SILVER DOLLAR RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED MAY 31, 2020

AND MAY 31, 2019

(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute to Chartered Accountants for a review of interim financial statements by an entity's auditors.

SILVER DOLLAR RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	May 31, 2020 (Unaudited)	August 31, 2019 (Audited)
ASSETS		
CURRENT		
Cash	$ 24,129	$ 213,459
Amounts receivable	7,675	2,764
Prepaid expense	15,000	–
	46,804	216,223
EXPLORATION AND EVALUATION ASSET (Note 6)	147,720	119,370
	$ 194,524	$ 335,593
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 116,481	$ 33,947
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 7)	399,001	399,001
CONTRIBUTED SURPLUS	51,000	30,000
DEFICIT	(371,958)	(127,355)
	78,043	301,646
	$ 194,524	$ 335,593

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the Board on July 3, 2020

"Michael Romanik " Director

"Joseph Smulders " Director

The accompanying notes are an integral part of these condensed interim financial statements

SILVER DOLLAR RESOURCES INC.
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars) (Unaudited)

	Three months ended May 31, 2020	Three months ended May 31, 2019	Nine months ended May 31, 2020	Nine month ended May 31, 2019
EXPENSES				
Management fees	$ 9,000	$ 9,000	$ 27,000	$ 19,200
Office and miscellaneous	26,400	6,315	32,114	9,581
Professional fees	86,189	925	116,742	2,787
Rent	10,451	7,770	21,866	9,270
Stock based compensation	–	–	21,000	30,000
Transfer agent and filing fees	5,918	–	19,483	–
Travel and promotion	251	662	6,398	2,300
NET LOSS AND COMPREHENSIVE LOSS	$ 138,209	$ 24,672	$ 244,603	$ 73,138
LOSS PER SHARE (basic and diluted)	$ (0.01)	$ (0.00)	$ (0.02)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARE OUTSTANDING	12,600,001	12,600,001	12,600,001	12,600,001

The accompanying notes are an integral part of these condensed interim financial statements

SILVER DOLLAR RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars) (Unaudited)

	Common Shares				
	Number of Shares	Amount	Contributed Surplus	Deficit	Total
		$	$	$	$
Balance, August 31, 2019	12,600,001	399,001	30,000	(127,355)	301,646
Share-based payments	–	–	21,000	–	21,000
Net loss for the period	–	–	–	(244,603)	(244,603)
Balance, May 31, 2020	12,600,001	399,001	51,000	(371,958)	78,043
Balance, November 19, 2018 (date of incorporation)	–	–	–	–	–
Issued for cash	12,600,001	399,001	–	–	399,001
Share-based payments	–	–	30,000	–	30,000
Net loss for the period	–	–	–	(73,138)	(73,138)
Balance, May 31, 2019	12,600,001	399,001	30,000	(73,138)	355,863

The accompanying notes are an integral part of these condensed interim financial statements

SILVER DOLLAR RESOURCES INC.
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars) (Unaudited)

	Three months ended May 31, 2020	Three months ended May 31, 2019	Nine months ended May 31, 2020	Nine month ended May 31, 2019
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the period	$ (138,209)	$ (24,672)	$ (244,603)	$ (73,138)
Items not involving cash:				
Stock - based payments	–	–	21,000	30,000
	(138,209)	(24,672)	(223,603)	(43,138)
Changes in non-cash working capital balances:				
Increase in amounts receivable	(5,419)	(2,520)	(4,911)	(3,130)
Prepaid expenses	–	–	(15,000)	–
Accounts payable and accrued liabilities	74,022	(4,828)	82,534	946
Cash used in operating activities	(69,606)	(32,020)	(160,980)	(45,322)
INVESTING ACTIVITIES				
Exploration and evaluation assets	(12,000)	(101,407)	(28,350)	(107,407)
Cash used in by financing activity	(12,000)	(101,407)	(28,350)	(107,407)
FINANCING ACTIVITIES				
Shares issued for cash	–	349,301	–	399,001
Cash used in by financing activity	–	349,301	–	399,001
DECREASE IN CASH DURING THE PERIOD	(81,606)	215,874	(189,330)	246,272
CASH, BEGINNING OF PERIOD	105,735	30,398	213,459	–
CASH, END OF PERIOD	$ 24,129	$ 246,272	$ 24,129	$ 246,272
SUPPLEMENTAL DISCLOSURES				
Interest paid	$ –	$ –	$ –	$ –
Income taxes paid	$ –	$ –	$ –	$ –

