company is considered an exploration stage company as the Company has not yet demonstrated the existence of proven or probable mineral reserves.

Basis of presentation **-** The Company’s Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). In accordance with ASC 830 (The Effects of Changes in Foreign Exchange Rates), the Company has determined that the U.S. Dollar (USD) is its functional currency. Accordingly, the accompanying unaudited condensed consolidated financial statements have been presented using the Company’s functional currency.

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary to fairly state the Company’s financial position as of June 30, 2026, and the results of operations, cash flows for the three and six months ended June 30, 2026, and 2025. The results of operations for the three and six months ended June 30, 2026, are not necessarily indicative of the results to be expected for the full year. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such regulations. Accordingly, the accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and notes as of December 31, 2025.

Use of estimates **-** The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although management believes the estimates and assumptions used in the preparation of these Unaudited Condensed Consolidated Financial Statements were appropriate in the circumstances, actual results could differ from those estimates and assumptions.

Going Concern - The accompanying Unaudited Condensed Consolidated Financial Statements are prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company is currently in the process of exploring the mineral concessions which they hold. Accordingly, the Company does not generate revenues and will continue to incur losses until its mining properties commence production.

The Company reports an accumulated deficit of $149,492,641 and $121,253,299 as of June 30, 2026, and December 31, 2025, respectively; and incurred a net loss of $16,616,202 and $2,160,723 for the three months ended June 30, 2026 and 2025; and $28,239,343 and $4,763,689 for the six months ended June 30, 2026 and 2025. Absent the ability to generate positive cash flows from operations, the Company’s continued funding is entirely dependent on additional debt from related parties and the issuance of additional shares of common stock to fund its activities.

As discussed in Note 6, on June 29, 2026, the Company completed an initial public offering of shares generating net proceeds of $192,945,880 after deducting underwriter discounts and other offering costs. In addition, the Company's controlling stockholder has confirmed its commitment to fund current operations and pay obligations as they become due for a period of at least twelve months following the issuance date of these Unaudited Condensed Consolidated Financial Statements. The Unaudited Condensed Consolidated Financial Statements do not include any adjustments relating to the recoverability and classification of recognized asset amounts or the amounts and classification of liabilities that might result from the outcome of these matters.

***Risks and uncertainties* -** As a Company formed to acquire, explore, and develop mineral concessions, the Company's growth and profitability depend significantly on the prevailing prices of minerals. Commodity prices are historically volatile and may be subject to significant future fluctuations. A substantial or extended decline in commodity prices could have a material adverse effect on the Company's financial position, results of operations, cash flows and access to capital given that the Company's operation currently consists in the exploration of minerals.

The carrying value and recoverability of the Company's exploration assets are dependent on its ability to continue to fund exploration activities. A lack of funding may negatively impact the Company's exploration activities.

In addition to changes in commodity prices, changes in exploration plans, increases in costs, geotechnical failures, changes in social, environmental or regulatory requirements, and public health conditions can adversely affect the Company's ability to recover its investment in exploration assets and result in impairment charges.

The Company's wholly owned Mexican subsidiaries have certain transactions utilizing the Mexican peso. As the Company's functional currency is the U.S. dollar, fluctuations in the currencies may result in gains or losses on foreign currency exchange.

In Mexico, water rights for mining companies are subject to strict regulations and oversight by various governmental entities. Access to water for mining operations typically requires compliance with both federal and local water laws. Before going into production, the Company will need to secure a proper water source. As part of its water management program, the Company is reviewing the permit requirements, water treatment and recycling options, and exploring new water sources.

In May 2023, the Mexican government enacted a decree amending several provisions of the Mining Law ("Ley de Minería"). The bill introduces substantial changes to mining legislation to promote environmental protection, prioritize the rights and interests of indigenous and Afro-Mexican peoples and communities, and enforce stricter regulation of mining concessions. The Company filed a preemptive and cautionary federal constitutional litigation ("Amparo Proceeding") against the Mining Law to defend its original and long-term rights. The only portions of the new Mining Law that may impact the Company operations are changes to the original term of the mining concessions and restrictions to exploring and procuring mining waters in certain natural protected zones. As a result of the new Mining Law, the terms of the Company's mining concessions were reduced from 78 – 85 years to 58 years. The terms of these concessions can be extended another 25 years through a public tender. There have been several appeals initiated against the bill. The Supreme Court of Mexico has been reviewing these appeals but has not issued a definitive resolution yet. The Company does not believe that the Mining Law will have a material impact on its current or future operations.

2. Significant accounting policies

Accounting pronouncements pending adoption

There have been no new proposed or adopted accounting pronouncements applicable to the Company since those described in the Company's audited annual consolidated financial statements as of and for the year ended December 31, 2025.

3. Prepaid expenses

As of June 30, 2026 and December 31, 2025, the prepaid expenses are as follows:

	As of June 30, 2026	As of December 31, 2025
Prepaid insurance premiums	$ 1,074,947	$ -
Other prepaid expenses	270,224	143,035
Total	$ 1,345,171	$ 143,035

4. VAT receivable -net

As of June 30, 2026 and December 31, 2025, the VAT receivable are as follows:

	As of June 30, 2026	As of December 31, 2025
VAT receivable	$ 10,924,257	$ 8,790,906
Allowance for the uncollectible VAT receivable	(6,873,421)	(6,497,028)
Total	$ 4,050,836	$ 2,293,878

A reconciliation of allowance of the uncollectible VAT receivable are as follows:

Balance as of December 31, 2025 and 2024	$ 6,497,028	$ 6,497,028
Provision for expected uncollectible VAT receivable	376,393	-
Balance as of June 30, 2026 and 2025	$ 6,873,421	$ 6,497,028

5. Accounts payable

As of June 30, 2026 and December 31, 2025, the accounts payable are as follows:

	As of June 30, 2026	As of December 31, 2025
Drilling services	$ 4,309,622	$ 1,144,879
Legal fees	3,932,710	-
Other vendors	2,883,698	935,008
Total	$ 11,126,030	$ 2,079,887

6. Stockholders' equity

The Company's capital stock as of June 30, 2026 and December 31, 2025, is as follows:

	2026		2025	
	Number of shares	Amounts in USD	Number of shares	Amounts in USD
Ordinary Shares	148,936,013	$ 14,894	128,136,859	$ 12,814
Total	148,936,013	$ 14,894	128,136,859	$ 12,814

Initial Public Offering

On June 29, 2026, the Company completed its initial public offering of 17,750,000 shares of common stock at a public offering price of $12.00 per share**.** Net proceeds to the Company were $192,945,880 (after deducting underwriting discounts of $14,910,000 and other offering costs such as legal fees and other expenses of $5,144,120 related to the successful equity financing) and are included within the Additional Paid-in Capital in the Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity.

Private Placement

On November 15, 2025, the Company launched a private placement offering of up to 9,714,286 shares of common stock for an aggregate purchase price of up to $47,600,000 at a price per share of $4.90 (the "Private Placement"). Between January 5 and March 30, 2026, 3,049,154 ordinary shares of the Company were purchased as part of the Private Placement at a price of $4.90 per share by Electrum Global Holdings L.P. and other investors and had been issued by the Company as detailed in the following table. These purchases completed the Private Placement.

Stockholder	Investment Amount ($)	Shares Issued at $4.90/share
Electrum Global Holdings L.P.	$ 13,172,857	2,688,338
Other Investors	1,767,998	360,816
Total	$ 14,940,855	3,049,154

7. Stock-based compensation

On June 23, 2026, the Board of Directors approved an amendment to the Amended and Restated 2020 Long Term Incentive Plan (as amended, the "LTIP") to increase the number of shares of common stock available for future awards. Following the amendment, a total of 22,922,341 shares are authorized for issuance under the plan, subject to certain annual adjustments. The amendment did not modify any outstanding awards and had no impact on the Company's share-based compensation expense.

Stock options

Stock options granted under the LTIP generally have a contractual term of 10 years and entitle the holder to purchase one share of common stock. The options granted to employees and consultants have varying vesting schedules, subject to the Optionee's Continuous Service (each as defined in the LTIP).

On June 29, 2026, the Company granted 2,153,150 stock options to employees and consultants under the LTIP with an exercise price of $12.00 per share. These options have a contractual term of 10 years and entitle the holder to purchase one share of common stock at the exercise price. The options awarded vest 25% annually on each anniversary of the June 29, 2026 grant date subject to the Optionee's Continuous Service. 100% of the options will vest upon a change in control, as defined in the LTIP. The fair value of the options granted on June 29, 2026, was estimated on the grant date using the Black-Scholes option-pricing model.

A summary of the stock option activity under the LTIP for the six months ended June 30, 2026 and for the year ended December 31, 2025, is presented below:

	Number of options	Weighted average exercise price	Grant-date fair value	Weighted average remaining contractual term (in years)
Outstanding as of December 31, 2025	11,773,851	2.92	17,570,565	5.7
Granted	2,153,150	12.00	16,385,472	10.00
Outstanding as of June 30, 2026	13,927,001	4.33	33,956,037	6.0
Vested as of December 31, 2025	8,743,081	2.46	10,164,746	4.8
Vested as of June 30, 2026	10,767,851	2.74	14,248,085	4.9

For the three months ended June 30, 2026 and 2025, the Company recognized share-based compensation expense from the options of $470,057 and $267,180, respectively.

For the six months ended June 30, 2026 and 2025, the Company recognized share-based compensation expense from the options of $2,608,846 and $801,132, respectively.

Restricted Stock Units

A summary of outstanding restricted stock units as of June 30, 2026, and activity during the six months then ended, is as follows:

On June 29, 2026, the Company granted 1,619,820 restricted stock units to certain executives and directors under the LTIP. The restricted stock units entitle the holder to one share of common stock per restricted stock unit. 1,546,901 restricted stock units vest 25% annually on each anniversary of the June 29, 2026 grant date and 72,919 vest 100% on the date of the Company's 2027 annual meeting of stockholders, subject to the grantee's Continuous Service.

On June 29, 2026, at the completion of the IPO, 868,250 restricted stock units vested. As of June 30, 2026 the shares of common stock associated with these awards had not been issued.

	Number of Awards	Weighted-Average Grant-Date Fair Value Per Award	Aggregate Intrinsic Value
Outstanding as of December 31, 2025	1,256,500	$ 4.90	$ 6,156,850
Granted	1,619,820	$ 12.00	$ 19,437,840
Vested	(868,250)	$ 4.90	$ (4,254,425)
Outstanding as of June 30, 2026	2,008,070	$ 10.63	$ 21,340,265

For the three months ended June 30, 2026 and 2025, the Company recognized expense for restricted stock units of $3,901,908 and zero, respectively.

For the six months ended June 30, 2026 and 2025, the Company recognized expense for restricted stock units of $4,408,283 and zero, respectively.

8. Transactions with related parties

Effective January 1, 2019, the Company entered into a related-party management services agreement with The Electrum Group LLC, the investment adviser for Electrum Global Holdings L.P. Pursuant to the management services agreement, The Electrum Group LLC will provide various operational, accounting and administrative services to the Company and will charge the Company based on the actual time spent by its employees or consultants at agreed upon rates. The Electrum Group LLC will also charge the Company for all reasonable out-of-pocket expenses for work related to this agreement. For the three months ended June 30, 2026 and 2025, the expenses related to this agreement amounted to $1,999 and zero, respectively. For the six months ended June 30, 2026 and 2025, the expenses related to this agreement amounted to $5,167 and $56,372, respectively.

For the three and six months ended June 30, 2025, the interest expense accrued under the convertible long-term debt with related parties amounted to $181,699 and $83,933 under the term loan agreements with Electrum Strategic Opportunities Fund II L.P. and Electrum Global Holdings L.P., respectively.

9. Income Taxes

Prior to the redomiciliation, the Company was incorporated in the Cayman Islands, where there are currently no taxes on income or gains, and its wholly owned U.S. subsidiary was treated as a disregarded entity with no U.S. activities or tax liabilities. Following the redomiciliation to the State of Delaware on June 23, 2026, the Company is now a U.S. domestic corporation and is subject to U.S. federal, state, and local tax laws. The Company's Mexican subsidiaries, SNDA Holding, S. de R.L. de C.V., and SNDA Exploración, S. de R.L. de C.V. are required to file tax returns in Mexico.

The Company's effective income tax rate was 0% for the three and six months ended June 30, 2026 and 2025. The effective income tax rate differs from the statutory income tax rate primarily due to a full valuation allowance recognized against deferred tax assets, as management concluded that it is more likely than not that such assets will not be realized because the Company has not generated taxable income and is in the exploration stage.

10. Segment reporting

Management has determined that the Company operates and reports in a single operating segment, which currently focuses on the exploration of the mining properties for which the Company has either title to the concession or contractual exploration rights. Since the Company is in the exploration stage, it has not recognized any revenue.

The Company's Chief Operating Decision Maker ("CODM") is the Company's Country Manager[2]. The CODM manages the exploration operations based on costs and expenses that are directly attributable to the mine exploration activity, and regularly reviews expenses not related with the exploration activity, such as corporate expenditures, with the purpose of assessing the Company's performance and determining the needs for allocating resources.

The measure of profitability that the CODM considers for assessing the exploration segment performance is the net loss before income taxes.

The CODM evaluates the performance of the segment on a monthly basis by assessing the budget-to-actual and actual-to-prior period variances in operating expenses and administrative expenses. Additionally, the CODM reviews on a regular basis the execution of forecast capital expenditures and the evolution of total asset amounts in the segment to make decisions about operating and capital resource allocation.

	Three Months Ended June 30, 2026 Exploration Segment	Three Months Ended June 30, 2025 Exploration Segment	Six Months Ended June 30, 2026 Exploration Segment	Six Months Ended June 30, 2025 Exploration Segment
Drilling and other exploration-related costs (1)	$ 6,000,472	$ 570,087	$ 11,531,957	$ 1,028,846
Machinery rental	1,648,045	123,520	2,754,174	220,853
Professional services (1)	2,526,255	727,735	3,839,404	1,478,817
Depreciation and amortization	107,025	81,251	210,606	164,551
Other administrative expenses (1) (2)	1,880,545	528,525	2,652,288	907,616
Share-based compensation expense	4,371,965	267,180	7,017,129	801,132
Allowance for the uncollectible VAT receivable	172,522	-	376,393	-
Interest expense with related parties	-	-	-	265,632
Other segment items (3)	(90,627)	(137,575)	(142,608)	(103,758)
Consolidated net loss before income taxes	$ 16,616,202	$ 2,160,723	$ 28,239,343	$ 4,763,689

(1) Drilling and other exploration-related costs, Professional services, and Other administrative expenses items exclude share-based compensation expense.
(2) Other administrative expenses include administrative payroll, marketing expenses, travel expenses, bank fees, and office expenses.
(3) Other segment items include foreign exchange gain (loss) and other income.

All of the Company's operations take place in Mexico. Since the Company is in an exploration stage, it has no clients or major product lines or services.

11. Earnings per share

The calculated basic and diluted earnings per share for the three and the six months ended June 30, 2026 and 2025 were as follows:

	For the three-month period ended June 30, 2026	
	Ordinary Shares	Total
Net loss	$ (16,616,202)	$ (16,616,202)
Weighted average number shares - basic and diluted	130,499,110	130,499,110
Net loss per share – basic and diluted	(0.13)	(0.13)

	For the six-month period ended June 30, 2026	
	Ordinary Shares	Total
Net loss	$ (28,239,343)	$ (28,239,343)
Weighted average number shares - basic and diluted	130,499,110	130,499,110
Net loss per share – basic and diluted	(0.22)	(0.22)

	For the three-month period ended June 30, 2025		
	Ordinary Shares	Class A Ordinary Shares	Total
Net loss	$ (1,901,942)	$ (258,781)	$ (2,160,723)
Weighted average number shares - basic and diluted	104,994,535	14,285,713	119,280,248
Net loss per share – basic and diluted	(0.02)	(0.02)	(0.02)

	For the six-month period ended June 30, 2025		
	Ordinary Shares	Class A Ordinary Shares	Total
Net loss	$ (4,193,161)	$ (570,528)	$ (4,763,689)
Weighted average number shares - basic and diluted	104,994,535	14,285,713	119,280,248
Net loss per share – basic and diluted	(0.04)	(0.04)	(0.04)

12. Commitments and contingencies

The government of Mexico requires payment of mining taxes on each concession and also requires a minimum work commitment to be carried out in order to keep the mining concessions in good standing. Annually, the payment for mining taxes is approximately $135,000 and the minimum work commitment is approximately $951,000. Such amounts are subject to annual inflation adjustments. As of June 30, 2026 and December 31, 2025, the Company had satisfied these commitments.

During 2024, the Company entered into a contract with a law firm for advisory services related to land matters. Under the terms of the contract, the law firm will be paid a success fee for the successful execution of land access agreements with individual parcel holders and an ejido. The maximum success fee is $305,000 plus VAT.

On June 22, 2026 the Company entered into an agreement with Fresnillo plc (“Fresnillo”), pursuant to which we have agreed to sell and issue, and Fresnillo has agreed to purchase, at a purchase price per share equal to $12.00 per share (the “IPO Price”), a number of shares of our common stock such that, after giving effect to this offering, Fresnillo would beneficially own up to 5.0% of our issued and outstanding shares of common stock, subject to a maximum aggregate purchase price of $110 million (the “Fresnillo Concurrent Placement”. The agreement set a closing date of 30 days after the effective date of our IPO filing registration statement.

