



**SILVER DOLLAR**  
R E S O U R C E S

## **Silver Dollar Resources Inc.**

**Management's Discussion and Analysis**  
**Financial year ended August 31, 2022**

Containing information as of December 22, 2022

## **Caution Regarding Forward-Looking Information**

Certain of the statements made and information contained herein and in the financial statements is “forward-looking information” within the meaning of the *Securities Act* (British Columbia). This includes statements by Silver Dollar Resources Inc. (the “Company” or “Silver Dollar”) concerning exploration results, including deposit size, quantities, grades and contained metals, which are generally made on the basis of estimations and extrapolations from a limited number of samples, drill holes and assays. These estimations and extrapolations are subject to uncertainties which include but are not limited to uncertainties in connection with evaluating a deposit until the deposit has been extensively drilled on closely spaced centres. Should one or more of these underlying estimations or extrapolations prove incorrect, actual results may vary materially from those described in forward-looking statements.

Forward-looking statements contained herein also include the Company’s future operating costs and exploration plans at its mineral properties. These involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information including, without limitation, the ability of the Company to continue to be able to access the capital markets for funding necessary for operating costs, to acquire and maintain exploration properties and to carry out its desired exploration programs; difficulties in executing exploration programs on the Company’s proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or the availability of essential supplies and services; and factors beyond the capacity of the Company to anticipate and control, such as the marketability of minerals, government regulations relating to health, safety and the environment, foreign currency controls, and the scale and scope of royalties and taxes on production. Should one or more of these risks or uncertainties materialize actual results may vary materially from those described in forward-looking statements.

Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.

## **Description of Business**

Silver Dollar is a junior exploration company whose common shares are listed on the Canadian Securities Exchange and quoted on the OTCQX<sup>®</sup> Best Market. It is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The Company has an option to purchase the La Joya Silver Project located in Durango, Mexico and owns the Longlegged Lake and Pakwash Lake gold properties located near Red Lake, Ontario.

The following discussion and analysis of the operations, results and financial position of the Company should be read in conjunction with the consolidated financial statements as of and for the year ended August 31, 2022 and the notes thereto (the “financial statements”). The financial statements are incorporated herein by reference.

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and unless otherwise cited, references to dollar amounts are Canadian dollars. The financial statements were prepared on a going concern basis, which presumes the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company had working capital of \$7,302,378 as of August 31, 2022. The Company’s ability to meet its obligations and maintain its operations is contingent upon additional financing or profitable operations in the future.

## **Overall Performance and Discussion of Operations**

### **Fourth Quarter Results**

During the fourth quarter of its 2022 financial year, the Company’s consolidated net loss was \$274,756, as compared with a \$254,815 net loss last year. This \$19,941 increase was caused primarily by a \$28,543 decrease in interest income and a \$27,853 increase in professional fees. This was largely offset by a \$38,565 decrease in consulting fees.

### **Annual Results**

During its 2022 financial year, the Company experienced a consolidated net loss of \$1,054,231. This represents a \$3,424,227 decrease from the \$4,478,458 loss during the previous year. The bulk of this change was caused by a \$3,295,575 decrease in share-based compensation and a \$176,752 decrease in consulting fees.

### **Cash Flow**

As of its August 31, 2022 financial year-end, the Company had cash of \$7,155,593 as compared with \$10,267,287 at the beginning of the year – a decrease of \$3,111,694. Of this total, \$871,390 of cash was used for its operations and \$2,234,367 of cash was used for the exploration and acquisition of the Company’s silver and gold projects. Management expects exploration expenditures to continue at a similar pace in the coming year as it continues exploring its La Joya, Longlegged Lake and Pakwash Lake projects.

For a detailed breakdown of exploration and evaluation assets for the Company’s 2022 financial year on a property-by-property basis as well as for the previous year, refer to the Consolidated Schedules of Exploration and Evaluation Assets accompanying the financial statements.