The accompanying notes are an integral part of these condensed interim financial statements

1. NATURE OF OPERATIONS

SILVER DOLLAR RESOURCES INC. (the "Company") was incorporated on November 19, 2018 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 200-551 Howe Street, Vancouver, V6C 2C2, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at May 31, 2020, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a deficit of $371,958 as at May 31, 2020, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended August 31, 2019.

The financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretation of the International Financial Reporting Interpretation Committee ("IFRIC").

The financial statements were authorized for issue by the Board of Directors on July 3, 2020.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments and estimates of amounts reported in the Company's August 31, 2019 annual financial statements.

(Expressed in Canadian dollars) (Unaudited)

4. ADOPTION OF NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS

The Company has adopted the following standards which had no impact on its condensed interim financial statements.

- IFRS 16 'Leases' establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard is effective for annual periods beginning on or after January 1, 2019.

- IFRIC 23 'Uncertainty over Income Tax Treatments' is interpretation that clarifies how to apply the recognition and measurement requirements in IAS 12 'Income Taxes' when there is uncertainty over tax treatments. The effective date for IFRIC 23 is for annual periods beginning on or after January 1, 2019.

5. EXPLORATION AND EVALUATION ASSET

	Acquisition Costs	**Exploration Costs**	**Total**
	$	$	$
Balance at incorporation, November 19, 2018	-	-	-
Additions	12,000	107,370	119,370
Balance, August 31, 2019	12,000	107,370	119,370
Balance, August 31, 2019	12,000	107,370	119,370
Additions	28,000	350	28,350
Balance, May 31, 2020	40,000	107,720	147,720

The additions of $107,720 consist of geophysical surveying of $93,857 and prospecting of $11,963 and other costs of $1,900.

Longlegged Lake Property, Ontario

Pursuant to an option agreement dated January 9, 2019 (the "Property Option Agreement") with 1544230 Ontario Inc. (the "Optionor"), the Company was granted an option to acquire a 100% undivided interest in certain unpatented mineral claims at the Longlegged Lake property located in Ontario, Canada. Under the terms of the Agreement, the Company can earn 100% interest in the property by:

- making the following cash payments to the Optionor:
  - i) $6,000 upon the signing of the Property Option Agreement (paid);
  - ii) $6,000 within 6 months of the initial payment (paid);
  - iii) $12,000 on the first anniversary date of the initial payment;
  - iv) $16,000 on the second anniversary date of the initial payment;
  - v) $20,000 on the third anniversary date of the initial payment; and
  - vi) $25,000 on the fourth anniversary date of the initial payment;

5. EXPLORATION AND EVALUATION ASSETS (continued)

The Optionor will retain a royalty of 1.5% net smelter returns royalty ("NSR") if commercial production on any part of the property is initiated. The Company has the option to purchase ½ of the NSR for $500,000.

Pakwash Lake Property, Ontario

Pursuant to an option agreement dated November 18, 2019 (the "Property Option Agreement") with 1544230 Ontario Inc. (the "Optionor"), the Company was granted an option to acquire a 100% undivided interest in certain unpatented mineral claims at the Pakwash Lake property located located in the District of Red Lake in the Province of Ontario. Under the terms of the Agreement, the Company can earn 100% interest in the property by:

- making the following cash payments to the Optionor:
  i) $16,000 upon the execution and delivery of the Property Option Agreement by both of the parties (paid);
  ii) $20,000 on or before the first anniversary of the Effective Date;
  iii) $25,000 on or before the second anniversary of the Effective Date;
  iv) $30,000 on or before the third anniversary of the Effective Date; and
  v) $40,000 on or before the fourth anniversary of the Effective Date.