13. Subsequent events

The Company has evaluated events subsequent to June 30, 2026, to assess the need for potential recognition or disclosure in the accompanying financial statements. Such events were evaluated through August 14, 2026, the date the financial statements were available to issue and the following events were identified:

- Subsequent to the closing of the Company's initial public offering in June 2026, the underwriters partially exercised their over-allotment option, purchasing 1,915,328 additional shares of common stock (out of the 2,662,500 shares available under the option) at $12.00 per share. The exercise closed on July 15, 2026, and resulted in additional gross proceeds of approximately $23.0 million, before deducting underwriting discounts and commissions and offering expenses. The exercise resulted in net proceeds to the Company of $21.4 million.

- On July 27, 2026, the Company issued 7,939,544 shares of common stock to Fresnillo at $12.00 per share for net proceeds of approximately $95.0 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, our audited consolidated financial statements and the related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our final prospectus filed with the Securities and Exchange Commission (the "SEC") on June 29, 2026, pursuant to Rule 424(b) under the Securities Act of 1933, as amended, in connection with our initial public offering (the "IPO"), and our subsequent filings with the SEC. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs that involve significant risks and uncertainties. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to those differences include those discussed below and elsewhere in this Quarterly Report on Form 10-Q, particularly in Part II, Item 1A. "Risk Factors" and under "Cautionary Statement Regarding Forward-Looking Statements." Our historical results are not necessarily indicative of the results to be expected for any period in the future, and results for any interim period should not be construed as an inference of what our results would be for any full year or future period.

Company Overview

Sinda Ltd. (the "Company" or "Sinda") is an exploration-stage company formed to acquire, explore and develop mineral concessions in Mexico, where substantially all of its assets are located and where substantially all of its operations occur. Through SNDA Exploración, S. de R.L. de C.V. ("SNDA Exploracion"), the Company holds, or has exploration and exploitation rights on, five contiguous mining concessions covering a large-scale, high-grade, silver-gold greenfield discovery located in the historic Guanajuato epithermal silver belt of Mexico (the "Sinda Property" or the "Project") that the Company believes has the potential to be a globally significant mining operation. According to the Sinda Technical Report Summary and the addendum thereto included as Exhibit 96.1 and Exhibit 96.2 of our Registration Statement on Form S-1/A (File No. 333-296567), filed with the SEC on June 24, 2026 (the "**IPO Registration Statement**"), as of November 24, 2025, the Project boasts an estimated 369 million silver-equivalent ounces of inferred mineral resources and approximately 16 million silver-equivalent ounces of indicated mineral resources, placing it among the top notable underground primary silver assets in Latin America. The Mineral Resource estimate for the Project is based on an estimated average resource grade of 386 silver-equivalent grams per tonne of mineralized material for Inferred Mineral Resources and 692 silver-equivalent grams per tonne of mineralized material for Indicated Mineral Resources.

Second Quarter Highlights

Initial Public Offering and Concurrent Placement

On June 29, 2026 the Company completed its initial public offering of 17,750,000 shares of common stock at a public offering price of $12.00 per share. Net proceeds to the Company were $192.9 million after deducting underwriting discounts and commissions and other offering costs.

In connection with the IPO, the Company granted to the underwriters of the IPO an option to purchase a maximum of 2,662,500 additional shares of common stock from the Company to cover over-allotments (the “Overallotment Option”). On July 14, 2026, the underwriters of the IPO exercised this option in part, and on July 15, 2026, the Company issued and sold 1,915,328 shares of common stock resulting in net proceeds to the Company of $21.4 million.

In connection with the IPO, the Company entered into a Common Stock Purchase Agreement, dated June 22, 2026, with Fresnillo plc (“Fresnillo”), pursuant to which the Company agreed to sell and issue, and Fresnillo agreed to purchase from the Company a number of shares of the Company’s common stock such that Fresnillo would beneficially own up to 5.0% of the Company’s issued and outstanding shares of common stock at the time of issuance (the “Concurrent Placement”). The closing of the Concurrent Placement took place on July 27, 2026, with Fresnillo purchasing 7,939,544 shares of common stock for net proceeds of approximately $95.0 million.

The Company intends to use the proceeds from the IPO and Concurrent Placement for surface exploration and infill drilling, underground exploration and infill drilling and associated underground development, to be carried out in parallel with engineering and technical studies, including potential economic assessments such as an Initial Assessment and Pre-Feasibility Study in accordance with S-K 1300, as well as for general corporate purposes.

Redomiciliation

We were incorporated as an exempted company in the Cayman Islands. On June 23, 2026, in preparation for the IPO, we de-registered in the Cayman Islands and registered by way of continuation in the State of Delaware by filing a Certificate of Domestication to incorporate in the State of Delaware under the name “Sinda Ltd.”

Exploration Update

We concluded our Phase 1 drilling program at the end of June 2026. In total, we drilled 60,810 meters mainly focusing on infill drilling in the Caracol area, exploration drilling in the Don Diego area, as well as geotechnical drilling to support engineering studies.

The Company also undertook a request for proposals process for the construction of a decline for underground drilling at the Caracol area. We received proposals at the end of June 2026 and expect to engage the selected contractor during the second half of 2026.

Components of Results of Operations

Exploration Expenses

We conduct exploration activities under mining concessions in Mexico. Our exploration expenses primarily consist of drilling costs, assay costs and other geological and support costs at the Sinda Property.

General and Administrative Expenses

Our general and administrative expenses consist of salaries and benefits, share-based compensation, professional and consultant fees, management costs, expenses with related parties, insurance and other general administration costs. Our general and administrative expenses are expected to increase significantly as we operate as a public company. We expect higher costs related to salaries, benefits, share-based compensation, legal fees, compliance and corporate governance, accounting and audit expenses, stock exchange listing fees, transfer agent and other stockholder-related fees, directors' and officers' and other insurance costs, and other administrative costs.

Income Taxes

Income taxes consist of estimated income taxes in jurisdictions in which we operate, adjusted for allowable credits, deductions, loss carryforwards, foreign tax credits and the valuation allowance against deferred tax assets. As a result of the redomiciliation, we are required to file and pay taxes in the United States, if due. Our Mexican subsidiaries, SNDA Holding, S. de R.L. de C.V. ("**SNDA Holding**") and SNDA Exploración, file tax returns in Mexico.

Results of Operations

Three Months Ended June 30, 2026, compared to Three Months Ended June 30, 2025

For the three months ended June 30, 2026, we experienced a net loss of $16.6 million compared to a net loss of $2.2 million for the three months ended June 30, 2025. The $14.4 million increase in net loss was primarily attributable to the following:

- Exploration expenses increased by 855% to $7.7 million for the three months ended June 30, 2026, compared to $0.8 million for the three months ended June 30, 2025, primarily due to an increase in expenses related to our infill and exploration drilling campaign that began in October 2025.

- General and administrative expenses increased by 504% to $9.0 million for the three months ended June 30, 2026, compared to $1.5 million for the three months ended June 30, 2025, primarily due to an increase of $4.1 million for share-based compensation expense, $1.7 million for management personnel costs, and $1.2 million for third-party professional fees. The increase in expenses also reflects generally increased costs as we prepared Sinda to be a publicly listed company.

Six Months Ended June 30, 2026, compared to Six Months Ended June 30, 2025

For the six months ended June 30, 2026, we experienced a net loss of $28.2 million compared to a net loss of $4.8 million for the six months ended June 30, 2025. The $23.4 million increase in net loss was primarily attributable to the following:

- Exploration expenses increased by 861% to $14.3 million for the six months ended June 30, 2026, compared to $1.5 million for the six months ended June 30, 2025, primarily due to an increase in expenses related to our infill and exploration drilling campaign that began in October 2025.

- General and administrative expenses (including expenses with related parties) increased by 352% to $14.1 million for the six months ended June 30, 2026, compared to $3.1 million for the six months ended June 30, 2025, primarily due to an increase of $6.2 million for share-based compensation expense, $2.3 million for management personnel costs, and $1.7 million for third-party professional fees. This increase in expenses also reflects overall increased costs as we prepared Sinda to be a publicly listed company.

Liquidity and Capital Resources

As of June 30, 2026, the Company had cash resources comprising cash and cash equivalents totaling approximately $204.3 million.

In June 2026, the Company completed the IPO, in which it issued and sold 17,750,000 ordinary shares of common stock at a public offering price of $12.00 per share, which resulted in net proceeds of approximately $192.9 million. In July 2026, the underwriters of the IPO exercised in part their Overallotment Option, purchasing 1,915,328 ordinary shares of common stock, which resulted in net proceeds of approximately $21.4 million. In July 2026, the Company also completed the Concurrent Placement, selling and issuing 7,939,544 shares of common stock at $12.00 per share, which resulted in net proceeds of approximately $95.0 million.

The Company believes its currently available resources, including existing cash and cash equivalents, will be sufficient to meet its working capital and capital expenditure needs for at least the next 12 months.

The Company expects it will require additional funds at a later date to support its operations. Depending upon the circumstances, those additional funds may be in the form of equity, various forms of debt, or a combination of debt and equity. There can be no assurance that additional funds will be available to the Company on acceptable terms, or at all.

Cash Flows

Cash increased during the six months ended June 30, 2026, by $193.5 million compared to an increase during the six months ended June 30, 2025, of $1.0 million. The sources and uses of cash for the periods are described below.

Operating Activities

Net cash used in operating activities was $19.4 million for the six months ended June 30, 2026, as compared to $5.2 million for the six months ended June 30, 2025 with the increase in 2026 being primarily the result of higher exploration costs for the drilling campaign that began in October 2025 and higher management and professional service costs.

Investing Activities

Net cash used in investing activities was $0.1 million for the six months ended June 30, 2026, as compared to $0.0 million for the six months ended June 30, 2025. The increase was primarily driven by an increase in fixed asset purchases during the six months ended June 30, 2026.

Financing Activities

Net cash provided by financing activities was $213.0 million for the six months ended June 30, 2026, as compared to $6.3 million for the six months ended June 30, 2025. The $206.8 million increase was primarily driven by the net proceeds of approximately $198.1 million from the IPO after deducting underwriter fees and proceeds of $14.9 million for the private placement completed during the first quarter of 2026, compared to $6.3 million in proceeds from convertible long-term debt received in the six months ended June 30, 2025.

Contractual Obligations and Commitments

There have been no material changes outside the ordinary course of our business to the table of contractual obligations as of December 31, 2025, as set forth in the IPO Registration Statement.

Off Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our stockholders.

Critical Accounting Estimates

Listed below are the accounting policies that we believe are critical to our financial statements due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability or expense that is being reported.

Income Taxes

We recognize the expected future tax benefit from deferred tax assets when the tax benefit is considered to be more likely than not of being realized. Assessing the recoverability of deferred tax assets requires management to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecasted cash flows and the application of existing tax laws in Mexico. To the extent that future cash flows and taxable income differ significantly from estimates, our ability to realize deferred tax assets recorded at the balance sheet date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which we operate could limit our ability to obtain the future tax benefits represented by our deferred tax assets recorded at the reporting date.

Our properties involve dealing with uncertainties and judgments in the application of complex tax regulations in multiple jurisdictions. The final taxes paid are dependent upon many factors, including negotiations with taxing authorities in various jurisdictions and resolution of disputes arising from federal, state and foreign tax audits. We recognize potential liabilities and record tax liabilities for anticipated tax audit issues, if any, in the United States and other tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes will be due. We adjust these reserves in light of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. If our estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If an estimate of tax liabilities proves to be greater than the ultimate assessment, a tax benefit would result. We recognize interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

VAT Receivable

In Mexico, value added taxes (“**VAT**”) are charged on purchases of materials and services and sales of products. Businesses are generally entitled to recover the VAT they have paid related to purchases of materials and services, either as a refund or as a credit against future VAT payable. Likewise, businesses collect VAT from their customers as they sell a product or service.

Amounts recognized as VAT receivable in our audited consolidated financial statements represent the net estimated VAT tax receivable. Even though we are entitled to recover the VAT receivable under current tax law, there are risks that the laws and regulations may change in the future which could decrease the amount collectable or increase the costs to collect. The risk is also related to the tax authority’s interpretations that could result in the non-refund of VAT (materiality considerations).

The VAT refund process in Mexico requires a significant amount of information and follow-up with the tax authorities; the timing of collection of VAT receivables is uncertain. The allowance for uncollectible VAT receivable balance amounts to $6.9 million as of June 30, 2026. This estimate is based on the VAT amounts that were initially denied by the tax authority for the years 2015 through 2021. We continue to estimate, based on historical patterns, that the tax authority will continue rejecting a percentage of our refund requests.

Jumpstart Our Business Startups Act of 2012

The JOBS Act permits us, as an “emerging growth company,” to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to avail ourselves of this extended transition period and, as a result, we will not be required to adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for public companies that are not emerging growth companies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and therefore is not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Management, with the participation and supervision of our principal executive officer and our principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of June 30, 2026. On the basis of this review and the participation and supervision of our principal executive officer and our principal financial officer, we concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this Quarterly Report on Form 10-Q due to the previously disclosed material weakness in our internal control over financial reporting described below. However, our management, including our principal executive officer and our principal financial officer, has concluded that, notwithstanding the identified material weakness in our internal control over financial reporting, the consolidated financial statements in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial position, results of operations, and cash flows for the periods presented in conformity with U.S. GAAP.

Previously Reported Material Weakness in Internal Control Over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements would not be prevented or detected on a timely basis.

As previously disclosed in the IPO Registration Statement, we have identified material weaknesses in our internal control over financial reporting related primarily to (i) insufficient entity-level controls to maintain a control environment, risk assessment process and monitoring controls and activities to ascertain whether the components of internal control are present and functioning; (ii) insufficient design and implementation of information technology controls; (iii) lack of segregation of duties in treasury activities; and (iv) material deficiencies in the support and estimation of value-added tax receivable reserves, which resulted in a material adjustment to the VAT valuation allowance. The material weaknesses could result in misstatements of the consolidated financial statements or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Remediation Plan for Previously Reported Material Weakness

We have been and are continuing to develop a number of steps to remediate these material weaknesses and to strengthen our internal control over financial reporting. These remediation measures include enhancements to our financial reporting processes, the addition of qualified accounting and finance personnel, improvements in segregation of duties, the formalization and documentation of control activities and review procedures and a formal evaluation for an Enterprise Resource Planning system implementation in the near future.

The material weaknesses cannot be considered remediated until the newly designed and implemented controls operate effectively for a sufficient period of time and management has concluded, through testing, that the controls are operating effectively.

Changes in Internal Control Over Financial Reporting

Except as described above, there have not been any changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the Company's most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, the Company is involved in various legal proceedings that arise in the ordinary course of business. Although the ultimate outcome of pending matters is not presently determinable, management believes that the resolution of all such pending matters, based on an assessment of the current facts and circumstances, will not have a material adverse effect on the Company’s business, financial condition, results of operations or cash flows.

Item 1A. Risk Factors.

A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider the following information about these risks, together with the other information contained in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations." If any of the following risks actually occur, our business, financial condition or results of operations may be materially adversely affected. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. Some statements in this Quarterly Report on Form 10-Q, including statements in the following risk factors, constitute forward-looking statements.

These risks represent challenges to the successful implementation of our strategy and future profitability of our business. These risks include:

- We have a history of negative operating cash flows and net losses and we may never achieve or sustain profitability.
- Our ability to continue the exploration, permitting, development and construction of the Sinda Property, and to continue as a going concern, will depend in part on our ability to obtain suitable financing.
- Our future operations are dependent on the Sinda Property, which consists of multiple vein systems, none of which currently has Mineral Reserves.
- Mineral Resource and Exploration Target statements at our vein systems are only estimates.
- Our mineral exploration efforts are highly speculative in nature and may be unsuccessful.
- The title to, or relevant rights on, the five contiguous mining concessions underpinning the Sinda Property may be challenged or impaired, thus risking our investment in the Sinda Property.
- Our rights to surface access for the five mining concessions underpinning the Sinda Property, and our exploration and exploitation rights for the El Milagro Concession, could be limited, impaired or terminated, which could materially and adversely affect our operations and plans.
- We will require additional financing in the future to develop the Sinda Property.
- The prices of silver and gold are subject to change and a substantial or extended decline in the prices of silver or gold could materially and adversely affect our revenues and the value of the Sinda Property.

- The Mexican government, as well as local governments, extensively regulate mining operations, which impose significant actual and potential costs on us, and future regulation or regulatory enforcement could increase those costs, delay receipt of regulatory refunds or limit our ability to produce silver and other metals.

- We may not be able to reach or maintain agreements for the use of lands with local communities and may be subject to the risks of civil disobedience.

- We are required to obtain, maintain and renew environmental, construction and mining permits, which is often a costly and time-consuming process and may ultimately not be possible.

- Electrum has substantial control over us, which could delay or prevent a change of corporate control or result in the entrenchment of management and/or our Board of Directors.

- As a public company, we are obligated to develop and maintain proper and effective internal controls over financial reporting. We have identified material weaknesses in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls.

