



**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023**  
**(Expressed in Canadian dollars)**



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

# Independent Auditor's Report

To the Shareholders of Silver Sands Resources Corp.

## Opinion

We have audited the financial statements of Silver Sands Resources Corp. (the "Company"), which comprise the statements of financial position as at January 31, 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred losses since inception and had an accumulated deficit of \$11,102,595 as at the reporting date. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

## **Other Information**

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is David Goertz.



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, BC

May 30, 2024

**SILVER SANDS RESOURCES CORP.**  
**STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian dollars)

<b>As at</b>	<b>January 31,</b>		<b>January 31,</b>	
	<b>2024</b>		<b>2023</b>	
<b>ASSETS</b>				
CURRENT ASSETS				
Cash	\$	<b>118,814</b>	\$	440,063
Prepaid expenses		<b>13,886</b>		12,571
GST receivable		<b>5,457</b>		6,220
		<b>138,157</b>		458,854
NON-CURRENT				
Reclamation deposit (Note 5)		-		51,200
Exploration and evaluation assets (Note 5)		-		500,000
		-		551,200
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>138,157</b>	<b>\$</b>	<b>1,010,054</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Note 6)	\$	<b>249,506</b>	\$	85,150
		<b>249,506</b>		85,150
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>				
Share capital (Note 7)	\$	<b>9,750,374</b>	\$	9,750,374
Subscriptions received (Note 12)		<b>30,000</b>		-
Contributed surplus		<b>1,210,872</b>		1,210,872
Deficit		<b>(11,102,595)</b>		(10,036,342)
Total shareholders' equity (deficiency)		<b>(111,349)</b>		924,904
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$</b>	<b>138,157</b>	<b>\$</b>	<b>1,010,054</b>

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)  
COMMITMENTS (Note 5)  
SUBSEQUENT EVENTS (Note 12)

Approved and authorized for issue on behalf of the Board on May 30, 2024.

"Keith Anderson" Director      "Alexander Helmel" Director

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

**SILVER SANDS RESOURCES CORP.**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian dollars)

	Year ended January 31, 2024	Year ended January 31, 2023
<b>EXPENSES</b>		
Advertising and promotion	\$ 6,757	\$ 9,068
Consulting fees (Note 8)	216,000	276,000
Impairment of exploration and evaluation assets (Note 5)	538,400	5,984,240
Management fees (Note 8)	168,000	120,000
Office and Miscellaneous	17,817	20,666
Professional fees	57,353	25,464
Share-based payments (Notes 7 and 8)	-	152,576
Transfer agent and filing fees	61,926	61,650
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ 1,066,253</b>	<b>\$ 6,649,664</b>
<b>LOSS PER SHARE (basic and diluted)</b>	<b>\$ (0.13)</b>	<b>\$ (0.86)</b>
<b>WEIGHED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (basic and diluted)</b>	<b>8,037,671</b>	<b>7,687,571</b>

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

**SILVER SANDS RESOURCES CORP.**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Expressed in Canadian dollars)

	Common Shares		Subscriptions Received	Contributed Surplus	Deficit	Total
	Number of Shares	Amount				
		\$	\$	\$	\$	\$
<b>Balance, January 31, 2022</b>	<b>5,909,925</b>	<b>7,717,731</b>	-	<b>1,033,943</b>	<b>(3,386,678)</b>	<b>5,364,996</b>
Shares issued for private placements	1,345,000	1,265,583	-	24,353	-	1,289,936
Shares issued for exploration assets	782,746	767,060	-	-	-	767,060
Share-based payments	-	-	-	152,576	-	152,576
Net loss for the year	-	-	-	-	(6,649,664)	(6,649,664)
<b>Balance, January 31, 2023</b>	<b>8,037,671</b>	<b>9,750,374</b>	-	<b>1,210,872</b>	<b>(10,036,342)</b>	<b>924,904</b>
Subscriptions received	-	-	30,000	-	-	30,000
Net loss for the year	-	-	-	-	(1,066,253)	(1,066,253)
<b>Balance, January 31, 2024</b>	<b>8,037,671</b>	<b>9,750,374</b>	<b>30,000</b>	<b>1,210,872</b>	<b>(11,102,595)</b>	<b>(111,349)</b>