### **General**

The Company is drilling its La Joya Silver Project in Durango, Mexico and exploring its Longlegged Lake and Pakwash Lake gold properties near Red Lake, Ontario. Despite their volatility in recent months, silver and gold prices remain historically strong and management expects world political turmoil and surging inflation to continue pressuring prices higher. Accordingly, the Company plans to continue its strategy of advancing its mineral properties to add shareholder value.

Current global uncertainty with respect to the COVID-19 pandemic and its effect on the Canadian economy, international supply chains and financial markets may have significant and as-yet unpredictable effects on the Company. While the impact remains unknown, ongoing spread of the virus and periodic future recurrences may have a material adverse effect on economic activity and could affect exploration plans, disrupt metals and financial markets, and affect other factors relevant to the Company.

## Selected Annual Information

	2022	2021	2020
Revenue	\$ -	\$ -	\$ -
Net loss	(1,054,231)	(4,478,458)	(726,173)
Net loss per share	(0.03)	(0.12)	(0.05)
Total assets	16,557,334	17,400,314	6,386,741
Total non-current financial liabilities	-	-	-
Cash dividends declared	-	-	-

## Summary of Quarterly Results

	2022				2021			
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss for the period	(274,756)	(214,174)	(317,851)	(247,450)	(254,815)	(549,805)	(3,376,961)	(296,877)
Loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.09)	(0.01)
Total comprehensive loss	(221,354)	(216,335)	(316,887)	(249,756)	(254,815)	(549,805)	(3,376,961)	(296,877)

Variations in operating loss from quarter to quarter typically result from increases in exploration and property acquisition activity. During periods of greater activity, such as the first three quarters of 2021, professional fees, consulting fees, costs relating to regulatory approvals and travel and promotion costs will typically increase. In addition, during the second and third quarters of 2021, non-cash share-based compensation also contributed to the marked increases in net loss.

The differences between loss for the period and total comprehensive loss are the result of currency exchange differences on translating foreign operations.

The quarterly results summarized herein were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

## Liquidity and Capital Resources

The Company does not yet generate positive cash flow from operations and is therefore reliant upon the issuance of its own common shares to fund its operations. As of the date hereof, the Company is adequately funded for the short- and medium-term. To continue to fund its long-term exploration plans, the Company must raise additional equity capital. There is, however, no certainty that such financings will be completed.

The Company has no debt obligations and no commitments other than as described herein and in its financial statements.

Management expects that the Company presently has enough working capital to fund operating costs through at least December 2023.

## Mineral Exploration Activities

### La Joya Silver Project, Durango, Mexico

#### Overview

In August 2020, Silver Dollar entered into a definitive option agreement whereby Silver Dollar can acquire an initial 80% interest, and if exercised, a second option to acquire an additional 20% interest for an aggregate 100% interest in the La Joya silver-copper-gold property. The property, located in the southeastern portion of the State of Durango in the Mexican Silver Belt,



consists of 15 mineral concessions totalling 4,646 hectares and hosts the Main Mineralized Trend, Santo Nino and Coloradito deposits.

In 2013, SilverCrest Mines Inc. disclosed a mineral resource estimate for the property that was reported to conform to CIM definitions for resource estimation. A qualified person of Silver Dollar has not done sufficient work to classify this historical estimate as a current mineral resource and the Company is not treating this historical resource estimate as a current mineral resource. Independent data verification and an assessment of the mineral resource estimation methods are required to verify the historical mineral resource.

*Table 1: Extract from National Instrument (NI) 43-101 Technical report titled "Preliminary Economic Assessment for The La Joya Property, Durango, Mexico," dated 5 December 2013*