Risks Related to Our Business and Industry

We have a history of negative operating cash flows and net losses and we may never achieve or sustain profitability.

We are a silver exploration company and have a history of negative operating cash flows and net losses. We expect to continue to incur negative operating cash flows and net losses until such time as we generate sufficient revenues to fund our continuing operations. For the three months ended June 30, 2026, and 2025, our net loss was $16.6 million and $2.2 million, respectively. For the years ended December 31, 2025 and 2024, our net loss was $18.7 million and $10.7 million, respectively. Given our history of negative operating cash flows and net losses, and potential future negative operating cash flows and net losses, we may never achieve or sustain profitability.

To become and remain profitable, we must generate significant revenues from silver and gold production, which will require us to be successful in a range of challenging activities and is subject to numerous risks, including the risk factors set forth in this "*Risk Factors*" section. While our objective is to achieve initial production at the Sinda Property by 2031, this objective is not based on, and is not yet supported by, any technical or economic study, including an Initial Assessment, Preliminary Feasibility Study or Feasibility Study. In addition, we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our revenues, expenses and profitability. Our failure to achieve or sustain profitability would depress our market value, could impair our ability to execute our business plan, raise capital or continue our operations and could cause our stockholders to lose all or part of their investment.

Our future operations are dependent on the Sinda Property, which consists of multiple vein systems, none of which currently has Mineral Reserves.

The Sinda Property's Mineral Resources are comprised of multiple low-sulfidation epithermal vein systems with high-grade silver and gold mineralization. No Mineral Reserves have been identified at our vein systems. The costs, timing and complexities of upgrading the Mineral Resources at the Sinda Property to Mineral Reserves may be greater than we anticipate. Mineral exploration and development involves a high degree of risk that even a combination of careful evaluation, experience and knowledge cannot eliminate, and few properties that are explored are ultimately developed into producing mines. Our mineral exploration programs at the Sinda Property may not establish the presence of any Mineral Reserves. The failure to establish any Mineral Reserves would severely restrict our ability to implement our strategies for long-term growth.

Mineral Resource and Exploration Target statements at our vein systems are only estimates.

Statements of Mineral Resources and Exploration Targets at our various vein systems are only estimates and depend on geological interpretation and statistical inferences or assumptions drawn from drilling and sampling analysis, which might prove to be materially inaccurate. There is a degree of uncertainty attributable to the calculation of Mineral Resources and Exploration Targets. Until Mineral Resources and Exploration Targets are actually mined and processed, the quantity of metal and grades must be considered as estimates only and the indicated levels of metals may not be produced. Exploration Targets relate to potential mineralization for which there has been insufficient exploration to estimate either Mineral Resources or Mineral Reserves. In addition, Mineral Resources require a lower degree of certainty of economic viability than Mineral Reserves. In making determinations about whether to advance our project to development, we must rely upon estimated calculations for the Mineral Resources and Exploration Targets and grades of mineralization at the Sinda Property.

The estimation of Mineral Resources and Exploration Targets is a subjective process that is partially dependent upon the judgment of the persons preparing the estimates. The process relies on the quantity and quality of available data and is based on knowledge, mining experience, statistical analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. The ranges of potential tonnage and grade of the Exploration Targets are conceptual in nature. There has been insufficient exploration of the relevant property to estimate a Mineral Resource with respect to these Exploration Targets. It is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Targets therefore do not represent, and should not be construed to be, an estimate of a Mineral Resource or Mineral Reserve. Exploration Targets could change as the proposed exploration activities are completed.

Estimated Mineral Resources and Exploration Targets may have to be recalculated based on changes in metal prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated metallurgical recovery or other important factors that influence Mineral Resource and Exploration Target estimates. The extent to which Mineral Resources may ultimately be reclassified as Mineral Reserves is dependent upon the demonstration of their profitable recovery. Any material changes in volume and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. Mineralization may not be mined or processed profitably.

Mineral Resource and Exploration Target estimates have been determined and valued based on assumed future metal prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in the market price for silver and gold may render portions of our mineralization uneconomic and result in reduced reported volume and resource grades, which in turn could have a material adverse effect on our financial performance, financial position and results of operations.

In addition, Mineral Resource estimates involve significant reliance on Inferred Mineral Resources, which may increase the risk of overestimation. Inferred Mineral Resources are subject to significant uncertainty as to their existence and as to their economic and legal feasibility. The level of geological uncertainty associated with an Inferred Mineral Resource is too high to apply relevant technical and economic factors likely to influence the prospects of economic extraction in a manner useful for evaluation of economic viability.

Similarly, the ranges of potential tonnage and resource grade (or quality) of the Exploration Targets are conceptual in nature because there has been insufficient exploration to estimate a Mineral Resource. It is uncertain whether further exploration will result in the estimation of any Mineral Resources. Exploration Targets therefore do not represent, and should not be construed to be, an estimate of a Mineral Resource or Mineral Reserve.

Our mineral exploration efforts are highly speculative in nature and may be unsuccessful.

Mineral exploration is highly speculative in nature, involves many uncertainties and risks and is frequently unsuccessful. It is performed to demonstrate the dimensions, position and mineral characteristics of mineral deposits, estimate Mineral Resources, assess amenability of the deposit to mining and processing scenarios and estimate potential deposit value. Once mineralization is discovered, it may take a number of years from the initial exploration phases before production is possible, during which time the feasibility of the Project may change adversely. Substantial expenditures are required to establish Mineral Reserves, to determine processes to extract the metals and, if required, to construct mining and processing facilities and obtain the rights to the land and resources required to develop the mining activities.

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 mineral deposits or the processing of new or different resource grades, may have an adverse effect on mining operations and on our results of operations. Mineralization recovery in small scale laboratory tests may not be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, resource grades, stripping ratios or metallurgical recovery may affect the economic viability of our project.

Exploration stage properties have no Mineral Reserves disclosed, and only have estimates of Mineral Resources and/or Exploration Targets. Mineral Resource and Exploration Target estimates are, to a large extent, based upon the interpretation of geological data and modeling obtained from drill holes and other sampling techniques, initial assessments that derive estimates of operating costs based upon anticipated tonnage and grades of material to be mined and processed, the assumed configuration of the deposit, expected recovery rates of metal from the mill feed material, facility and equipment capital and operating costs, anticipated climatic conditions and other factors. As a result, actual operating costs and economic returns based upon development of Mineral Resources and Exploration Targets may differ significantly from those originally estimated. Significant decreases in actual or expected commodity prices may also mean mineralization, once found, will be uneconomical to mine.

Our anticipated processing ability may be adversely impacted by certain circumstances.

A number of factors could affect our ability to process the quantities of metals that we recover and our ability to efficiently handle certain quantities of processed materials, including, but not limited to, the presence of oversized material at the crushing stage; material showing breakage characteristics different than those planned; material with resource grades outside of planned range; the presence of deleterious materials in ratios different than expected; material drier or wetter than expected, due to natural or environmental effects; and materials having viscosity or density different than expected.

The occurrence of one or more of the circumstances described above could affect our ability to process the number of tons planned, recover valuable materials, remove deleterious materials and produce planned quantities of concentrates. In turn, this may result in lower throughput, lower recoveries, increased downtime, increased costs or some combination of all of the foregoing. While issues of this nature are part of normal operations, unexpected conditions may materially and adversely affect our business, results of operations or financial condition.

Actual capital costs, operating costs, production and economic returns may differ significantly from those we have anticipated and any future development activities may not result in profitable mining operations.

The actual operating costs at the Sinda Property will depend upon changes in the availability and prices of labor, equipment and infrastructure, variances in metal recovery and mining rates from those assumed in the mining plan, operational risks, changes in governmental regulation, including taxation, environmental, permitting and other regulations and other factors, many of which are beyond our control. Due to any of these or other factors, the operating costs at the Sinda Property may be significantly higher than we expect. As a result of higher capital and operating costs, production and economic returns may differ significantly from our expectations and future development activities may not result in profitable mining operations.

Land reclamation and mine closure may be burdensome and costly.

Land reclamation and mine closure requirements are generally imposed on mining companies in Mexico, such as ours, which require us, among other things, to minimize the effects of land disturbance. Such requirements may include controlling the discharge of potentially dangerous effluents from a site and restoring a site's landscape to its pre-exploration form. The Sinda Property remains at the exploration stage and we have not established a mine plan or a mine closure plan. In the absence of a defined mining method, production scenario, processing facilities, tailings management strategy or site closure framework, reclamation and mine closure costs cannot be reasonably estimated. Accordingly, we have not recorded any asset retirement obligation as of June 30, 2026 or December 31, 2025. However, any amount required to be spent on reclamation and mine closure may have a material adverse effect on our financial performance, financial position and results of operations and may cause us to alter our operations. In addition, we are required to maintain financial assurances, such as letters of credit, to secure mine closure and reclamation obligations and social and/or environmental obligations under applicable Mexican mining laws and regulations. The failure to acquire, maintain or renew such financial assurances could subject us to fines and penalties or suspension of our operations. Letters of credit or other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation over the life of a mine's operation.

We will be subject to certain risks associated with establishing new mining operations.

The development of the Sinda Property will require obtaining additional permits and financing for the construction and operation of the Sinda Property, processing plants and related infrastructure. As a result, we will be subject to certain risks associated with establishing new mining operations, including:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities and related infrastructure;
- the availability and cost of skilled labor, mining equipment and principal supplies needed for operations, including explosives, fuels, chemical reagents, water, power, equipment parts and lubricants;
- the availability and cost of appropriate smelting and refining arrangements;
- the need to obtain necessary environmental and other governmental approvals and permits, the timing of the receipt of those approvals and permits and the restrictions set forth in those approvals and permits;
- the availability of funds to finance construction and development activities;
- industrial accidents;
- mine failures, shaft failures or equipment failures;
- natural phenomena such as inclement weather conditions, floods, droughts, rockslides and seismic activity;
- unusual or unexpected geological and metallurgical conditions;
- exchange rate and commodity price fluctuations;

- high rates of inflation;
- interest rate fluctuations;
- health pandemics;
- potential opposition from non-governmental organizations, environmental groups or local communities, which may delay or prevent development activities; and
- restrictions or regulations imposed by governmental or regulatory authorities, including with respect to environmental matters or environmental permits.

The costs, timing and complexities of developing the Sinda Property may be greater than anticipated. Cost estimates may increase significantly as more detailed engineering work is completed. It is common in mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up. In addition, the cost of producing silver-bearing concentrates that are of acceptable quality to smelters may be significantly higher than expected. We may encounter higher than acceptable contaminants in our concentrates such as arsenic, antimony, mercury, copper, iron, selenium or other contaminants that, when present in high enough concentrations, can result in penalties or outright rejection of the metals concentrates by the smelters or offtakers. Accordingly, our activities may not result in profitable mining operations.

Our operations involve significant risks and hazards inherent to the mining industry.

Our operations involve the operation of large machines, heavy mobile equipment and drilling equipment. Hazards such as adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground control problems, cave-ins, changes in the regulatory environment, metallurgical and other processing problems, mechanical equipment failure, facility performance problems, fire and natural phenomena such as inclement weather conditions, floods and earthquakes are inherent risks in our operations. Hazards inherent to the mining industry can cause injuries or death to employees, contractors or other persons at our mineral property, severe damage to and destruction of our property, plant and equipment, and contamination of, or damage to, the environment, and can result in the suspension of our exploration activities and future development and production activities. While we aim to maintain best safety practices as part of our culture, the safety measures that we implement may not prevent or mitigate accidents.

In addition, from time to time, we may be subject to governmental investigations and claims and litigation filed on behalf of persons who are harmed while at the Sinda Property or otherwise in connection with our operations. We may also face environmental claims or community actions. To the extent that we are subject to personal injury or other claims or lawsuits in the future, it may not be possible to predict the ultimate outcome of these claims and lawsuits due to the nature of personal injury litigation. Similarly, if we are subject to governmental investigations or proceedings, we may incur significant penalties and fines, and enforcement actions against us could result in the closing of certain of our mining operations. If claims and lawsuits or governmental investigations or proceedings are ultimately resolved against us, it could have a material adverse effect on our financial performance, financial position and results of operations. Also, if we mine on property without the appropriate licenses and approvals, we could incur liability or our operations could be suspended.

Our business is sensitive to nature and climate conditions.

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels, including in Mexico. Regulation relating to emission levels (such as carbon taxes), water use and discharge, land disturbance, environmental impact and energy efficiency may become more stringent, which may materially and adversely affect our operations and may result in increased operating costs.

In addition, the physical risks of climate change may also have an adverse effect on our operations. These risks include the following:

- extreme weather events, including prolonged droughts, periods of water scarcity, flooding, heat waves and other weather patterns that affect central Mexico, have the potential to disrupt operations at our mines and may require us to make additional expenditures to mitigate the impact of such events. Extended disruptions to transportation routes, utilities or other material infrastructure could result in interruption to production once it commences; and

- our facilities depend on regular supplies of consumables to operate efficiently. These materials are expected to be transported primarily by land within Mexico and North America, and in the event that the effects of climate change or extreme weather events cause prolonged disruption to road, rail or other land-based transportation networks, production levels at our operations may be reduced.

Furthermore, water availability is a critical operational requirement for mining activities in central Mexico. Community opposition or competing uses may limit our access to water or require additional investments in water efficiency, recycling or alternative supply. Climate-related changes in precipitation patterns, increased frequency or severity of drought conditions, increased competition for water resources or regulatory restrictions on water extraction or use in Mexico could adversely affect our ability to operate or expand our projects on commercially reasonable terms.

Our efforts to mitigate the risks of climate changes may not be effective and the physical risks of climate change may have an adverse effect on our operations and profitability.

We may be materially and adversely affected by challenges relating to slope and stability of our future underground mining operations.

Once we commence mining operations, we expect to build deep underground mines which may present certain geotechnical challenges, including the possibility of failure of underground openings. If we are required to reinforce such openings or take additional actions to prevent such a failure, we could incur additional expenses, and our future operations could be negatively affected. Unexpected failures of underground openings or additional requirements to prevent such failures may adversely affect our future costs and expose us to health and safety and other liabilities in the event of an accident, and in turn materially and adversely affect our future operations and profitability.

The mining industry is very competitive.

The mining industry is very competitive. We compete in efforts to obtain financing to explore and develop the Sinda Property with other silver exploration and mining companies operating in Mexico. Many of these companies are larger, more established mining companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment and/or a greater ability than us to withstand losses. Our competitors may be able to respond more quickly to new laws or regulations or emerging technologies, or devote greater resources to the expansion or efficiency of their operations than we can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Accordingly, it is possible that new competitors or alliances among current and new competitors may emerge and gain significant market share to our detriment. We may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on our business, financial condition or results of operations.

The title to, or relevant rights on, the five contiguous mining concessions underpinning the Sinda Property may be challenged or impaired, thus risking our investment in the Sinda Property.

Under the laws of Mexico, Mineral Resources belong to the state, and government concessions are required to explore for or exploit Mineral Resources. Mineral rights derive from concessions granted by the Ministry of Economy, pursuant to the Mining Law (*Ley de Minería*) and the regulations thereunder. While we hold title to, or have been assigned exploration and exploitation rights on, five contiguous mining concessions containing multiple vein systems, including those in the Caracol area and the Agaves area, title to these concessions (or assignment of the relevant rights thereon) may be challenged or impaired under certain circumstances, including as a result of administrative proceedings, judicial challenges or defects in the granting or registration of such concessions.

Although we have taken steps to verify title to these concessions, including a review of concession titles and registration in the Mexican Public Mining Registry and the receipt of a title opinion from VHG Servicios Legales, S.C., dated as of August 13, 2021, and DBR Abogados, S.C., dated as of December 11, 2025, these procedures do not guarantee title against all possible claims or challenges. A title defect on any of the five concessions underpinning the Sinda Property (or any portion thereof) could adversely affect our ability to explore and/or mine some or all of the Sinda Property and/or process the minerals that we may mine in the future.

Mining concessions may be terminated if the obligations to maintain the concessions in good standing are not satisfied, including obligations to pay applicable concession duties, to provide required technical and administrative information to the Mexican Ministry of Economy, to allow inspections by the Mexican Ministry of Economy and to comply with applicable environmental, safety and other regulatory requirements. Recent legislative changes and regulatory developments in Mexico may impose additional requirements in connection with environmental permitting, water use, site closure and consultation with impacted local communities, and failure to comply with applicable requirements could result in sanctions, suspension or, in certain cases, termination of mining concessions. In addition, failure to make timely concession maintenance payments and otherwise comply with applicable laws and regulations relating to mineral right tenure could result in the loss of concession rights following applicable administrative or judicial procedures.

As the legal titleholder of the El Milagro Concession, Agustín Mesita and J. Bernabé Silva Sánchez, the co-holders of the mining concession, who subsequently assigned the concession to Ejido Delgado, were originally responsible for making concession maintenance payments and complying with applicable regulatory requirements with respect to the El Milagro Concession. Pursuant to the El Milagro Contract (as defined below), our wholly owned Mexican subsidiary SNDA Exploración has been assigned exploration and exploitation rights for the El Milagro Concession and is now responsible for all such payment and compliance obligations. If we fail to pay concession duties, submit required technical information, allow inspections or comply with environmental, safety or other applicable requirements, Mexican authorities may sanction, suspend or cancel the concession following applicable procedures, which would negatively impact the exploration and exploitation rights assigned to us.