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

**SILVER SANDS RESOURCES CORP.**  
**STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian dollars)

	Year ended January 31, 2024	Year ended January 31, 2023
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	\$ (1,066,253)	\$ (6,649,664)
Items not involving cash:		
Share-based payments	-	152,576
Impairment of exploration and evaluation assets	538,400	5,984,240
Changes in non-cash working capital balances:		
GST receivable	763	1,140
Accounts payable and accrued liabilities	164,356	38,936
Prepaid expenses	(1,315)	(432)
Cash used in operating activities	(364,049)	(473,204)
<b>INVESTING ACTIVITIES</b>		
Reclamation deposit	12,800	(51,200)
Exploration and evaluation assets	-	(587,076)
Cash (used in) provided by investing activities	12,800	(638,276)
<b>FINANCING ACTIVITIES</b>		
Net proceeds of issuance of common shares	-	1,289,936
Subscriptions received	30,000	-
Cash provided by financing activities	30,000	1,289,936
<b>INCREASE (DECREASE) IN CASH</b>	<b>(321,249)</b>	<b>178,456</b>
<b>CASH, BEGINNING</b>	<b>440,063</b>	<b>261,607</b>
<b>CASH, ENDING</b>	<b>\$ 118,814</b>	<b>\$ 440,063</b>
<b>Non-cash items:</b>		
	<b>2024</b>	<b>2023</b>
Shares issued for exploration and evaluation assets	\$ -	\$ 767,060
Exploration and evaluation asset additions in accounts payable	\$ -	\$ (16,852)
Fair value of broker warrants	\$ -	\$ (24,354)

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



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**SILVER SANDS RESOURCES CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023**  
(Expressed in Canadian dollars)

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

a) Nature of operations

Silver Sands Resources Corp. (the “Company” or “Silver Sands”) was incorporated on January 31, 2018 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 830-1100 Melville Street, Vancouver, British Columbia, Canada. The Company’s shares are listed on the Canadian Securities Exchange (the “Exchange”) under the symbol “SAND”. The Company’s principal business activities include the acquisition and exploration of mineral property assets.

b) Going concern

These financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations. At January 31, 2024, the Company had an accumulated deficit of \$11,102,595 and expected to incur further losses, and requires additional equity financing to continue developing its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which results in a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements. These adjustments could be material.

**2. BASIS OF PRESENTATION**

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on May 30, 2024.

b) Basis of presentation

The financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company’s financial statements are presented in Canadian dollars, which is the Company’s functional currency.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

#### a) Exploration and evaluation assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. Costs incurred once the Company has obtained the legal rights to explore an area are capitalized. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavorable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

#### b) Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

c) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date, using the Black-Scholes Option Pricing Model, and is recognized over the vesting period for employees using the graded vesting method. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

d) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

e) Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates ("the functional currency"), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

f) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

f) Decommissioning, restoration and similar liabilities (continued)

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is minimal.

g) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

h) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

i) Financial instruments

Financial assets

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three categories of financial assets: Measured at amortization cost after initial recognition, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVTPL").

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**SILVER SANDS RESOURCES CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023**  
(Expressed in Canadian dollars)

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

i) Financial instruments (continued)

Financial assets (continued)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Equity instruments are generally classified as FVTPL. For equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at FVOCI with only dividend income recognized in profit or loss.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

All financial liabilities are designated as either: (i) FVTPL; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized costs using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings.

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

As at January 31, 2024, the Company classified its financial instruments as follows:

<u>Financial asset/ liability</u>	<u>IFRS 9 classification</u>
Cash	Amortized cost
GST receivable	Amortized cost
Reclamation deposit	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

j) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

k) New and amended IFRS standards that are effective for the current year

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the IASB that were effective for annual periods that begin on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

*Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments— Disclosure of Accounting Policies*

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments were applied effective January 1, 2023 and did not have a material impact on the Company's financial statements.

l) Adoption of new accounting standards

Other new accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

**4. CRITICAL ESTIMATES AND JUDGEMENTS**

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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**SILVER SANDS RESOURCES CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023**  
(Expressed in Canadian dollars)

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**4. CRITICAL ESTIMATES AND JUDGEMENTS (continued)**

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

- i. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;
- ii. the measurement of deferred income tax assets and liabilities; and,
- iii. the inputs used in accounting for share-based payments.