Zone	Category**	Cut off	Rounded Tonnes	SG	Av Ag (gpt)	Av Au (gpt)	Av Cu (%)	Contained Ag (oz)	Contained Au (oz)	Contained Cu (lbs)	Contained AgEQ (oz)*
MMT (Ag, Au, Cu)	***inferred	15	120,570,000	3	23.7	0.18	0.18	91,855,000	708,000	466,474,000	185,757,000
		30	67,618,000	3	34.67	0.24	0.25	75,367,000	519,000	377,392,000	148,671,000
		60	26,109,000	3	58.53	0.3	0.42	49,129,000	256,000	240,114,000	92,035,000
Santo Nino (Ag, Au, Cu)	***inferred	15	6,169,000	3	20.36	0.04	0.49	4,039,000	8,000	66,775,000	12,826,000
		30	3,586,000	3	29.17	0.05	0.75	3,363,000	5,000	59,384,000	11,078,481
		60	1,818,000	3	43.06	0.05	1.2	2,517,000	3,000	48,269,000	872,000
TOTAL	***inferred	15	126,739,000		23.5	0.17	0.20	95,894,000	716,000	533,249,000	198,583,000
		30	71,204,000		34.4	0.23	0.28	78,730,000	524,000	436,776,000	159,749,481
		60	27,927,000		57.5	0.28	0.47	51,646,000	259,000	288,383,000	92,907,000

Key assumptions, parameters, and methods used to prepare the historical mineral estimate:

- 89 holes totaling 30,085 metres (m)
- Raw assay data was composited to 2 metres, capped at 550 gpt Ag, 5.5 gpt Au 6% Cu and interpolated into a block model using 5 m x 5 m x 5 m block size using inverse distance squared (ID2) methodology
- Silver equivalency formula assumes Ag:Cu is 50:1, Ag:Au is 86:1, based on US\$24/oz silver, US\$1200/oz gold, US\$3/lb copper and 100% metallurgical recovery
- Mining by open-pit methods
- Mining and process costs assumptions not specifically stated.

The Property is situated approximately 75 kilometres directly southeast of the state capital city of Durango in a prolific mineralized region with past-producing and operating mines including Grupo Mexico's San Martin Mine, Industrias Penoles' Sabinas Mine, Pan American Silver's La Colorada Mine and First Majestic Silver's La Parrilla and Del Toro Silver Mines. Access and infrastructure near the Property are considered excellent with highway, rail and power lines nearby.

#### *Previously Unreported 2014 Drilling Results*

Between February and March 2014, SilverCrest Mines Inc. completed its Phase 3 drilling program; however, the results were not previously reported. Records of the Phase 3 program were obtained by Silver Dollar through the file-sharing arrangement under the definitive agreement with the optionor. Announcement of the drilling program was included in the final Management's Discussion and Analysis issued by SilverCrest November 12, 2014 for the three and nine months ended September 30, 2014, which read:

“La Joya Project third quarter highlights: SilverCrest completed a 17 hole in-fill drilling program (2,698 metres). The program provides valuable information that will enable SilverCrest to advance towards an updated resource model in H1 2015.”

The updated resource model was never completed due to the optionor’s acquisition of SilverCrest, which was completed in October 2015.

The Phase 3 drilling program targeted infill drilling along the Main Mineralized Trend and was successful in confirming significant mineralization in 15 of 17 holes (two holes were drilled for geotechnical logging and no assay records have been located). The results provide Silver Dollar with further confidence in the extent of the mineralized system and verify several key features of the polymetallic Ag-Cu-Au deposit identified in the National Instrument 43-101 Preliminary Economic Assessment Technical Report with Effective Date of October 21, 2013, and Released Date of December 5, 2013 including:

- Confirmed presence of high-grade mineralization with 2014 highest assay grades reported for Ag of 1,915 grams per tonne (g/t) over 0.45 metre (hole LJ DD14-116 from 26.4 to 26.85 m), Cu of 20.4 % over 0.55 metre (hole LJ DD14-116 from 86 to 86.55 m), and Au of 33.5 g/t over 1.0 metre (hole LF DD14-120 from 211.15 to 212.15 m)
- Presence of discrete high-grade stockwork and structurally controlled veining (SCSV) style mineralization such as in hole LJ DD14-116 that intercepted 2.0 metres (from 86 to 88 m) grading 723.5 g/t Ag, 8.97 % Cu and 0.09 g/t Au, or 1,778.1 g/t silver equivalent (AgEq)
- Continuous broad intervals of mineralization hosted in replacement manto style mineralization, such as in hole LJ DD14-114 that intercepted 66.4 metres (from 27.1 to 93.5 m) grading 43.5 g/t Ag, 0.27 % Cu and 0.38 g/t Au, or 98.21 g/t AgEq and
- Outcropping and near-surface mineralization, such as in holes LJ DD14-109 that intercepted 21.92 metres (from 1.8 to 23.72 m) grading 31.5 g/t Ag, 0.36 % Cu and 0.95 g/t Au, or 130.4 g/t AgEq