Title insurance is generally not available for mineral properties and our ability to ensure that we have obtained secure title to, or unencumbered exploration and exploitation rights on, the five mining concessions underpinning the Sinda Property (or relevant rights thereon) may be subsequently challenged and/or constrained. Any challenge to our title or rights could result in litigation, insurance claims and potential losses, delay the exploration and development of a property and ultimately result in the loss of some or all of our interest in the Sinda Property. In addition, if we mine on property without the appropriate title or right, we could incur liability for such activities.

Our rights to surface access for the five mining concessions underpinning the Sinda Property, and our exploration and exploitation rights for the El Milagro Concession, could be limited, impaired or terminated, which could materially and adversely affect our operations and plans.

Our access to the surface where the five mining concessions underpinning the Sinda Property are located is granted through temporary land use agreements, some of which are still in process of being registered in the Mexican Agrarian Registry (*Registro Agrario Nacional*) to be enforceable vis à vis third parties.

Any unenforceability or early termination of such temporary land use agreements could be triggered by alleged breaches, and we may have limited ability to prevent or remedy termination. If any of these temporary land use agreements are terminated or rescinded, whether due to an alleged breach or otherwise, our ability to access the Sinda Property could be hindered and our exploration operations could be affected.

Our access, exploration and exploitation rights at the El Milagro Concession derive from a contract with the individual co-holders of the mining concession (who subsequently assigned the concession to Ejido Delgado) for mining exploration and surface access (the "**El Milagro Contract**"), which has been assigned to SNDA Exploración, rather than from direct title to the El Milagro Concession. The El Milagro Contract is expressly governed by Mexican federal and local laws and subject to the jurisdiction of courts in Guanajuato, Mexico, and therefore any disputes regarding enforceability, interpretation, performance or termination would be adjudicated in Mexico under Mexican laws. Remedies available to us may differ from, and be less predictable than, those available under U.S. laws, and the timing, consistency and reliability of outcomes may be further affected by recent and pending changes to Mexico's judicial framework. Adverse judgments or delays in Mexican proceedings could limit our access to the El Milagro Concession, disrupt exploration activities and result in increased costs or loss of rights.

Termination of the El Milagro Contract could be triggered by alleged breaches, and we may have limited ability to prevent or remedy termination. If the El Milagro Contract is terminated or rescinded, whether due to an alleged breach or otherwise, our ability to access, explore and develop the El Milagro Concession could cease, and we could incur costs to demobilize personnel and remove equipment within a limited period.

We will require additional financing in the future to develop the Sinda Property.

We intend to use the net proceeds from the IPO and the Concurrent Placement for surface exploration and infill drilling, underground exploration and infill drilling and associated underground development, to be carried out in parallel with engineering and technical studies, including potential economic assessments such as an Initial Assessment and Pre-Feasibility Study in accordance with S-K 1300, as well as for general corporate purposes. We will require additional funding in the future for construction and development activities on the Sinda Property and to commence production. Before we can make any future construction decision or obtain construction financing, we expect that we will be required to complete our exploration program and technical work, including various scientific and technical studies for any construction and associated financing for a mine on the Sinda Property, and obtain key permits and approvals.

Our ability to raise additional financing will depend on a number of factors, including the results of our exploration and drilling programs, the completion of required technical studies, prevailing metal prices, capital markets conditions and our ability to obtain required governmental approvals. We expect to raise additional funds through sales of equity or debt, or other securities or royalties, or a combination thereof. Access to additional capital may not, however, be available on terms acceptable to us, at acceptable prices, or at all.

Failure to obtain sufficient financing to complete construction and development activities, and commence production, at the Sinda Property may result in delays in the development of the Sinda Property. Furthermore, even if we raise sufficient additional capital, we may not achieve profitability or positive cash flow. In addition, any future equity offering will further dilute your equity interest in us and any future debt financing may limit our flexibility in planning for or reacting to changes in our business. See "*—We may incur debt in the future, which could adversely affect our financial health, limit our ability to obtain financing in the future and pursue certain business opportunities and reduce the value of your investment.*"

Inflation, restrictive exchange control policies and fluctuations in the exchange rate of the Mexican peso to the U.S. dollar may adversely affect our financial condition and results of operations.

Increased inflation has resulted in, and may continue to result in, higher interest rates and capital costs, increased shipping costs, supply shortages, increased costs of labor, weakening exchange rates, additional government intervention through stimulus spending or additional regulations and other similar effects. Our ability to conduct exploration of the Sinda Property is dependent on the acquisition of goods and services at a reasonable cost, such as drilling equipment and skilled labor and assay laboratory testing in a timeframe that allows us to execute on follow-up exploration phases expeditiously. If we are unable to take effective measures in a timely manner to mitigate the impact of the inflation, the scope of our exploration of the Sinda Property may decrease and our business, financial condition and results of operations could be adversely affected.

Additionally, when inflation in Mexico increases without a corresponding depreciation of the Mexican peso, the net income generated by our operations is adversely affected. Inflation in Mexico was 3.7% in 2025, 4.2% in 2024, 4.7% in 2023 and 7.8% in 2022. The Mexican peso has fluctuated significantly in past years. Relative to the U.S. dollar, the Mexican peso appreciated to Ps.19.47 per $1.00 as of December 31, 2022, further appreciated to Ps.16.90 per $1.00 as of December 31, 2023, depreciated to Ps.20.86 per $1.00 as of December 31, 2024, and appreciated to Ps.18.01 per $1.00 as of December 31, 2025. Overall, from December 31, 2019, to December 31, 2025, the peso appreciated by 4.5% from Ps.18.86 per $1.00 to Ps.18.01 per $1.00. The peso continues to be affected by uncertainty and volatility in the global markets. The Mexican government has occasionally implemented measures to limit the volatility of the Mexican peso, including auctions of U.S. dollars in the foreign exchange market and the regulation of hedges of foreign currency-denominated liabilities of Mexican banks and other financial entities. However, we cannot be sure that such measures will be put in place if new episodes of volatility materialize, or that they will be effective if they are implemented, or how such measures would impact the Mexican economy. Accordingly, inflation and any governmental response thereto may have a material adverse effect on our business, results of operations, cash flow, financial condition and the price of our securities.

Although we report our financial statements in U.S. dollars, purchases of labor, operating supplies and capital assets by our wholly owned Mexican subsidiaries are denominated in Mexican pesos. As a result, any significant and sustained appreciation of the Mexican peso against the U.S. dollar may materially increase the costs of our operations. We measure and record actual foreign exchange gains and losses arising from remeasurement of monetary assets and liabilities. The net foreign exchange gain / (loss) for the six months ended June 30, 2026 was $0.0 and for the six months ended June 30, 2025 was $0.1 million. For the years ended December 31, 2025 and 2024, we recorded a net foreign exchange gain of $0.2 million and a net foreign exchange loss of $0.2 million, respectively.

While the Mexican government does not currently restrict, and for several decades has not restricted, the right or ability of Mexican or foreign persons or entities to convert pesos into U.S. dollars or to transfer other currencies outside of Mexico, the Mexican government has taken such measures in the past and could institute restrictive exchange control policies in the future. The imposition of exchange control policies could impair our ability to obtain imported goods and to meet our U.S. dollar-denominated obligations and could have an adverse effect on our business and financial condition.

We do not currently intend to enter into hedging arrangements with respect to silver and other minerals and our hedging activities, or our decision not to hedge, with respect to our expenses, could expose us to losses.

We do not currently intend to enter into hedging arrangements with respect to silver and other minerals. As such, we will not be protected from a decline in the price of silver and other minerals. This strategy may have a material adverse effect upon our financial performance, financial position and results of operations.

Additionally, we are, and will be, exposed to the potentially adverse effects of fluctuations in input costs, such as diesel fuel, and if we borrow funds at floating interest rates. We may seek to enter into hedging arrangements to hedge some of our input costs, such as diesel fuel, and our currency exposure with respect to the portion of our costs and expenses incurred in Mexican pesos. In the future we may also seek to enter into interest rate hedge agreements in connection with future indebtedness we may incur that bears interest at a floating rate. We currently, however, have not entered into any such hedging arrangements, or made a decision to do so, and cannot assure you that we will be able to do so on acceptable terms, or at all. Even if we seek and are able to enter into hedging contracts, such hedging program may not be effective, and any hedging program would also prevent us from benefitting fully from applicable input cost or rate decreases. In addition, we may in the future experience losses if a counterparty fails to perform under a hedge arrangement.

Our insurance may not provide adequate coverage.

Our business and operations are subject to a number of risks and hazards, including, but not limited to, adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground control problems, cave-ins, changes in the regulatory environment, metallurgical and other processing problems, mechanical equipment failure, facility performance problems, theft, fires and natural phenomena such as inclement weather conditions, floods and earthquakes. These risks could result in damage to the Sinda Property, personal injury or death, environmental damage, delays in exploration, mining or processing, increased production costs, asset write downs, monetary losses and legal liability. Any losses from these events may cause us to incur significant costs that could have a material adverse effect on our financial performance, financial position and results of operations.

Our property and liability insurance may not provide sufficient coverage for losses related to these or other hazards. Insurance against certain risks, including those related to environmental matters or other hazards resulting from exploration and production, is generally not available to us or to other companies within the mining industry. Our current insurance coverage may not continue to be available at economically feasible premiums, or at all. We may elect not to insure where premium costs are disproportionate to our 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.

We do not currently maintain any business interruption insurance, and any prolonged interruption to our operations could have a material adverse effect on our business, financial condition and results of operations.

Access to existing infrastructure may be limited or curtailed, and suitable infrastructure may not be available on a continuous or reliable basis.

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, rail transportation, power sources, water supply and access to key consumables are important determinants for capital and operating costs. Our operations remain dependent on continued access to, and the ongoing availability, reliability and security of, the existing road and rail and other infrastructure near San Miguel de Allende, Guanajuato, Mexico. The loss of access to, unavailability on acceptable terms of, or disruption, damage, congestion, curtailment or delay in the availability or use of any one or more of these items could prevent or delay exploration, development or exploitation of the Sinda Property. If access to, or use of, adequate infrastructure is not available in a timely manner, exploration or development of the Sinda Property may not be commenced or completed on a timely basis, or at all, the resulting operations may not achieve the anticipated production volume, and the construction costs and operating costs associated with the exploration and/or development of the Sinda Property may be higher than anticipated. In addition, extreme weather phenomena, accidents, transportation bottlenecks, security incidents, sabotage, vandalism, government action, labor disruptions, regulatory changes, road or rail blockades or closures, non-governmental organization and community or other interference in the maintenance, operation or provision of such infrastructure—including risks associated with operating in Mexico—could adversely affect our operations and profitability.

If we are unable to retain key members of management or highly skilled outside consultants, our business might be harmed.

Our exploration activities and any future development and construction or mining and processing activities depend to a significant extent on the continued service and performance of our senior management team. We depend on a relatively small senior management team, and we currently do not, and do not intend to, have key-person insurance for these individuals. Departures by members of our senior management team could have a negative impact on our business, as we may not be able to find suitable personnel to replace departing management on a timely basis, or at all. The loss of any member of our senior management team could impair our ability to execute our business plan and could, therefore, have a material adverse effect on our business, results of operations and financial condition. In addition, the international mining industry is very active and we are facing increased competition for personnel in all disciplines and areas of operation. We may not be able to attract and retain personnel to sufficiently staff our development and operating teams.

We rely on third-party contractors.

We have relied upon third-party contractors, including, among others, outside consultants, geologists, drilling and mine development contractors and engineers, and intend to rely on these parties for exploration and development activities. Substantial expenditures are required to construct mines, to establish Mineral Resource and Mineral Reserve estimates through drilling, to carry out environmental and social impact assessments, to establish closure requirement estimates, to develop metallurgical processes and to develop plant infrastructure at any particular site. As we continue with the exploration of the Sinda Property and any other properties we may acquire in the future, timely and cost-effective completion of work will depend largely on the performance of our contractors. If any of these contractors or consultants do not perform to accepted or expected standards, we may be required to hire different contractors to complete tasks, which may impact schedules and add costs to the Project and any other projects we may acquire in the future, and in some cases, lead to significant risks and losses. A major contractor default or the failure to properly manage contractor performance could have a material adverse effect on our business, financial condition and results of operations.

The prices of silver and gold are subject to change and a substantial or extended decline in the prices of silver or gold could materially and adversely affect our revenues and the value of the Sinda Property.

Our business and financial performance will be significantly affected by fluctuations in the prices of silver and gold. The prices of silver and gold are volatile, can fluctuate substantially and are affected by numerous factors that are beyond our control. For example, silver prices rose sharply in 2025 from $29.56 per ounce on January 2, 2025, to approximately $72.15 per ounce on December 31, 2025, representing an increase of approximately 144%, and have remained strong in 2026. The spot price of silver was $76.90 per ounce as of June 1, 2026, as per APMEX. However, the prices of silver and gold have historically fluctuated widely and may decline materially in the future. Prices are affected by numerous factors beyond our control, including:

- international economic and political trends, including hostilities in Latin America, Ukraine and the Middle East;
- uncertainty with respect to international trade regimes;
- currency exchange rate fluctuations;
- prevailing interest rates and returns on other asset classes;
- expectations regarding inflation, monetary policy and currency values;
- other macro political and economic conditions;
- speculation;
- worldwide production and inventory levels;
- governmental and exchange decisions regarding the disposal of precious metals stockpiles, including the decision by the CME Group, the owner and operator of the futures exchange, to raise silver's initial margin requirements on futures contracts;

- available supplies of silver and gold from mine production, inventories and recycled metal;
- sales by holders and producers of silver and gold;
- sales programs by central banks;
- demand for products containing silver and gold; and
- consumption patterns.

Because we expect to derive the substantial majority of our revenues from sales of silver and gold, our results of operations and cash flows will fluctuate as the prices for these metals increase or decrease. Periods of rising metal prices may be followed by periods of rapid or sustained price declines, and fluctuations in commodity prices will influence the willingness of investors to fund mining and exploration companies. A sustained period of declining prices could materially and adversely affect our financial performance, financial position and results of operations.

Furthermore, Mineral Resource and Exploration Target estimates and mine life plans using significantly lower metal prices could result in material write-downs of our investment in mineral properties and increased depreciation, depletion, amortization, reclamation and closure charges.

In addition to adversely affecting our possible future Mineral Reserve estimates and our financial condition, declining metal prices may impact operations by requiring a reassessment of the feasibility of a particular project. Even if the Project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Furthermore, we may occasionally hold silver or gold in inventory due to market conditions, in anticipation of higher prices, which may expose us to pricing risk.

Changes in the future demand for the silver and gold we produce could adversely affect our future sales volume and revenues.

Our future revenues will depend, in substantial part, on the volume of silver and gold we sell and the prices at which we sell, which in turn will depend on the level of industrial and consumer demand. Demand for silver is driven by its general perception as a store of value as well as its uses in industrial processes and products, such as solar panels, superconductors, personal electronics, electric vehicles, sensors, photovoltaic cells and corrosive-resistant welding, and other emergent themes including artificial intelligence, nano silver and biocides. An increase in the production of silver worldwide or changes in technology, industrial processes or consumer habits, including increased demand for substitute materials, may decrease the demand for silver. Increased demand for substitute materials may be either technologically induced, when technological improvements render alternative products more attractive for first-use or end-use than silver or allow for reduced application of silver, or price induced, when a sustained increase in the price of silver leads to partial substitution for silver by a less expensive product or reduced application of silver. Demand for gold is primarily driven by the demand for jewelry, investment products, central bank reserves and industrial applications. Any substitution of these materials may decrease the demand for the silver and gold we produce. A fall in demand, resulting from economic slow-downs or recessions or other factors, could also decrease the price and volume of silver and gold we sell and therefore materially and adversely impact our results of operations and financial condition.

We are a holding company, and as such, we depend on our subsidiaries to generate cash to fund our operations and expenses.

We are a holding company and our only assets are our equity ownership interests in our subsidiaries. As a result, our investors are subject to the risks attributable to our subsidiaries. As a holding company, we conduct all of our business through our subsidiaries. Therefore, our ability to fund and conduct our business, service our debt, if any, and pay dividends, if any, in the future will principally depend on the ability of our subsidiaries to generate sufficient cash flow to make upstream cash distributions to us. Our subsidiaries are separate legal entities, and although they are wholly owned and controlled by us, they have no obligation to make any funds available to us, whether in the form of loans, dividends or otherwise. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing any debt obligations. In the event of a bankruptcy, liquidation or reorganization of any of our material subsidiaries, holders of indebtedness and trade creditors may be entitled to payment of their claims from the assets of those subsidiaries before us.

Our information technology systems may be vulnerable to disruption, which could place our systems at risk from data loss, operational failure or compromise of confidential information.