The Optionor will retain a royalty of 1.5% net smelter returns royalty ("NSR") if commercial production on any part of the property is initiated. The Company has the option to purchase ½ of the NSR for $500,000.

6. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value.

b) Escrow shares:

The Company entered into an escrow agreement, where by common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% every six months from the date of listing. At May 31, 2020 there were 2,000,000 common shares held in escrow.

c) Issued and outstanding:

During the six months ending February 29, 2020, the Company did not issue any common shares.

On November 30, 2018, the Company issued an incorporation share for $1.00.

On November 30, 2018, the Company issued 2,000,000 common shares at a price of $0.005 per unit for gross proceeds of $10,000 to the founders. The founder shares had a fair value of $40,000 and as a result the Company recorded share-based payment of $30,000 and a corresponding increase to contributed surplus.

6. SHARE CAPITAL (continued)

On February 21, 2019, the Company closed a non-brokered private placement financing by issuing 1,500,000 flow-through ("FT") units at a price of $0.02 per unit for gross proceeds of $30,000. Each FT unit consists of one FT common share and one-half of one non-transferable share purchase warrant. Each whole warrant will permit the holder to acquire one additional common share at a price of $0.05 per share until February 21, 2021. Additionally, each warrant is subject to an accelerated expiry if the common shares are traded on a Canadian stock exchange for at least $1 per share for a minimum of ten consecutive trading days.

On March 7, 2019, the Company closed a non-brokered private placement financing by issuing 3,000,000 flow-through ("FT") units at a price of $0.02 per unit for gross proceeds of $60,000. Each FT unit consists of one FT common share and one-half of one non-transferable share purchase warrant. Each whole warrant will permit the holder to acquire one additional common share at a price of $0.05 per share until March 7, 2021. Additionally, each warrant is subject to an accelerated expiry if the common shares are traded on a Canadian stock exchange for at least $1 per share for a minimum of ten consecutive trading days.

On March 7, 2019, the Company closed a non-brokered private placement financing by issuing 200,000 non-flow-through ("NFT") units at a price of $0.02 per unit for gross proceeds of $4,000. Each NFT unit consists of one NFT common share and one-half of one non-transferable share purchase warrant. Each whole warrant will permit the holder to acquire one additional common share at a price of $0.05 per share until March 7, 2021. Additionally, each warrant is subject to an accelerated expiry if the common shares are traded on a Canadian stock exchange for at least $1 per share for a minimum of ten consecutive trading days.

On March 27, 2019, the Company closed a non-brokered private placement financing by issuing 5,900,000 non-flow-through ("NFT") units at a price of $0.05 per unit for gross proceeds of $295,000. Each NFT unit consists of one NFT common share and one-half of one non-transferable share purchase warrant. Each whole warrant will permit the holder to acquire one additional common share at a price of $0.15 per share until March 27, 2020, and at a price of $0.25 per share until March 27, 2021. Additionally, each warrant is subject to an accelerated expiry if the common shares are traded on a Canadian stock exchange for at least $1 per share for a minimum of ten consecutive trading days.

For the purposes of the calculating the tax effect of any premium related to the issuance of the flow-through shares, the Company reviewed recent financings and compared it to determine if there was a premium paid on the shares. As a result of the review the Company did not recognize any premium on the flow-through shares issued. As at August 31, 2019, the Company had spent $107,370 in eligible expenditures.

(Expressed in Canadian dollars) (Unaudited)

6. SHARE CAPITAL (continued)

d) Share purchase warrants

The following is a summary of changes in warrants:

	Number of Warrants	Weighted Average Exercise Price
Balance at incorporation, November 19, 2018	-	-
Issued	5,300,000	0.11
Expired	-	-
Outstanding and exercisable as at August 31, 2019 and May 31, 2020	**5,300,000**	**$ 0.11**

As at May 31, 2020, the Company had outstanding warrants as follows:

Number of Warrants	Exercise Price per Warrant	Expiry Date	Weighted Average Remaining Life (years)
750,000	$0.05	February 21, 2021	0.73
1,500,000	$0.05	March 7, 2021	0.77
100,000	$0.05	March 7, 2021	0.77
2,950,000	$0.15/$0.25	March 27, 2020/2021	0.82
5,300,000			

e) Share-based payments

As at May 31, 2020, the Company maintained an equity settled share-based payment scheme for employee remuneration.