Significant accounting judgments

- i. the determination of categories of financial assets and financial liabilities; and
- ii. the evaluation of the Company's ability to continue as a going concern.

**5. EXPLORATION AND EVALUATION ASSETS**

**Corner Pocket Project**

On March 8, 2022, the Company acquired the Corner Pocket copper-zinc-silver-massive-sulphide project in Newfoundland ("Corner Pocket") for consideration of cash payments, share issuances, and exploration expenditures as follows:

Cash payments:

- \$20,000 on signing (paid)

Share issuances:

- 4,000,000 shares in the capital of the Company (issued on March 21, 2022 with a fair value of \$480,000)

Exploration expenditures \*:

- complete \$250,000 of exploration expenditures by March 8, 2024.

If the Company fails to incur the exploration expenditures within the specified period, the Corner Pocket property shall be immediately transferred back to the vendor free and clear of any liens and the Company ensures that claims are all in good standing and that at least one year of assessment work has been filed and applied in connection with the Corner Pocket.

The vendor shall retain a 3% net smelter return royalty, which may be reduced from 3% to 1% at any time prior to commencement of commercial production on payment by the Company to the vendor of \$2,000,000.

During the year ended January 31, 2023, the Company paid a reclamation deposit of \$51,200 which was held by regulatory authorities. During the year ended January 31, 2024, the reclamation deposit in the amount of \$12,800 was returned by the regulatory authorities. As at January 31, 2024, the balance of the reclamation deposit is \$38,400 was written off due to un-collectability as impairment of exploration and evaluation assets.

The Company terminated the Corner Pocket option agreement and accordingly, the accumulated exploration and evaluation expenditures of \$500,000 were written off during the year ended January 31, 2024.

**SILVER SANDS RESOURCES CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023**  
(Expressed in Canadian dollars)

**5. EXPLORATION AND EVALUATION ASSETS (continued)**

**Virginia Silver Project, Santa Cruz, Argentina**

On May 20, 2020, the Company closed the Virginia Silver option agreement with Mirasol Resources Ltd. ("Mirasol"), allowing the Company to earn a 100% interest, subject to a 3% Net Smelter Royalty ("NSR"), by making cash payments, share issuances, and exploration expenditures as follows:

Cash payments \*:

- US\$25,000 payment on execution of the original letter of intent (paid)
- US\$25,000 payment on signing the agreement with Mirasol (paid)

\* Cash payments will be applied as a credit towards year one exploration expenditures below.

Share issuances:

- 9.9% of the issued and outstanding shares of the Company upon signing of the agreement: (3,745,269 shares issued on May 20, 2020);
- the number of shares equivalent to 5% of the Company on first anniversary date (2,805,212 shares issued on May 20, 2021);
- the number of shares equivalent to 5% of the Company on second anniversary date (3,827,462 shares issued on May 20, 2022); and
- the number of shares required such that Mirasol's holdings are 19.9% of the Company on the third anniversary date following the issuance of the shares.

Exploration expenditures:

- complete USD \$1,000,000 \* of exploration expenditures on the property within year one;
- complete USD \$2,000,000 \* of exploration expenditures on the property within year two; and
- complete USD \$3,000,000 \* of exploration expenditures on the property within year three.

In February 2023, the Company terminated its option agreement with Mirasol and accordingly, the accumulated acquisition, reclamation, exploration, and evaluation expenditures of \$5,984,240 were written off during the year ended January 31, 2023.

**Project Summary:**

A summary of expenditures at the Company's projects is outlined in the following table:

	<b>Virginia Silver Argentina</b>	<b>Corner Pocket Project</b>	<b>Total</b>
<b>Balance, January 31, 2022</b>	\$ 5,113,252	\$ -	\$ 5,113,252
Property acquisition costs	287,060	500,000	787,060
Exploration costs			
Geological	567,076	-	567,076
Reclamation costs	16,852	-	16,852
Impairment	(5,984,240)	-	(5,984,240)
<b>Balance, January 31, 2023</b>	\$ -	\$ 500,000	\$ 500,000
Impairment	-	(500,000)	(500,000)
<b>Balance, January 31, 2024</b>	-	-	-



**SILVER SANDS RESOURCES CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023**  
(Expressed in Canadian dollars)

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>January 31, 2024</b>		<b>January 31, 2023</b>	
Accounts payable	\$	229,506	\$	61,133
Accrued liabilities		20,000		24,017
	<b>\$</b>	<b>249,506</b>	<b>\$</b>	<b>85,150</b>

During the year ended January 31, 2024, \$16,852 (compared to \$16,852 as of January 31, 2023) was included as reclamation liability for the Virginia Silver Project (Note 5).