We rely on various information technology systems. These systems remain vulnerable to disruption, damage or failure from a variety of sources, including, but not limited to, errors by employees or contractors, computer viruses, cyberattacks, including phishing, ransomware and similar malware, misappropriation of data by outside parties and various other threats. Techniques used to obtain unauthorized access to or sabotage our systems are under continuous and rapid evolution, and such attacks no longer primarily target entities from the financial or retail sectors. We may be unable to detect efforts to disrupt our data and systems in advance. Breaches and unauthorized access carry the potential to cause losses of assets or production, operational delays, equipment failure that could cause other risks to be realized, inaccurate recordkeeping, disclosure of confidential information, or damage to our reputation or our relationship with suppliers and/or counterparties, any of which could result in financial losses and regulatory or legal exposure, and could have a material adverse effect on our cash flows, financial condition or results of operations. Although to date we have not experienced any material losses relating to cyberattacks or other information security breaches, we may incur such losses in the future. Our risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As such threats continue to evolve, we may be required to expend additional resources to modify or enhance any protective measures or to investigate and remediate any security vulnerabilities.

We may be subject to claims and legal proceedings that could materially and adversely impact our financial position, financial performance and results of operations.

We may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The results of litigation or any other proceedings cannot be predicted with certainty. These matters may result in litigation or unfavorable resolution which could materially and adversely impact our financial performance, financial position and results of operations. See "*Item 1. Legal Proceedings*."

The Mexican government may order salary increases to be paid to employees in the private sector or reductions in the number of hours that employees in the private sector can work, which could increase our operating costs and adversely affect our results of operations.

In the past, the Mexican government has passed laws, regulations and decrees requiring companies in the private sector to increase minimum wages, reduce the number of hours that employees work and provide specified benefits to employees and may do so again in the future. Mexican employers, both in the public and private sectors, have experienced significant pressure from their employees and labor organizations to increase wages and to provide additional employee benefits. For example, the Mexican government increased the minimum salary by 20% in each of January 2022, January 2023 and January 2024, 12% in January 2025 and 13% in January 2026. Additional salary raises or reductions in permissible number of employee work hours could increase our operating costs.

We are subject to the risk of labor disputes, which could adversely affect our business.

Although we have not experienced any significant labor disputes in recent years and none of our employees are currently party to a collective bargaining agreement, we may experience labor disputes in the future, including protests, blockades and strikes, which could disrupt our business operations and have an adverse effect on our business and results of operation. Although we consider our relations with our employees to be good, we may not be able to maintain a satisfactory working relationship with our employees in the future.

As our operations expand, some of our employees may become affiliated with one or more labor unions, and relations with each of these labor unions will need to be governed by one or more collective bargaining agreements and we may be required to negotiate separately and annually with each such union. If any significant conflicts arise during such negotiations our business, financial condition and results of operations could be adversely affected.

Additionally, any significant increase in labor costs, deterioration of employee relations, slowdowns or work stoppages, whether due to union activities, employee turnover or changes in the Federal Labor Law (*Ley Federal del Trabajo*) or the interpretation thereof, could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may incur debt in the future, which could adversely affect our financial health, limit our ability to obtain financing in the future and pursue certain business opportunities and reduce the value of your investment.

Any indebtedness that we may incur in the future may contain certain covenants and restrictions such as requirements to use a substantial portion of funds from operations to make required payments of principal and interest and to retain certain levels of funds in reserve accounts, to maintain specified financial ratios or metrics or to pledge certain assets as collateral to secure our obligations under the debt agreements. Any such covenants and restrictions may reduce funds available for operations and capital expenditures, future business opportunities, future dividends to us and other purposes; make us more vulnerable to economic and industry downturns and reduce flexibility in responding to changing business and economic conditions; limit flexibility in planning for, or reacting to, changes in the business and the industry in which we operate; place us at a competitive disadvantage compared to our competitors that have less debt; or limit our ability to borrow more money for operations and sustaining capital or to finance acquisitions in the future.

Our success depends on developing and maintaining relationships with local communities and stakeholders.

Our ongoing and future success depends on developing and maintaining productive relationships with the communities surrounding our operations and other stakeholders in our operating locations. We believe our operations can provide valuable benefits to surrounding communities in terms of direct employment, training and skills development and other benefits associated with ongoing payment of taxes. We are in the process of implementing a comprehensive community relations program designed to promote constructive engagement with local communities and stakeholders and to support long-term, mutually beneficial relationships. Notwithstanding our ongoing efforts, local communities and stakeholders can become dissatisfied with our activities or the level of benefits provided, which may result in legal or administrative proceedings, civil unrest, protests, direct action or campaigns against us. Any such occurrence could materially and adversely affect our business, financial condition or results of operations.

Our directors may have conflicts of interest as a result of their relationships with other mining companies.

Our directors may serve as directors, officers and stockholders of other companies that are similarly engaged in the business of developing and exploiting natural resource properties, and may devote a portion of their time to manage other business interests. Consequently, there is a possibility that our directors may be in a position of conflict in the future. To the extent that such other companies may participate in ventures in which we are also participating, or may compete with us for mineral properties, personnel, capital or other business opportunities, and to the extent that such companies may receive funds from Electrum, such directors may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company’s participation.

Services for other companies may divert directors’ attention from the Company, which could adversely affect our business and operating results. Some of our directors are also directors of The Electrum Group LLC and certain of its affiliates and/or portfolio companies, which could create, or appear to create, conflicts of interest with respect to matters involving both us and Electrum. For example, certain of our directors serve as directors of (i) Sunshine Silver Mining & Refining Company, an Electrum-controlled silver mining company, (ii) NOVAGOLD Resources Inc., a company in which Electrum has a significant minority interest, and (iii) First Majestic Silver Corp., a silver mining company with operations in Mexico that may compete directly with us.

Additionally, our Amended and Restated Certificate of Incorporation and Stockholders' Agreement provide that we renounce any interest or expectancy in the business opportunities of Electrum Global Holdings L.P. ("EGH"), Electrum Strategic Opportunities Fund II L.P. ("ESOF II," and together with EGH and their respective affiliates, the "Electrum Parties") and certain of our directors, and acknowledge that none of EGH and ESOF II, nor any of their respective officers, directors, agents, stockholders, members, partners, affiliates or subsidiaries, has any obligation to offer us those opportunities (unless offered in their capacity as a director or officer of the Company). Accordingly, affiliates of EGH and ESOF II who serve on our Board of Directors have no duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate and may pursue certain corporate opportunities that may be complementary to our business. These potential conflicts of interest could have a material adverse effect on our financial performance, financial position and results of operations. See "*Risks Related to Ownership of Our Common Stock—Our Amended and Restated Certificate of Incorporation and Stockholders' Agreement contain a provision renouncing our interest and expectancy in certain corporate opportunities*."

Our business could be adversely affected by the effects of public health crises worldwide.

Global financial conditions and the global economy in general have at various times in the past and may in the future experience extreme volatility in response to economic shocks or other events, as most recently seen during the COVID-19 pandemic. Many industries, including the mining industry, are impacted by volatile market conditions in response to the widespread outbreak of epidemics, pandemics or other health crises. Such public health crises and the responses of governments and private actors can result in disruptions and volatility in economies, financial markets and global supply chains as well as declining trade and market sentiment and reduced mobility of people, all of which could impact commodity prices, interest rates, credit ratings, credit risk and inflation. Our business could be materially adversely affected by the effects of such public health crises.

In addition, parties with whom we do business or on whom we are reliant, including suppliers and refineries, may also be adversely impacted by public health crises, which may in turn cause further disruption to our business, including delays or halts in availability or delivery of consumables and delays or halts in refining of Mineral Resources from our mines. The impact of public health crises and government responses thereto may also have an impact on financial markets and could constrain our ability to obtain equity or debt financing in the future, which may have a material and adverse effect on our business, financial condition and results of operations.

Changes in macroeconomic conditions, including inflation, interest rate exposures and disruptions to global trade could have a material adverse effect on our business, financial position, results of operations and cash flows.

Unfavorable or unstable macroeconomic conditions may have a material adverse impact on our business development and operations. Increased inflation may result in increased operating costs (including our labor costs), reduced liquidity and limitations on our ability to access credit or otherwise raise debt and equity capital. Increases in interest rates, especially if coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks, which may have a material and adverse effect on our business, financial condition and results of operations. If tariffs or other restrictions are placed on foreign imports to the United States, or any related countermeasures are taken by impacted foreign countries, it could have a material adverse effect on our business, financial position, results of operations and cash flows.

We are subject to taxation risk under the U.S. tax rules for investments in "controlled foreign corporations."

As a Delaware corporation, we may be subject to U.S. federal income tax on income earned in Mexico under the rules applicable to a U.S. stockholder of a "controlled foreign corporation" ("**CFC**") as a result of our ownership interest in SNDA Exploración, through SNDA Holding. Under these rules, we will be required to recognize as income a pro rata share of SNDA Exploración's "Subpart F income" and "net CFC tested income," even if no distributions have been made to us. Subpart F income generally includes dividends, interest, rents and royalties, gains from the sale of securities and income from certain transactions with related parties and is subject to tax at the 21% statutory rate before applying foreign tax credits. Beginning January 1, 2026, net CFC tested income is, generally, all other income of a CFC. Under current law, we may deduct 40% of our pro rata share of SNDA Exploración's net CFC tested income for an effective tax rate of 12.6% before applying foreign tax credits.

Changes in tax law may increase our future tax liabilities.

The United States, as well as foreign, state and local governments, may consider changes to their tax laws that may affect our future results of operations and financial condition. New tax laws, tax reforms, regulations or rules may be enacted and existing tax laws, regulations or rules may be changed, interpreted or applied in a manner which could result in our profits being subject to additional taxation, interest and penalties, or which could otherwise have a material adverse effect on us.

Risks Related to Government Regulations and International Operations

The Mexican government, as well as local governments, extensively regulate mining operations, which impose significant actual and potential costs on us, and future regulation or regulatory enforcement could increase those costs, delay receipt of regulatory refunds or limit our ability to produce silver and other metals.

The mining industry is subject to increasingly strict regulation by federal, state and local authorities in Mexico, including in relation to:

- limitations on land use;
- mine permitting and licensing requirements;

- social obligations;
- reclamation and restoration of properties after mining is completed;
- management of materials generated by mining operations;
- water use and discharge; and
- storage, treatment and disposal of wastes and hazardous materials.

The liabilities and requirements associated with the laws and regulations related to these and other matters, including with respect to air emissions, water discharges, reclamation of lands affected by exploration and mining operations and other environmental or social matters, may be costly and time-consuming and may restrict, delay or prevent commencement or continuation of exploration or production operations. We are subject to financial assurance requirements for reclamation costs and other liabilities for certain environmental matters, including, without limitation, in connection with water treatment and tailings management. We cannot assure you that we have been or will be at all times in compliance with all applicable laws and regulations. Failure to comply with applicable laws and regulations may result in the assessment of administrative, civil and criminal penalties, such as the imposition of cleanup and site restoration costs and liens, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits or authorizations and other enforcement measures that could have the effect of limiting or preventing production from our operations. We may incur material costs and liabilities resulting from claims for damages to property or injury to persons arising from our operations. We may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations, licensing requirements or permitting requirements. If we are pursued for sanctions, costs and liabilities in respect of these matters, our mining operations and, as a result, our financial performance, financial position and results of operations could be materially and adversely affected.

Any new legislation or administrative regulations, changes in regulatory interpretation or new judicial interpretations or administrative enforcement of existing laws and regulations that would further regulate and tax the mining industry may also require us to change operations significantly or incur increased costs. Such changes could have a material adverse effect on our financial position and results of operations.

The Sinda Property is subject to regulation by the Political Constitution of the United Mexican States and extensive legislation in Mexico, including the Mining Law (*Ley de Minería*), the General Waters Law (*Ley General de Aguas*), the National Waters Law (*Ley de Aguas Nacionales*) and its regulations, the Federal Labor Law (*Ley Federal del Trabajo*), the Federal Law of Firearms and Explosives (*Ley Federal de Armas de Fuego y Explosivos*), the General Law on Ecological Balance and Environmental Protection (*Ley General del Equilibrio Ecológico y la Protección al Ambiente*) and its regulations, the General Law for the Prevention and Integral Management of Waste (*Ley General para la Prevención y Gestión Integral de los Residuos*) and its regulations, the Federal Environmental Liability Law (*Ley Federal de Responsabilidad Ambiental*) and the applicable Official Mexican Standards (*Normas Oficiales Mexicanas*). Our operations at the Sinda Property also require us to obtain local authorizations and, under the Agrarian Law (*Ley Agraria*), to comply with the uses and customs of communities located within the Sinda Property. Mining, environmental and labor authorities may inspect our operations on a regular basis and issue citations and orders when they believe a violation has occurred under the relevant statute.

If inspections in Mexico result in an alleged violation, we may be subject to fines, penalties or sanctions, our mining operations could be subject to temporary or extended closures, and we may be required to incur capital expenditures to re-commence our operations. Any of these actions could have a material adverse effect on our financial performance, financial position and results of operations.

In May 2023, the Mexican government enacted a decree amending several provisions of the Mining Law, the National Waters Law, the General Law on Ecological Equilibrium and Environmental Protection and the General Law for the Prevention and Integral Management of Waste (collectively, the "**Mining Law Reforms**"). The Mining Law Reforms amend the aforementioned mining and water laws, including: (i) the duration of mining concession titles, (ii) the process for obtaining new mining concessions (through a public tender), (iii) conditions on water use and availability of mining concessions, (iv) the elimination of the "free land and first applicant" scheme, (v) new social and environmental requirements for obtaining and keeping mining concessions, (vi) the authorization by the Ministry of Economy of any mining concession's transfer, (vii) new penalties and cancellation of mining concessions grounds due to non-compliance with applicable laws, (viii) the automatic dismissal of any application for new concessions, (ix) the prohibition of the transfer of concessions for the exploitation of water from other uses to industrial use in mining and (x) the addition of financial instruments or collateral to guarantee preventive, mitigation and compensation plans resulting from social impact assessments, among other amendments.

The main aspects of our business that will be affected by the Mining Law Reforms are (i) the reduction in the terms for mining concessions from 50 years to 30 years, extendable for up to 25 additional years; (ii) conditions on water use and availability, including the obligation to recycle 60% of concessioned water; (iii) the provision of guarantees for site closure and remediation; (iv) conditioning the granting of concessions on water availability; (v) new causes for termination, including imminent risk of ecological disequilibrium, irreversible damage to natural resources and pollution cases with dangerous repercussions to ecosystems and public health; and (vi) requirements for consultation with impacted local communities and a new 5% contribution of net earnings to impacted local communities for new projects, as well as significant changes to exploration rules, including the Mexican government's exclusivity to conduct mineral exploration activities.

These amendments could have an impact on our current and future exploration activities and operations in Mexico. On June 25, 2025, the Supreme Court of Justice in Mexico issued a ruling confirming the constitutionality of the Mining Law Reforms and the applicability of the Mining Law Reforms to mining concessions existing prior to the Mining Law Reforms, which provides greater legal certainty regarding the validity of these amendments; however, the manner in which such amendments will be implemented, interpreted and enforced in practice, and their ultimate impact on our operations, costs and timelines, remain uncertain.

In addition, on September 15, 2024, the Mexican Congress and a majority of state legislatures approved amendments to the Mexican Constitution to implement certain structural changes to the Mexican judiciary (the "**Judiciary Reform**"). The Judiciary Reform introduces significant changes to the Mexican judiciary, including (i) shifting from an appointment-based system to one in which judges are elected by popular vote and (ii) replacing the Federal Judicial Council with two new entities responsible for judicial administration and discipline. These changes may affect the independence, consistency and predictability of judicial decisions in Mexico. Although constitutional challenges to the Judiciary Reform are pending before the Supreme Court of Justice in Mexico, the potential effects of these reforms on the Mexican court system, regulatory enforcement and our ability to effectively assert or defend our legal rights cannot be predicted at this time.

Our mining, exploration and development operations could be adversely affected by amendments to such laws and regulations, future laws and regulations, changes in regulatory enforcement, changes in applicable government policies affecting investment, mining and repatriation of financial assets, changes in the independence and reliability of Mexican courts, shifts in political attitudes, changes in trade policy and the imposition of tariffs, non-tariff trade barriers or exchange controls. The effect, if any, of these factors cannot be accurately predicted.

The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing our mining, exploration and development activities and operations in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations, including the Mining Law Reforms and related implementing regulations, and any new taxes or fees, could become such that we would not proceed with mining, exploration and development at the Sinda Property. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, could result in substantial costs and liabilities for us, such that we would halt or not proceed with mining, exploration and development at the Sinda Property.

Activities carried out in the Presa Neutla Natural Protected Area are subject to heightened and evolving environmental restrictions.

Certain portions of our exploration footprint are adjacent to the Presa Neutla Natural Protected Area, a state protected area (rather than a federal protected area), which was divided into four zones (protection, sustainable use, public use and restoration) by the Presa Neutla management program, each with distinct objectives and restrictions. Although none of our current exploration activities are carried out in the Presa Neutla Natural Protected Area, future activities conducted in or near this area will be subject to heightened and more restrictive environmental requirements. For activities conducted in this area, these requirements may materially delay, limit or prevent our ability to progress from exploration to development and production, increase our costs and otherwise adversely affect the timing, scope or overall economics of such activities.

We are currently authorized to conduct only mineral exploration activities within the Presa Neutla Natural Protected Area. We may not be able to obtain the additional permits required to advance to development or production on terms that are commercially viable or at all. Any expansion, modification or advancement of activities beyond the scope of the current authorization would require a new environmental impact authorization and, where applicable, the forestry land use change authorization. Any such approvals may be denied outright or issued subject to conditions that materially restrict or delay our plans.