All share-based employee remuneration will be settled in equity and the Company has no legal or constructive obligation to repurchase or settle the options.

The Company issues share purchase options to directors, officers and employees of the Company and persons who provide ongoing services to the Company under an incentive stock option plan. The aggregate number of shares of the Company that may be granted pursuant to the Plan is limited to 10% of the issued and outstanding shares of the Company. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, the number of shares optioned to each grantee and the vesting period. Options will expire no later than ten years from the grant date, except that they will expire within ninety days when the holder is no longer qualified to hold the option (other than for cause, when the option will expire immediately).

(Expressed in Canadian dollars) (Unaudited)

6. SHARE CAPITAL (continued)

e) Share-based payments (continued)

The following is a summary of changes in options:

	Number of Options		Weighted Average Exercise Price
Balance at August 31, 2019	-		-
Issued	600,000		0.15
Balance at May 31, 2020	**600,000**	**$**	**0.15**

The following options are outstanding at May 31, 2020:

Number of Options Outstanding and Exercisable		Exercise Price per Option	Expiry Date	Weighted Average Remaining Life
600,000	$	0.15	October 23, 2024	4.40
600,000				**4.40**

Options Issued

On October 23, 2019, the Company granted 600,000 options to purchase common shares to certain officers, directors and consultants. The options vested immediately and are exercisable at $0.15 per share for a period of five years from the date of grant.

The Company uses the Black-Scholes option pricing model to estimate the fair value for all share-based compensation. The weighted average assumptions used in this pricing model during the periods ended May 31, 2020 are as follows:

		May 31, 2020
Share price	$	0.05
Risk-free dividend rate		1.53%
Expected life of options		5 years
Dividend rate		0.00%
Annualized volatility		120%

(Expressed in Canadian dollars) (Unaudited)

7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company had incurred the following key management personnel cost from related parties:

	May 31, 2020	**May 31, 2019**
	$	$
Share-based payments	21,000	30,000

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). During the period ended November 30, 2018, the Company issued 2,000,000 common shares with estimated fair value of $40,000 (see Note 5c) to directors and officers of the Company. Accordingly, the Company recorded an amount of $30,000 as share-based payments for the period ended November 30, 2018.

During the period ended August 31, 2019, the Company entered into the Property Option agreement to earn a 100% undivided interest in certain unpatented mineral claims at the Red Lake Property, described in Note 4. The Company shares key management personnel and directors with the Optionor. Pursuant to the Property Option Agreement, the Company paid an aggregate of $12,000 to the Optionor.

During the period ended May 31, 2020, the Company entered into the Property Option Agreement to earn a 100% undivided interest in certain unpatented mineral claims at the Pakwash Lake Property, described in Note 4. The Company shares key management personnel and directors with the Optionor. Pursuant to the Property Option Agreement, the Company paid an aggregate of $16,000 to the Optionor.

8. MANAGEMENT OF CAPITAL

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

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

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

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

Fair Value of Financial Instruments

The Company's financial assets include cash and is classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's condensed interim statements of financial position as at May 31, 2020 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	24,129	–	–	24,129

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at May 31, 2020 because of the demand nature or short - term maturity of these instruments.

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 or a business 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.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(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.

10. SUBSEQUENT EVENTS

The Company has entered into an Agency Agreement and pursuant to the terms of the agency agreement, the Company has agreed to pay to the Agent a cash commission of 10% of the gross proceeds of the IPO. The Company has also agreed to grant Agent warrants (the "Agent's Warrants") which will entitle the Agent to purchase up to 10% of the units sold under the IPO, at a purchase price that is equal to the price per share offered in the IPO. The Agent's Warrants are exercisable for 12 months from the closing of the IPO. In addition, the Company has agreed to pay a corporate finance fee of $25,000. The Company will also pay the Agent's legal fees incurred and any other reasonable expenses pursuant to the IPO.

The Company completed the offering subsequent to May 31, 2020 and issued 7,000,000 shares for gross proceeds of $1,050,000.