**7. SHARE CAPITAL**

**a) Authorized:**

The Company is authorized to issue an unlimited number of common shares without par value.

On September 12, 2023, the Company consolidated its common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares. No fractional shares were issued, as all fractional shares were rounded to the nearest whole number. All share and per share amounts in these consolidated financial statements are presented on a post-consolidated basis.

**b) Share Issuances:**

*During the year ended January 31, 2024:*

No shares were issued during the year.

*During the year ended January 31, 2023:*

Pursuant to a property option agreement with Mirasol on May 20, 2022, the Company issued 382,746 common shares with a fair value of \$287,060 (note 5).

On March 24, 2022, the Company closed a private placement for gross proceeds of \$1,345,000 through the issuance of 1,345,000 units at a price of \$1 per unit. Each unit consists of one common share and one half of warrant. Each warrant entitles the holder to acquire one share at a price of \$1.50 per share for a period of 24 months following the date of issuance. The warrants are subject to an acceleration right that allows the Company to give notice of an earlier expiry date if the Company's share price on the Exchange is equal to or greater than \$3.00 for a period of 10 consecutive trading days. The Company has paid 8% cash finders' fees totaling \$45,600, legal fees of \$9,464 and issued 45,600 finder's warrants which have the same terms as the subscribers' warrants described above. The fair value of the finder's warrants was calculated using the Black-Scholes model with the following assumptions: average exercise price \$1.50, expected life 2 years, risk-free dividend equivalent yield 2.05%, annualized volatility 106%, dividend rate 0%. Accordingly, the fair value of these finder's warrants was calculated to be \$24,353.

On March 21, 2022, pursuant to the Corner Pocket mineral project agreement, the Company issued 400,000 common shares with a fair value of \$480,000 (note 5).

**SILVER SANDS RESOURCES CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023**  
(Expressed in Canadian dollars)

**7. SHARE CAPITAL (continued)**

**b) Warrants:**

Warrant transactions and the number warrants outstanding are summarized as follows:

	Number of warrants	Weighted average exercise price (\$)
Balance, January 31, 2022	1,809,703	2.70
Issued	718,100	1.50
Expired	(1,809,703)	2.70
<b>Outstanding, January 31, 2023 and 2024</b>	<b>718,100</b>	<b>1.50</b>

The following table summarizes the warrants outstanding as at January 31, 2024:

Exercise price	Number of warrants outstanding and exercisable	Expiry date
\$1.50	<b>718,100</b>	*March 23, 2024

\*Subsequent to January 31, 2024, 718,100 share purchase warrants expired unexercised.

Weighted average remaining warrant life at January 31, 2024 is 0.14 year.

**d) Stock Options**

The Company adopted a Stock Option Plan (the "Plan"). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees, and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12-month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12-month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued common shares of the Company. As well, stock options granted under the Plan may be subject to vesting provisions as determined by the Board of Directors.

On April 22, 2022, the Company granted an aggregate of 150,000 stock options to directors and consultants at an exercise price of \$1.50 for a period of five years, expiring on April 22, 2027. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: average exercise price \$1.50, expected life 5 years, risk-free dividend equivalent yield 2.795%, annualized volatility 130%, dividend rate 0%. Accordingly, the fair value of these options was calculated to be \$152,576.