The area located within the Presa Neutla Natural Protected Area represents approximately 17% of our total concession package. We are evaluating the administrative subdivision of our concessions and the four zones in the Presa Neutla Natural Protected Area to isolate the overlapping areas so that any future regulatory considerations apply solely to those overlapping portions and not to the remainder of our concession package. However, we cannot guarantee that we will be able to successfully isolate the overlapping areas between our concessions and the four zones in the Presa Neutla Natural Protected Area. If we are unable to isolate such overlapping areas, we may be subject to heightened and more restrictive environmental requirements that could apply to our entire concession package. This could result in material limitations on our ability to explore and develop the Sinda Property, increased costs or significant delays, and could have a material adverse effect on our business, results of operations or financial condition.

Amendments to the Federal Rights Law (Ley Federal de Derechos) could significantly increase financial burdens on us.

On December 19, 2024, a decree amending the Federal Rights Law (*Ley Federal de Derechos*) was published in the Federal Official Gazette. As a result of this amendment, (1) the applicable rate for concession and assignment holders and related rights acquirers increased from 7.5% to 8.5% of mining profits as determined by Article 268 of the Federal Rights Law; (2) the rate applicable to the sale of gold, silver and platinum increased from 0.5% to 1% of the sales amount as determined by Article 270 of the Federal Rights Law; (3) the fee structure shifted from being based on the number of hectares to instead covering title issuance for mining concessions or assignments; and (4) the allocations of collected funds for the mining sector were reduced from 5% to 4% as determined by Article 275 of the Federal Rights Law. These amendments are currently in effect and could significantly increase financial burdens on mining companies in Mexico like us.

These and other amendments could alter the legal and regulatory framework applicable to mining activities in Mexico and create uncertainty in our operations and our ability to meet our financial obligations. In addition, further amendments to the Federal Rights Law, changes in its interpretation or application by tax or mining authorities, or more stringent enforcement practices could increase our tax and fee obligations or otherwise adversely affect our operations. Furthermore, we cannot guarantee that these amendments, or any future changes to the Federal Rights Law, will not negatively affect our business, financial position, operating results, cash flows and/or prospects.

We could face heightened compliance, operational and capital expenditure risks arising from the General Law on Circular Economy.

On January 19, 2026, Mexico published the General Law on Circular Economy (*Ley General de Economía Circular*) in the Federal Official Gazette of Mexico (*Diario Oficial de la Federación*), with an effective date of January 20, 2026. Holders and operators of mining projects face heightened compliance, operational and capital expenditure risks under this new framework. The law embeds circularity criteria across value chains, contemplates the establishment of sector-by-sector "Extended Producer Responsibility" schemes through future implementation agreements and requires the registration and oversight of circular management plans for producers and importers, with verification and sanctions enforced under the General Law of Ecological Balance and Environmental Protection. Although mining activity is not typically considered a "producer" in the traditional sense of consumer goods, mining units are significant and complex generators of waste including tailings, waste rock, hazardous waste associated with chemical inputs and containers that must align with principles of circularity, source separation, traceability and maximized material recovery and valorization under the reformed General Law for the Prevention and Integral Management of Wastes. Non-compliance may expose both the operator and on-site contractors to administrative sanctions.

Additionally, uncertainty regarding the scope of the General Law on Circular Economy and the timing of regulatory obligations thereunder amplifies these risks. Several obligations, including Extended Producer Responsibility targets, methodologies, indicators, requirements for the registration regime for circular management plans, as well as the "national distinctive" label and voluntary audits, depend on secondary regulation and implementation agreements, which have not yet been issued. Our ability to meet these heightened requirements may require additional investments in segregation and storage infrastructure, traceability and reporting systems, adjustments to tailings and process-water management facilities and reverse logistics programs, with potential adverse impact on operating costs, project schedules and financial results.

Changes in Mexican water laws and regulations, including the General Waters Law (Ley General de Aguas) and recent reforms to the National Waters Law (Ley de Aguas Nacionales), could adversely affect water access for future mining and processing operations.

The development and potential future mining and processing operations at the Sinda Property will require reliable access to substantial amounts of water. Water use in Mexico has been regulated primarily under the National Waters Law (*Ley de Aguas Nacionales*). On December 11, 2025, a decree (the "**2025 Decree**") was published in Official Federal Gazette of Mexico that enacts the General Waters Law (*Ley General de Aguas*) and reforms, amends and repeals multiple provisions of the National Waters Law (*Ley de Aguas Nacionales*).

This new regime places heightened emphasis on access to water as a human right and may result in additional restrictions, obligations and enforcement actions affecting non-residential users, including commercial and industrial (mining) users. For example, the reforms and implementing actions by the water authority (including National Water Commission (*Comisión Nacional del Agua* or CONAGUA) and other competent authorities) could (i) prioritize personal, residential and urban public uses over other uses, including in drought conditions or where infrastructure constraints exist; (ii) impose new conditions on the granting, renewal, extension (*prórroga*), modification or reassignment of water rights, including through basin planning measures; and (iii) increase the frequency or severity of temporary limitations, regulatory closures (*veda*), regulated zones or reserves, or other public-interest measures that restrict extraction or use in specific regions.

In addition, the 2025 Decree contemplates a material change in the transferability and mobility of water rights. The reformed framework states that rights covered by water concessions and assignments are not transferable and provides for reassignment mechanisms (including through new processes and issuance of new titles preserving volume, use and remaining term). It also includes transitional provisions under which, while secondary regulations are developed, prior rules generally continue to apply except as to transmissions and changes of use. It also provides timelines for the implementation of reassignment-related mechanisms. These changes could limit our ability to acquire, consolidate or reconfigure water rights in connection with any future mining and processing operations at the Sinda Property.

If any of the foregoing measures (or related implementing regulations, criteria, administrative guidelines, inspections or enforcement actions) limit or delay water access at mining and processing operations or require new infrastructure or treatment solutions, we could incur increased compliance, remediation, treatment and sanitation costs, or be required to fund additional capital expenditures (including storage, efficiency retrofits, reuse systems or alternative sourcing). These developments could increase our operating and capital costs, delay or restrict our development activities or adversely affect the timing, scope or economics of any future mining and processing operations at the Sinda Property.

Our proposed water strategy or other water management measures may not offset the impact of changes in water laws, regulations or governmental policy, and we may not be able to obtain, maintain or renew all water rights, permits or authorizations that may be required for our future operations on acceptable terms, or at all. Any inability to secure sufficient water access, or any material increase in the cost of water supply or compliance with applicable water regulations, could have a material adverse effect on our business, financial condition, results of operations and prospects.

We have not received confirmation from SEMARNAT of the name change of our Mexican subsidiary from "Minera Adularia Exploración, S. de R. L. de C.V." to "SNDA Exploración, S. de R.L. de C.V."

On August 1, 2023, at a general shareholders' meeting, we approved and effected the change of our Mexican subsidiary's name from "Minera Adularia Exploración, S. de R. L. de C.V." to "SNDA Exploración, S. de R.L. de C.V." (the "Name Change"). Although the Name Change is legally effective, and we have received official communications addressed to SNDA Exploración that lead us to believe that the SEMARNAT records have been updated to reflect the Name Change, we have not yet received a response from SEMARNAT directly addressing our request to update its records to reflect the Name Change. There is no guarantee we will obtain confirmation that the SEMARNAT records have been updated to reflect the Name Change in the near term. Failure to receive confirmation from SEMARNAT of the Name Change could expose us to various legal, operational and regulatory risks, including regulatory non-compliance with the terms of our permits, legal uncertainty regarding the validity and enforceability of our permits, potential delays, confusions or temporary shutdowns of our operations subject to the permits, challenges in future permit modifications or renewals and potential fines and penalties. Any of such risks, if materialized, could adversely affect our business, results of operations or financial condition.

We may not be able to reach or maintain agreements for the use of lands with local communities and may be subject to the risks of civil disobedience.

In Mexico, an Ejido is a form of communal ownership of land recognized by Mexican federal laws with respect to groups of farmers known as Ejidos. While mineral rights are administered by the federal government through federally issued mining concessions, in many cases, an Ejido may control surface rights over communal property. We have entered into short-term and long-term surface access and lease agreements with the relevant Ejidos and other titleholders that allow us to conduct our current surface exploration activities on the Sinda Property. However, these agreements generally do not cover all of the surface rights that would be required for the construction and operation of a future mine, and certain agreements may be subject to renegotiation or renewal from time to time. Changes to, or termination or non-renewal of, existing agreements may have a significant impact on our exploration activities and any future development plans. Furthermore, we may need to enter into new or amended agreements with Ejidos or other titleholders for any portion of the Sinda Property that we may seek to develop or operate in the future.

If we are not able to reach or maintain agreements for the use of lands with Ejidos or other titleholders, we may be required to modify our exploration activities or plans for the development of the Sinda Property. In the event that we conduct activities in areas where no valid agreements exist with holders of surface rights, including Ejidos, we may face legal action. If we lose or fail to reach a favorable settlement in such actions, we could face higher costs, delays, restrictions on access to the Sinda Property or mandated payments for use of the land, any of which could materially adversely affect our operations.

Additionally, acts of civil disobedience are common in Mexico. In recent years, many mining companies have been targets of actions to restrict their legally entitled access to mining concessions or surface lands. Such acts of civil disobedience often occur with little or no warning and can result in significant direct and indirect costs. Our operations have not in the past but may in the future be subject to protests, roadblocks or other public actions against our activities regardless of our comprehensive community relations program. Any disruption to workforce availability or site access could negatively impact our exploration activities and any future development or operation of mines at the Sinda Property and could have a material adverse effect on our business, financial position and results of operations.

Because substantially all of our operations are located in Mexico, our business is subject to additional political, economic and other uncertainties not generally associated with U.S. operations.

Substantially all of our operations, including the Sinda Property, are located in Mexico. As a result, our business, financial condition and results of operations are highly dependent on economic, political, regulatory, security and social conditions in Mexico, and are subject to significant risks inherent in exploration and resource extraction by foreign companies operating in Mexico. Exploration, development, production and closure activities in Mexico are potentially subject to heightened political, economic, regulatory, security and social risks that are beyond our control. These risks include:

- the possible unilateral cancellation or forced renegotiation of contracts and licenses;
- unfavorable changes in laws and regulations (including import and export regulations and environmental, social and permitting regulations);
- royalty and tax increases;
- claims by governmental entities or local communities (including the imposition of import and export tariffs or duties);
- expropriation or nationalization of property;
- political instability;
- fluctuations in currency exchange rates;
- trade disputes;
- high rates of inflation;
- social and labor unrest, organized crime, hostage taking, terrorism and violent crime;
- uncertainty regarding the enforceability of contractual rights and judgments; and
- other risks arising out of foreign governmental sovereignty over areas in which the Sinda Property is located.

Local economic conditions can also increase costs and adversely affect the security of our operations and the availability of skilled workers and supplies. Higher incidences of criminal activity and violence in the area of the Sinda Property could adversely affect our ability to operate in an optimal fashion or at all and may impose greater risks of theft and higher costs, which would adversely affect our results of operations and cash flows. We currently have no insurance against these risks.

The right to export silver-bearing concentrate and other metals may depend on obtaining certain licenses, which could be delayed or denied at the discretion of the relevant regulatory authorities, or meeting certain quotas. Furthermore, the United States has recently instituted or proposed other changes in trade policies that include the negotiation or termination of trade agreements, including free trade agreements, economic sanctions on individuals, corporations or countries, and other government regulations affecting trade between the United States and other countries. It may be time-consuming and expensive for us to alter our operations in order to adapt to or comply with any such changes.

Any of these conditions could lead to lower productivity and higher costs, which would adversely affect our financial performance, financial position and results of operations. Because we do not have material operations outside of Mexico, adverse developments affecting Mexico may have a disproportionately greater impact on us than on companies with more geographically diversified operations. Generally, our operations may be affected to varying degrees by changing government regulations in the United States and/or Mexico with respect to, among other things, restrictions on production, price controls, export controls, currency remittance, importation of products and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of mineral property, foreign investment, maintenance of concessions, licenses, approvals and permits, environmental and social matters, land use, land claims of local communities and workplace safety.

Such developments could require us to curtail or terminate operations at the Sinda Property, incur significant costs to meet newly imposed environmental or other standards, pay greater royalties or higher prices for labor or services and recognize higher taxes, which could materially and adversely affect our results of operations, cash flows and financial condition. Furthermore, failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of licenses, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

We continue to monitor developments and policies in Mexico and assess the impact thereof on our operations; however, such developments cannot be accurately predicted and could have an adverse effect on our business, financial condition and results of operations.

Adverse effects on the economy of the United States or trade between the United States and Mexico could have a negative impact on our business, financial position, operating results, cash flows and prospects.

Economic conditions in Mexico are highly correlated with economic conditions in the United States due to the high degree of economic activity between the two countries, as well as their geographical proximity. Adverse economic conditions in the United States or any related events could have a significant negative effect on the Mexican economy, which could negatively impact our business. Similarly, political events in the United States, including changes in administration and government policies, could also affect the exchange rate between the U.S. dollar and the Mexican peso and the economic conditions in Mexico and the global stock market.

The United States-Mexico-Canada Agreement (the "**USMCA**"), which replaced the North American Free Trade Agreement, contains provisions requiring periodic review and potential modification, including a scheduled joint review process expected to occur in 2026. If the President of the United States or other governmental authorities take action to withdraw from, materially modify or fail to renew the USMCA or other international trade agreements involving Mexico, then our business, financial condition and results of operations could be adversely affected.

In recent years, the United States has imposed tariffs and other trade measures affecting imports from Mexico and other trading partners, and such measures have at times been modified, suspended or subject to exemptions, including for goods qualifying for preferential treatment under the USMCA. The scope, duration and application of existing trade measures, as well as the potential for additional tariffs, quotas, trade restrictions or retaliatory actions by Mexico or other countries, remain uncertain and could adversely affect our operations.

The future evolution of trade relations between the United States and Mexico is beyond our control and could significantly affect our business and results.

Future U.S. laws and policies governing foreign trade and foreign trade relations could have a negative impact on the Mexican economy by reducing the level of commercial activity between Mexico and the United States or effecting a slowdown in direct U.S. foreign investment in Mexico. Furthermore, the increase or perception of greater economic protectionism in the United States and other countries could potentially lead to lower levels of trade, investment and economic growth, which could have a similar negative impact on the Mexican economy. These economic and political consequences could adversely affect our business, financial position, operating results, cash flows and/or prospects.

We may experience incidents of violence and other criminal activities in Mexico, which could have a material adverse effect on our business.

Certain areas of Mexico have experienced outbreaks of localized violence, threats, thefts, kidnappings and extortion associated with drug cartels and other criminal organizations in various regions. Because substantially all of our operations are located in Mexico, any increase in the level of violence in the country, or a concentration of violence and/or criminal extortion in areas near the Sinda Property, which is located in a rural area near San Miguel de Allende, Guanajuato, could have an adverse effect on our business, financial results and financial condition.

Increased levels of violence and criminal activity have had, and may continue to have, an adverse impact on economic activity throughout Mexico. Moreover, social instability in Mexico or adverse social or political developments in the country could adversely affect our ability to conduct our business, protect our personnel and assets and obtain financing. Violent crime and organized criminal activity may materially increase our security, insurance and operating costs. Because we do not have material operations outside of Mexico, adverse security developments affecting Mexico could have a disproportionately greater impact on us than on companies with more geographically diversified operations. Levels of violent crime in Mexico, over which we have no control, may increase and adversely impact Mexico's economy and our business.

We are required to obtain, maintain and renew environmental, construction and mining permits, which is often a costly and time-consuming process and may ultimately not be possible.

Mining companies in Mexico, including ours, need many environmental, construction and mining permits, each of which can be time-consuming and costly to obtain, maintain and renew, and may impose financial assurance requirements. In connection with our current and future operations, we must obtain and maintain certain permits that impose strict conditions, requirements and obligations, including those relating to various environmental, social and health and safety matters.

Our operations are subject to various local legal and regulatory obligations and requirements, including requirements for obtaining permits and licenses. Local regulations, including municipal or local bylaws, zoning restrictions and covenants, may restrict the use of the Sinda Property and may require that approvals be obtained from local authorities or private community organizations. Our operations require environmental and other governmental permits which can be difficult, expensive and time-consuming to obtain and maintain compliance with, and for which review timelines and conditions have become increasingly uncertain.

We believe we have obtained all material permits required for our current surface and underground exploration and infill drilling activities at the Sinda Property. We will need to maintain all required permits in force, timely file renewal applications and comply with all the obligations established therein. In addition, we have not yet obtained the environmental and construction permits that would be required to construct and operate a mine and commence production on the Sinda Property.

To obtain, maintain in force and renew certain permits, we have been and may in the future be required to conduct environmental and social studies, and make associated presentations to Mexican governmental authorities, pertaining to the potential impact of our current and future operations upon the environment and to take steps to avoid or mitigate those impacts. Permit terms and conditions can impose restrictions on how we conduct our operations and limit our flexibility in developing the Sinda Property. Many of our permits are subject to renewal from time to time, and applications for renewal may be denied or the renewed permits may contain more restrictive conditions than our existing permits, including those governing impacts on the environment. We will be required to obtain new permits to construct and operate any future mine, and the grant of such permits may be subject to an expansive governmental review of our operations. We may not be successful in obtaining such permits, which could prevent us from commencing construction or production or otherwise adversely affect our business. Renewal of existing permits or obtaining new permits may be more difficult if we are not able to comply with terms and conditions of our current permits. Applications for permits, permit area expansions and permit renewals can also be subject to challenge by interested parties in Mexico, which can delay or prevent the issuance of needed permits. The permitting process can vary by jurisdiction in terms of its complexity and likely outcomes. The applicable laws and regulations, and the related judicial interpretations and enforcement policies in Mexico, change frequently, which can make it difficult for us to obtain and renew permits and to comply with applicable requirements. Accordingly, permits required for our operations may not be issued, maintained in force or renewed on a timely basis or at all, may be issued or renewed upon conditions that restrict our ability to conduct our operations economically, or may be subsequently revoked. Any such failure to obtain, maintain or renew permits, or other permitting delays or conditions, including in connection with any environmental and social impact analyses, could have a material adverse effect on our business, results of operations and financial condition.

In regard to the construction of any mine and the commencement of production from the various vein systems on the Sinda Property, Mexico has adopted laws and guidelines for environmental permitting that are similar to those in effect in the United States and South American countries. We are currently operating under permits regulating exploration activities, including surface disturbance, water use and related activities at the Sinda Property. We will be required to apply for additional environmental and construction authorizations prior to any mine construction or production on the Sinda Property, and there can be no certainty as to whether, or the terms under which, such authorizations will be granted or renewed. Any failure to obtain authorizations and permits, or other authorization or permitting delays or conditions, could have a material adverse effect on our business, results of operations and financial condition.

We are subject to environmental, social and health and safety laws, regulations and permits that may subject us to material costs, liabilities and obligations.

Our Mexican operations are subject to federal, state and local environmental authorities, laws, regulations, Mexican official standards and other technical standards. The distribution of jurisdiction over environmental matters among governmental authorities at the federal, state and municipal levels establishes that those matters which are not expressly reserved to the Mexican federal government fall under the concurrent jurisdiction of the local governments. Pursuant to these environmental laws, the Mexican government has implemented a program to protect the environment by enacting regulations concerning subjects such as planning, ecology, risk and environmental impact assessment, air pollution, natural areas, protected areas, protection of flora and fauna, conservation and rational use of natural resources, pollution (water, soil, air), remediation of soil, reclamation and closure of properties, including tailings and waste storage facilities, groundwater quality and availability, and the handling, storage, transport and disposal of wastes and hazardous materials. Mexican federal authorities, such as SEMARNAT, the Federal Attorney for Environmental Protection (*Procuraduría Federal de Protección al Ambiente* or PROFEPA), CONAGUA and Mexican state and municipal governments have the authority to initiate civil, administrative and criminal lawsuits against entities that violate applicable environmental laws and may suspend the activities of anyone that fails to comply with such laws.

We anticipate that regulation of our business operations under federal, state and local environmental laws and regulations will increase and become more restrictive over time. We cannot predict the effect, if any, that the adoption of additional or more restrictive environmental laws and regulations may have on our results of operations, cash flows, capital expenditure requirements or financial condition.

Pursuant to such requirements, we may be subject to inspections or reviews by PROFEPA or other governmental authorities, and are subject to financial assurance requirements for reclamation costs and other liabilities. Failure to comply with these environmental requirements may expose us to litigation, fines or other sanctions, including the revocation of permits and suspension of operations. We expect to continue to incur significant capital and other compliance costs related to such requirements. If our noncompliance with such regulations were to result in a release of hazardous materials into the environment, such as soil or groundwater, we could be required to take remediation action, which could be costly. Moreover, noncompliance could subject us to private claims for property damage or personal injury based on exposure to hazardous materials or unsafe working conditions. As described below, even if we are compliant with all such regulations, we could still be subject to liability or private claims for any release of hazardous substances at, under or from the Sinda Property, without regard to fault or the legality of our conduct. In addition, changes in applicable requirements or stricter interpretation of existing requirements may result in costly compliance requirements or otherwise subject us to future liabilities. The occurrence of any of the foregoing, as well as any new environmental, social and health and safety laws and regulations applicable to our business or stricter interpretation or enforcement of existing laws and regulations, could have a material adverse effect on our business, financial condition and results of operations.

We could be liable for any environmental contamination at, under or released from the Sinda Property or our predecessors' currently or formerly owned or operated properties or third-party waste disposal sites. Certain environmental laws impose joint and several strict liability for releases or inadequate handling of hazardous substances at such properties or sites, without regard to fault or the legality of the original conduct. A generator of waste can be held responsible for contamination resulting from the treatment or disposal of such waste at any off-site location (such as a landfill), regardless of whether the generator arranged for the treatment or disposal of the waste in compliance with applicable laws. Costs associated with liability for removal or remediation of contamination or damage to natural resources could be substantial and liability under these laws may attach without regard to whether the responsible party knew of, or was responsible for, the presence of the contaminants. Accordingly, we may be held responsible for more than our share of the contamination or other damages, up to and including the entire amount of such damages. In addition to potentially significant investigation and remediation costs, such matters can give rise to claims from governmental authorities and other third parties, including for orders, inspections, fines or penalties, natural resource damages, personal injury, property damage, toxic torts and other damages.

Our costs, liabilities and obligations relating to environmental, social and health and safety matters could have a material adverse effect on our financial performance, financial position and results of operations.

We may be responsible for violations of anti-corruption and anti-bribery laws.

Our operations are governed by, and involve interactions with, various levels of government in Mexico. As a result, we are required to comply with anti-corruption and anti-bribery laws, including the U.S. Foreign Corrupt Practices Act (the "**FCPA**") and similar laws in Mexico. These laws generally prohibit companies and company employees from engaging in bribery or other prohibited payments to government officials for the purpose of obtaining or retaining business. The FCPA also requires companies to maintain accurate books and records and internal controls.

In recent years, the frequency of enforcement and the severity of penalties under such laws have fluctuated across U.S. administrations, and enforcement priorities and policies may continue to change. In June 2025, the U.S. Department of Justice ("**DOJ**") issued updated guidance regarding FCPA enforcement priorities and investigative considerations, which emphasizes the exercise of prosecutorial discretion in light of U.S. national security, economic and strategic interests, as well as the circumstances of particular industries and transactions. It is unclear how this guidance may affect our industry as a whole or our business in particular, and it does not limit the applicability of the FCPA or preclude investigations or enforcement actions.

A company may be found liable for violations not only by its employees, but also by its contractors and third-party agents. Our internal procedures and programs may not always be effective in ensuring that we, our employees, contractors, or third-party agents will comply strictly with all such applicable laws, particularly in rural areas of Mexico where corruption and organized criminal activity exist. If we become subject to an enforcement action or are found to be in violation of such laws, this may have a material adverse effect on our reputation and may result in significant penalties or sanctions, which may have a material adverse effect on our cash flows, financial condition or results of operations.

Risks Related to Ownership of Our Common Stock

The market price of our common stock may be volatile, which could result in substantial losses for you.

The market price for our common stock may fluctuate significantly and may be affected by market conditions, our operating results, developments in our business, sales of shares by the Selling Stockholder or other stockholders, the availability of research reports about us and other factors. Some of the factors that may cause the market price of our common stock to fluctuate include:

- a material decrease or adverse change to our Mineral Resources at the Sinda Property;
- failure to upgrade and/or reclassify Inferred Mineral Resources at the Sinda Property to either Measured Mineral Resources, Indicated Mineral Resources or Mineral Reserves;
- failure to identify additional Mineral Resources at the Sinda Property;
- failure to identify Mineral Reserves at the Sinda Property;
- failure to achieve production at the Sinda Property;
- any capital expenditure increase associated with any future construction of a mine on the Sinda Property compared with any such forecasted capital expenditure;
- actual or anticipated changes in the price of silver and base metal by-products;
- fluctuations in our quarterly and annual financial results or the quarterly and annual financial results of companies perceived to be similar to us;
- changes in market valuations of similar companies;
- success or failure of competitor mining companies;
- changes in our capital structure, such as future issuances of securities or the incurrence of debt;
- sales of large blocks of our common stock;
- announcements by us or our competitors of significant developments, contracts, acquisitions or strategic alliances;

- public filings by us with securities regulatory authorities;
- changes in regulatory requirements and the political climate in the United States, Mexico or both;
- litigation involving our Company, our general industry or both;
- additions or departures of key personnel;
- investors' general perception of us, including any perception of misuse of sensitive information;
- changes in general economic, industry and market conditions;
- accidents at mining properties, whether owned by us or otherwise;
- natural disasters, security incidents, terrorist attacks and acts of war; and
- our ability to control our costs.

The market price of mining companies has experienced substantial volatility in the past, often based on factors unrelated to the financial performance, underlying asset values or prospects of the companies involved. If the market for stocks in our industry, or the stock market in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or results of operations. These and other factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business.

If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if unsuccessful, could be both costly to defend against and a distraction to management.

Our anti-takeover defense provisions may cause our common stock to trade at market prices lower than it might absent such provisions.

Our Board of Directors has the authority to issue blank check preferred stock. Additionally, our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws contain several provisions that will apply after Electrum, or any person which is an express assignee or designee of Electrum, ceases to own in the aggregate more than 50% of our outstanding common stock. These provisions may make it more difficult or expensive for a third party to acquire control of us without the approval of our Board of Directors. These include provisions setting forth advance notice procedures for stockholders' nominations of directors and proposals of topics for consideration at meetings of stockholders, provisions restricting stockholders from calling a special meeting of stockholders or requiring one to be called, provisions limiting the ability of stockholders to act by written consent and provisions requiring a 66.67% stockholder vote to amend our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws. Our Amended and Restated Certificate of Incorporation also provides that Section 203 of the Delaware General Corporation Law ("**DGCL**"), which relates to business combinations with interested stockholders, does not apply to us until such time as Electrum ceases to own more than 50% of our outstanding common stock, after which time we will be governed by those provisions. These provisions may delay, prevent or deter a merger, acquisition, tender offer, proxy contest or other transaction that might otherwise result in our stockholders receiving a premium over the market price for their common stock. In addition, these provisions may cause our common stock to trade at a market price lower than it might absent such provisions.

Future sales of our common stock after the Lock-up Period has expired, or the perception that such sales may occur, could depress our common stock price.

After the completion of the IPO and the Concurrent Placement, we have 158,790,885 shares of common stock outstanding. The 19,665,328 shares of common stock sold in the IPO (including the shares sold to the underwriters of the IPO pursuant to their Overallotment Option), may generally be resold in the public market. We expect that the remaining 139,125,557 shares of common stock will become available for resale in the public market following the expiration of the Lock-Up Period (as defined in the IPO Registration Statement).

All of our directors and executive officers, and the holders of substantially all of our outstanding common stock, including Fresnillo, have agreed that, subject to certain exceptions, they will not, during the Lock-up Period without the prior written consent of the underwriters of the IPO, offer, sell, contract to sell, pledge, or otherwise dispose of, directly or indirectly, or hedge our common stock or securities convertible into or exchangeable or exercisable for our common stock.

The underwriters of the IPO may, without notice, release all or any portion of the common stock subject to lock-up agreements. As restrictions on resale end, the market price of our common stock could drop significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. We have also entered into a registration rights agreement with certain of our stockholders pursuant to which we granted them and their affiliates certain registration rights with respect to shares of our common stock owned by them following the expiration of the Lock-up Period. We have also entered into an investor rights agreement with Fresnillo, pursuant to which the Company filed a Form S-1 registration statement with the SEC covering the potential future resale of the 7,939,544 shares of common stock purchased by Fresnillo in the Concurrent Placement.

We have previously completed private placements at a price per share which is lower than the market price of our common stock. Accordingly, our stockholders may have an investment profit that they may seek to liquidate.

In addition, we have filed a registration statement registering under the Securities Act an aggregate of 22,922,341 shares of common stock reserved for issuance in respect of incentive awards to our directors and certain of our employees under the Amended and Restated 2020 Long Term Incentive Plan. This may result in the shares of common stock underlying such awards, including an aggregate of 11,773,851 shares of common stock issuable upon the exercise of stock options outstanding as of March 31, 2026, becoming available upon issuance for resale in the public markets, subject to any applicable lock-up agreements.

We do not currently intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividend on our capital stock. We do not intend to pay any cash dividends on our common stock for the foreseeable future. We currently intend to retain all future earnings, if any, to finance our business. The payment of any future dividends, if any, will be determined by our Board of Directors in light of conditions then existing, including our earnings, financial condition and capital requirements, business conditions, corporate law requirements and other factors. Furthermore, we are a holding company and have no material assets other than our equity interest in our subsidiaries, and as a consequence, our ability to declare and pay dividends to our stockholders will be subject to the ability of our subsidiaries to make distributions to us.

Electrum has substantial control over us, which could delay or prevent a change of corporate control or result in the entrenchment of management and/or our Board of Directors.

Electrum controls approximately 77.4% of the voting power of our common stock. As long as Electrum controls a majority of the voting power of our outstanding shares of common stock, Electrum will generally be able to control the outcome of matters submitted to our stockholders for approval, including the election of directors, without the approval of our other stockholders.

We have entered into a stockholders' agreement with EGH and ESOF II (the "**Stockholders' Agreement**") pursuant to which the Electrum Parties have the right to nominate certain members of our Board of Directors. The Stockholders' Agreement also provides that for so long as the Electrum Parties own at least 35% of the then outstanding shares of our common stock, the Electrum Parties' approval must be obtained prior to us engaging in certain actions, including change of control transactions, the acquisition or sale of any asset or any joint venture investment in excess of $100 million, the incurrence of more than $100 million of indebtedness, making any loan, advance or capital contribution in excess of $100 million and the issuance of more than $100 million in the aggregate of equity securities. As a result, the Electrum Parties will continue to control the direction of our business and the concentrated ownership of our common stock may prevent you and other stockholders from influencing significant decisions.

The concentrated ownership of our common stock, together with the Stockholders' Agreement, may harm the market price of our common stock by, among other things:

- delaying or preventing a change of control, even at a per share price that is in excess of the then-current price of our common stock;
- impeding a merger, consolidation, takeover or other business combination involving us, even at a per share price that is in excess of the then-current price of our common stock; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, even at a per share price that is in excess of the then current price of our common stock.

As long as Electrum owns a majority of our common stock, we may rely on certain exemptions from the corporate governance requirements of the NYSE available to "controlled companies."

We are a "controlled company" within the meaning of the corporate governance requirements of the NYSE because Electrum owns more than 50% of our outstanding common stock. As a controlled company, we are exempt from certain corporate governance requirements, including requirements that a majority of our Board of Directors consist of independent directors and having a compensation committee and a nominating and corporate governance committee that is composed entirely of independent directors. Our Compensation, Nominating and Corporate Governance Committee currently does not meet the director independence requirements under the NYSE corporate governance requirements applicable to a company that is not a "controlled company." As a result, you do not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

We have in the past entered into, and may in the future enter into, transactions with related parties and such transactions present possible conflicts of interest.

We have in the past entered into, and may in the future enter into, transactions with related parties and such transactions present possible conflicts of interest. Electrum, or other related parties, may have interests in such transactions that do not align with the interests of our stockholders. We may have been able to achieve more favorable terms, including as to value and other key terms, if such transaction had not been with a related party.

We may in the future enter into transactions with entities in which our Board of Directors and other related parties hold ownership interests. Material transactions with related parties, if any, will be reviewed and approved by our Audit Committee, which is comprised solely of independent directors. Nevertheless, we may have achieved more favorable terms if such transactions had not been entered into with related parties and, in such case, these transactions, individually or in the aggregate, may have an adverse effect on our business, financial position and results of operations.

Our Amended and Restated Certificate of Incorporation and Stockholders' Agreement contain a provision renouncing our interest and expectancy in certain corporate opportunities.

Our Amended and Restated Certificate of Incorporation and the Stockholders' Agreement provide that we renounce any interest or expectancy in the business opportunities of the Electrum Parties and our directors. Under these provisions, none of EGH and ESOF II, nor any of their respective officers, directors, agents, stockholders, members, partners, affiliates or subsidiaries has any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate, including any mining business. For instance, a director of the Company who serves as a director, officer or employee of the Electrum Parties may pursue certain acquisitions or other opportunities that may be complementary to our business and, as a result, such acquisitions or other opportunities may not be available to us. These potential conflicts of interest could have a material adverse effect on our financial performance, financial position and results of operations if attractive corporate opportunities are allocated by Electrum to itself or its subsidiaries or affiliates instead of to us.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain executive management and qualified board members, which could make it difficult to manage our business, particularly after we are no longer an "emerging growth company."

As a public company, we are required to comply with various regulatory and reporting requirements, including those required by the SEC. Complying with these reporting and other regulatory requirements is time-consuming and has resulted and will continue to result in increased costs to us and could have a negative effect on our business, financial condition and results of operations.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the listing requirements of the NYSE and other applicable securities rules and regulations. Compliance with these rules and regulations has increased and will continue to increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly after we are no longer an "emerging growth company." The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve the effectiveness of our disclosure controls and procedures and internal controls over financial reporting to meet this standard, we will need to commit significant resources, hire additional staff and provide additional management oversight. We have implemented and will continue to implement additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. Sustaining our growth also will require us to commit additional management, operational and financial resources to identify new professionals to join us and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management's attention from other business concerns, which could adversely affect our business and operating results.