**SILVER SANDS RESOURCES CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023**  
(Expressed in Canadian dollars)

**7. SHARE CAPITAL (continued)**

**d) Stock Options (continued)**

Option transactions and the number of options outstanding are summarized as follows:

	<b>Options Outstanding</b>	<b>Weighted- Average Exercise Price</b>	<b>Weighted- Average Remaining Contractual Life (years)</b>
Outstanding, January 31, 2022	513,310	\$1.90	3.34
Issued	150,000	\$1.50	-
<b>Outstanding, January 31, 2023 and 2024</b>	<b>663,310</b>	<b>\$1.84</b>	<b>1.76</b>

The following table summarizes the options outstanding and exercisable as at January 31, 2024:

<b>Exercise price</b>	<b>Number of options outstanding</b>	<b>Expiry date</b>
\$1.00	45,000	*March 19, 2024
\$1.50	68,310	January 24, 2025
\$2.20	15,000	May 20, 2025
\$2.00	215,000	May 25, 2025
\$2.25	110,000	September 20, 2025
\$2.50	10,000	November 4, 2025
\$2.55	25,000	December 4, 2025
\$2.50	5,000	February 12, 2026
\$1.65	20,000	October 26, 2026
\$1.50	150,000	April 22, 2027
	<b>663,310</b>	

\*Subsequent to January 31, 2024, 45,000 stock options expired unexercised.

As at January 31, 2024, the weighted average remaining life of the stock options is 1.76 years.

**8. RELATED PARTY BALANCES AND TRANSACTIONS**

Key management personnel are the persons responsible for the planning, directing, and controlling of the activities of the Company and include both executives and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the year ended January 31, 2024, the Company paid \$144,000 (2023: \$156,000) in consulting fees and \$120,000 (2023: \$120,000) in management fees to key management of the Company and incurred share-based payments of \$Nil (2023: \$152,576) to key management of the Company.

At January 31, 2024, \$92,389 (January 31, 2023: \$15,750) was owed to related parties included in accounts payable and accrued liabilities.

## **9. MANAGEMENT OF CAPITAL**

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

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

There was no change in the Company's approach to capital management during the year ended January 31, 2024.

## **10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

The Company uses the following hierarchy for determining and disclosing fair value of financial instruments:

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

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

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

The Company has classified its cash measured at fair value in the statement of financial position using level 1 inputs. Accounts payable are classified as other liabilities, and their fair values approximate their carrying values due to the short terms to maturity.

### **Financial risk management objectives and policies**

The Company's financial instruments include cash, and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### *(i) Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

#### *(ii) Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

**SILVER SANDS RESOURCES CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JANUARY 31, 2024 AND 2023**  
(Expressed in Canadian dollars)

**10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)**

(iii) *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. Cash is held with major Canadian financial institutions, amounts receivable primarily consist of GST receivable are from Government of Canada entities. Management is of the view that all amounts are fully collectible.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

**11. INCOME TAX**

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27.0% (2022 - 27.0%) to income before income taxes.

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	<b>2024</b>	<b>2023</b>
Net loss for the year	\$ (1,066,253)	\$ (6,649,664)
Statutory income tax rate	27%	27%
Income tax benefit computed at statutory tax rate	(288,000)	(1,795,000)
Permanent differences	(44,000)	530,000
Share issue costs	(21,000)	(21,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	-	3,000
Unrecognized benefit of deferred income tax assets	353,000	1,283,000
Deferred income tax recovery	\$ -	\$ -

Significant unrecognized tax benefits and unused tax losses for which no deferred tax asset is recognized as of January 31 are as follows:

	<b>2024</b>	<b>2023</b>
Non-capital losses carried forward	\$ 919,000	\$ 759,000
Exploration and evaluation assets	1,814,000	1,602,000
Share issue costs	22,000	41,000
	\$ 2,755,000	\$ 2,402,000
Unrecognized deferred tax assets	(2,755,000)	(2,402,000)
	\$ -	\$ -

The Company has non-capital losses of approximately \$3,406,000 available for carry-forward to reduce future years' income for income tax purposes, expiring starting 2039-2044.

## **12. SUBSEQUENT EVENTS**

On February 7, 2024, the Company closed a private placement for gross proceeds of \$315,000 through the issuance of 5,250,000 units at a price of \$0.06 per unit. Each unit consists of one common share and one half of a warrant. Each warrant entitles the holder to acquire one share at a price of \$0.10 per share for a period of 24 months following the date of issuance. The Company received \$30,000 which is recorded as subscription received as at January 31, 2024.

On February 15, 2024, the Company granted an aggregate of 665,000 stock options to directors and consultants at an exercise price of \$0.085 for a period of five years, expiring on February 15, 2029.

On February 24, 2024, the Company issued 1,152,941 common shares at a deemed price of \$0.085 per share to settle with two directors and one consultant an aggregate amount of \$98,000 in debt.