As an “emerging growth company” as defined in the JOBS Act, we intend to take advantage of certain temporary exemptions from various reporting requirements, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. When these exemptions cease to apply, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with them. We cannot predict or estimate the amount of additional costs we may incur as a public company or the timing of such costs.

We will remain an “emerging growth company” until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenues are $1.235 billion or more; (ii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities; or (iii) the date on which we are deemed to be a “large accelerated filer,” which will occur as of the end of any fiscal year in which we (x) have an aggregate market value of our common stock held by non-affiliates of $700 million or more as of the last business day of our most recently completed second fiscal quarter, (y) have been required to file annual and quarterly reports under the Exchange Act, for a period of at least 12 months and (z) have filed at least one annual report pursuant to the Exchange Act.

Being a public company and complying with these rules and regulations has made and will continue to make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our Board of Directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

As a result of disclosure of information in filings required of a public company, our business and financial condition are highly visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and operating results could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and operating results.

As a public company, we are obligated to develop and maintain proper and effective internal controls over financial reporting. We have identified material weaknesses in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls.

In connection with the preparation of our consolidated financial statements for the years ended December 31, 2025 and 2024, we identified material weaknesses in our internal control over financial reporting related primarily to (i) insufficient entity-level controls to maintain a control environment, risk assessment process and monitoring controls and activities to ascertain whether the components of internal control are present and functioning and (ii) insufficient design and implementation of information technology controls.

In addition, in connection with the preparation of our consolidated financial statements for the years ended December 31, 2023 and 2022, our former independent auditor identified material weaknesses in our internal control over financial reporting related to (i) lack of segregation of duties in treasury activities and (ii) material deficiencies in the support and estimation of value-added tax receivable reserves, which resulted in a material adjustment to the VAT valuation allowance.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, when there is a reasonable possibility that a material misstatement in the financial statements will not be prevented or detected on a timely basis.

During 2025, we began implementing remedial measures designed to address the material weaknesses identified in connection with the preparation of our consolidated financial statements for the years ended December 31, 2025 and 2024, including enhancements to our financial reporting processes, the addition of qualified accounting and finance personnel, improvements in segregation of duties and the formalization and documentation of control activities and review procedures. In response to the material weaknesses identified in prior periods, we strengthened controls over treasury activities by requiring that responsibilities for payment processing, journal entries and bank reconciliation be segregated among different personnel. We also enhanced the information and documentation supporting the valuation of VAT receivables, including obtaining additional information from external advisors involved in the recovery of such amounts and supporting our estimates with verifiable data. While these actions have mitigated these deficiencies identified in prior periods, these measures or measures we may take in the future may not fully remediate these material weaknesses in our internal control over financial reporting or prevent additional material weaknesses or significant deficiencies in the future. Additionally, certain elements of our remediation plan must operate for a sufficient period before management can conclude that the controls are operating effectively.

Although we believe the material weaknesses identified in connection with the preparation of our consolidated financial statements for the years ended December 31, 2025, 2024, 2023 and 2022 did not result in any material misstatement of our consolidated financial statements for such periods and we have begun implementing remedial measures designed to address these material weaknesses, we may identify additional control deficiencies in the future. If we are unable to maintain effective internal control over financial reporting, or if any future material weaknesses are identified and not remediated timely, our ability to accurately report our financial results and maintain investor confidence could be adversely affected.

We will be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal controls over financial reporting for the fiscal year ending December 31, 2027 (the first fiscal year beginning after the effective date of our IPO). This assessment will need to include disclosure of any material weaknesses identified by our management in our internal controls over financial reporting and may need to include as well a statement that our independent registered public accounting firm has issued an opinion on our internal controls over financial reporting.

If we are unable to assert that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal controls, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC.

We are required to disclose changes made in our internal controls and procedures on a quarterly basis. However, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until the later of March 31, 2028 (the year following our first annual report required to be filed with the SEC) and the date we are no longer an "emerging growth company" as defined in the JOBS Act, if we take advantage of the exemptions contained in the JOBS Act. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Our remediation efforts may not enable us to avoid a material weakness in the future. We will remain an "emerging growth company" for up to five years, although if the market value of our common stock that is held by non-affiliates exceeds $700 million as of any June 30 before that time, we would cease to be an "emerging growth company" as of the following January 1. To comply with the requirements of being a public company, we may need to undertake various actions, such as implementing new internal controls and procedures and hiring additional accounting or internal audit staff.

We are an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive, as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company," which would allow us to take advantage of certain exemptions from disclosure requirements, including reduced disclosure obligations regarding executive compensation and with respect to our periodic reports and proxy statements. We would also be exempt from the requirement to obtain an external audit on the effectiveness of internal control over financial reporting provided in Section 404(b) of the Sarbanes-Oxley Act so long as we retain our non-accelerated filer status. These exemptions and reduced disclosures in our SEC filings due to our status as a smaller reporting company and non-accelerated filer mean our auditors do not review our internal control over financial reporting and may make it harder for investors to analyze our results of operations and financial prospects. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock prices may be more volatile.

Our Amended and Restated Certificate of Incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States are the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our Amended and Restated Certificate of Incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative action or proceeding brought on our behalf;
- any action asserting a breach of fiduciary duty owed by any director, officer or other employee of the Company to us or our stockholders;
- any action asserting a claim against us arising under the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and
- any action asserting a claim against us that is governed by the internal affairs doctrine, in each case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein.

The foregoing provision does not apply to suits brought to enforce any liability or duty created by the Securities Act, the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction. Our Amended and Restated Certificate of Incorporation further provides that if and only if the Court of Chancery of the State of Delaware dismisses any action described in the above bullets for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. Our Amended and Restated Certificate of Incorporation further provides that the federal district courts of the United States will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

Our Amended and Restated Certificate of Incorporation also provides that any person or entity purchasing or otherwise acquiring or holding any interest in shares of our capital stock will be deemed to have notice of and to have consented to these choice of forum provisions. These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers, and other employees, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder.

While Delaware courts have determined that choice of forum provisions are facially valid, it is possible that a court of law in another jurisdiction could rule that the choice of forum provisions contained in our Amended and Restated Certificate of Incorporation are inapplicable or unenforceable if they are challenged in a proceeding or otherwise. If a court were to find the choice of forum provision in our Amended and Restated Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions.

We have broad discretion in the use of the net proceeds from the IPO and the Concurrent Placement and may not use them effectively.

We currently intend to use the net proceeds from the IPO and the Concurrent Placement in the manner described in "*Item 2. Unregistered Sales of Equity Securities and Use of Proceeds*." Our Board of Directors and management have broad discretion in the application, and timing of the application, of the net proceeds from the IPO and the Concurrent Placement and could spend the net proceeds in ways that do not improve our results of operations or enhance the value of our common stock. As such, we may use net proceeds of the IPO and the Concurrent Placement in ways our Board of Directors and management believe would be in our best interest, but that an investor may not consider desirable or advisable. As a result, investors will be relying on the judgment of our Board of Directors and management for the application of the net proceeds from the IPO and the Concurrent Placement. We cannot guarantee that our use of the net proceeds from the IPO and the Concurrent Placement will be effective. Our failure to apply these funds effectively could result in financial losses that could harm our business, cause the market price of our stock to decline and delay the development of our operations. Pending their use, we may invest the net proceeds from the IPO and the Concurrent Placement in a manner that does not produce income or that loses value.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the price of our common stock and our trading volume could decline.

The trading market for our common stock will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. If securities or industry analysts cease coverage of our Company or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause the price of our common stock and trading volume to decline. In the event one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, the price of our common stock would likely decline. In addition, if our operating results fail to meet the forecast of analysts, the price of our common stock would likely decline.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Use of Proceeds from our IPO

On June 29, 2026, we completed the IPO in which we issued and sold an aggregate of 17,750,000 shares of our common stock for our account. The shares of common stock sold in the IPO were registered under the Securities Act pursuant to the IPO Registration Statement, which was declared effective by the SEC on June 25, 2026. Our shares of common stock were sold at an initial public offering price of $12.00 per share, which generated net proceeds of $192.9 million after deducting underwriting discounts and commissions and offering expenses. No payments for such expenses were made directly or indirectly to (i) any of our officers or directors or their associates, (ii) any persons owning 10% or more of any class of our equity securities or (iii) any of our affiliates. Morgan Stanley & Co. LLC, Scotia Capital (USA) Inc. and BMO Capital Markets Corp. acted as representatives of the underwriters for the IPO.

In connection with the IPO, the Company granted to the underwriters of the IPO an option to purchase a maximum of 2,662,500 additional shares of common stock from the Company to cover over-allotments. On July 14, 2026, the underwriters of the IPO exercised this option in part, and on July 15, 2026, the Company issued and sold 1,915,328 shares of common stock resulting in net proceeds to the Company of $21.4 million.

We intend to use the net proceeds from the IPO for surface exploration and infill drilling, underground exploration and infill drilling and associated underground development, to be carried out in parallel with engineering and technical studies, including potential economic assessments such as an Initial Assessment and Pre-Feasibility Study in accordance with S-K 1300, as well as for general corporate purposes.

Unregistered Sales and Use of Proceeds from Concurrent Placement

In connection with the IPO, we entered into a Common Stock Purchase Agreement, dated June 22, 2026, with Fresnillo, pursuant to which we agreed to sell and issue, and Fresnillo agreed to purchase from us, in an offering exempt from the registration requirements of the Securities Act and in reliance of Section 4(a)(2) thereof (the "**Concurrent Placement**"), at a price per share equal to the initial public offering price, a number of shares of our common stock such that Fresnillo would beneficially own up to 5.0% of the Company's issued and outstanding shares of common stock at the time of issuance. The closing of the Concurrent Placement took place on July 27, 2026, with Fresnillo purchasing 7,939,544 shares of common stock for net proceeds of approximately $95.0 million.

We intend to use the net proceeds from the Concurrent Placement for surface exploration and infill drilling, underground exploration and infill drilling and associated underground development, to be carried out in parallel with engineering and technical studies, including potential economic assessments such as an Initial Assessment and Pre-Feasibility Study in accordance with S-K 1300, as well as for general corporate purposes.

Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

The information concerning mine safety violations and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is not applicable to the Company, as the Company did not own or operate any mine properties in the United States subject to the Federal Mine Safety and Health Act of 1977 during the period covered by this report.

Item 5. Other Information.

Trading Plans

During the second quarter ended June 30, 2026, no directors or Section 16 officers adopted, modified, or terminated any "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Change of Principal Executive Officer

Effective as of August 14, 2026, the Company's Board of Directors (the "Board") has determined that the Company's Executive Chairman, Daniel Muñiz Quintanilla now qualifies as the Company's Principal Executive Officer ("PEO") under the rules and regulations of the SEC, in place of Luis Barreto, the Company's Chief Financial Officer. While the Company continues to search for additional executives and may in the future expand its senior management team to include a Chief Executive Officer or Chief Operating Officer, in the interim Mr. Muñiz Quintanilla will assume a more active role in the management of the Company. Mr. Barreto's cessation as PEO is not the result of any disagreement with the Company and Mr. Barreto will continue to serve as the Company's Chief Financial Officer and Principal Financial Officer.

Mr. Muñiz Quintanilla has served as a member of the Board since June 2021 and as Executive Chairman since April 2022. He previously served as Vice Chairman from June 2021 to April 2022. Mr. Muñiz Quintanilla also serves on the Technical, Safety and Sustainability Committee of the Board. He as a member of the board of directors of First Majestic Silver Corp., NOVAGOLD Resources Inc., Sunshine Silver Mining & Refining Company and Brookfield Infrastructure Partners L.P. Mr. Muñiz is also a founding partner of Axkan Capital Partners S.L.. Mr. Muñiz served as the managing director and executive vice chair of Americas Mining (the mining division of Grupo México) from 2014 to 2018, as chief executive officer of Industrial Minera Mexico (the underground mining division of Grupo México) from 2010 to 2014, and as chief financial officer of Grupo México from 2007 to 2014. Mr. Muñiz served as a director of Tharsis Mining S.L. from June 2022 until November 2025, as a director of Gatos Silver from April 2021 until it was acquired by First Majestic Silver Corp. in January 2025, and as a director of Hudbay Minerals Inc. from July 2019 until May 2024. He holds a law degree from Universidad Iberoamericana, in Mexico City, a master's degree in law from Georgetown University in Washington, D.C. and a master's degree in business administration from Instituto de Empresa in Madrid, Spain.

There are no family relationships between Mr. Muñiz Quintanilla and any director or executive officer of the Company that are required to be disclosed pursuant to Item 401(d) of Regulation S-K.

The Company previously entered into a letter agreement with Mr. Muñiz Quintanilla dated May 28, 2021, as amended May 25, 2022 and further amended and restated as of March 19, 2026 (the "Muñiz Letter Agreement"), for his services as senior special advisor. On June 23, 2026, the Company entered into a consulting services agreement with Mr. Muñiz Quintanilla (the "Muñiz Consulting Agreement"), which replaced the Muñiz Letter Agreement. The material terms of the Muñiz Consulting Agreement were disclosed in the Company's Registration Statement on Form S-1, as amended (Registration No. 333-296567), and a copy of the Muñiz Consulting Agreement was filed as Exhibit 10.10 thereto and is incorporated herein by reference.

Item 6. Exhibits.

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-8 filed with the SEC on June 29, 2026)
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 4.2 to the Registration Statement on Form S-8 filed with the SEC on June 29, 2026)
10.1	Sinda Ltd. Amended and Restated 2020 Long Term Incentive Plan (incorporated by reference to Exhibit 99.1 to the Registration Statement on Form S-8 filed with the SEC on June 29, 2026)
10.2	Consulting Services Agreement with Daniel Muñiz Quintanilla, dated June 23, 2026 (incorporated by reference to Exhibit 10.10 to the Registration Statement on Form S-1/A filed with the SEC on June 24, 2026)
10.3	Consulting Services Agreement with Fabián Galindo, dated June 23, 2026 (incorporated by reference to Exhibit 10.12 to the Registration Statement on Form S-1/A filed with the SEC on June 24, 2026)
10.4	Employment Agreement with Luis Barreto, dated June 23, 2026 (incorporated by reference to Exhibit 10.13 to the Registration Statement on Form S-1/A filed with the SEC on June 24, 2026)
10.5	Consulting Services Agreement with Jaime Cortés Álvarez, dated June 23, 2026 (incorporated by reference to Exhibit 10.14 to the Registration Statement on Form S-1/A filed with the SEC on June 24, 2026)

10.6	Employment Agreement with Scott Cole, dated June 23, 2026 (incorporated by reference to Exhibit 10.17 to the Registration Statement on Form S-1/A filed with the SEC on June 24, 2026)
10.7	Stockholders' Agreement, dated June 29, 2026 (incorporated by reference to Exhibit 10.10 to the Registration Statement on Form S-1 filed with the SEC on July 27, 2026)
10.8	Registration Rights Agreement, dated June 29, 2026 (incorporated by reference to Exhibit 10.12 to the Registration Statement on Form S-1 filed with the SEC on July 27, 2026)
10.9	Financial Support Commitment Letter, dated May 5, 2026, by TEG Global GP Ltd., the general partner of Electrum Global Holdings L.P. (incorporated by reference to Exhibit 10.25 to the Registration Statement on Form S-1/A filed with the SEC on June 24, 2026)
10.10	Common Stock Purchase Agreement with Fresnillo plc, dated June 22, 2026, (incorporated by reference to Exhibit 10.26 to the Registration Statement on Form S-1/A filed with the SEC on June 24, 2026)
10.11	Investor Rights Agreement with Fresnillo plc, dated July 27, 2026 (incorporated by reference to Exhibit 10.19 to the Registration Statement on Form S-1 filed with the SEC on July 27, 2026)
31.1	Certification of the Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Sinda Ltd.
Date: August 14, 2026	/s/ Daniel Muniz Quintanilla Name: Daniel Muniz Quintanilla Title: Executive Chairman (Principal Executive Officer)
Date: August 14, 2026	/s/ Luis Barreto Name: Luis Barreto Title: Chief Financial Officer (Principal Financial Officer)
Date: August 14, 2026	/s/ Scott Cole Name: Scott Cole Title: Vice President, Finance (Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Daniel Muniz Quintanilla, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sinda Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) [Omitted];

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2026

/s/ Daniel Muniz Quintanilla
Daniel Muniz Quintanilla
Principal Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Luis Barreto, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sinda Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) [Omitted];

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and S

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2026

/s/ Luis Barreto

Luis Barreto
Principal Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Daniel Muniz Quintanilla, Principal Executive Officer of Sinda Ltd. (the “Company”), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2026 (the “Quarterly Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2026

/s/ Daniel Muniz Quintanilla
Daniel Muniz Quintanilla
Principal Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Luis Barreto, Principal Financial Officer of Sinda Ltd. (the “Company”), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2026 (the “Quarterly Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2026

/s/ Luis Barreto
Luis Barreto
Principal Financial Officer