Drilling results from the eastern extent of the (approximately east-west striking) SCSV revealed excellent exploration potential for extension of the deposit further to the east where hole LJ DD14-116 intercepted two broad mineralized zones grading 75.7 g/t Ag, 0.55 % Cu, and 0.06 g/t Au, or 143.9 g/t AgEq, over 25.1 metres (from 19.1 to 44.2 m), and 106.2 g/t Ag, 1.20 % Cu, and 0.29 g/t Au, or 264.0 g/t AgEq, over 23.1 metres (from 82.4 to 105.5 m).

Notably, hole LJ DD14-116 was drilled near to the previous holes LJ DD12-79 (48.8 metres grading 53.1 g/t Ag, 0.37 % Cu, and 0.06 g/t Au, from 102.2 to 150.8 m) and LJ DD12-86 (45 metres grading 135.5 g/t Ag, 1.14 % Cu and 0.11 g/t Au, from 67 to 112 m) along the interpreted Tecolote structure, which remains open to the east. This eastern area is a primary exploration target representing a 750-metre-wide (approximate horizontal distance) gap where no drilling has been undertaken and is flanked on the east by the Santo Nino Deposit.

Assay highlights from drill hole core samples are summarized in the following table:

Hole ID	From	To	Width (m)	Au g/t	Ag g/t	Cu %	AgEq * (values from 2013 PEA)	AgEq ** (current values)
<b>LJ DD14-109</b>	1.8	23.72	21.92	0.73	32.7	0.36	100.1	118.6
Including	1.8	6.2	4.4	3.45	12.3	0.10	193.3	230.8

Hole ID	From	To	Width (m)	Au g/t	Ag g/t	Cu %	AgEq * (values from 2013 PEA)	AgEq ** (current values)
	120.6	125.75	5.15	0.10	112.1	0.57	166.1	184.7
<b>LJ DD14-110</b>	10.3	22.6	12.3	0.36	99.8	0.71	179.0	204.7
including	16.8	21.3	4.5	0.56	189.6	1.34	333.1	380.3
	98.2	104.8	6.6	0.05	47.1	0.15	62.4	67.5
<b>LJ DD14-111</b>	34.95	35.9	0.95	0.12	210.2	2.11	397.4	463.9
	56.9	58.6	1.7	0.04	139.7	0.41	177.5	190.8
	143	149.35	6.35	0.38	55.8	0.25	96.3	107.9
	162.4	165.35	2.95	0.29	57.0	0.11	80.8	87.0
<b>LJ DD14-112</b>	88.9	91.3	2.4	0.04	95.5	0.51	141.4	157.6
<b>LJ DD14-113</b>	93.75	96.4	2.65	0.06	108.8	0.56	160.0	177.9
	146.9	149.5	2.6	0.09	47.1	0.25	72.8	81.4
<b>LJ DD14-114</b>	13.7	14.9	1.2	0.09	192.9	2.58	419.7	500.8
	27.1	93.5	66.4	0.38	43.5	0.27	85.9	98.2
including	67.7	70.85	3.15	1.26	219.0	1.48	409.6	468.2
	131.7	138.85	7.15	0.30	26.6	0.14	53.2	60.4
	160.4	178.1	18.1	0.26	6.9	0.15	32.6	39.8
<b>LJ DD14-115</b>	30.85	36.95	6.1	0.06	233.8	1.24	343.4	382.5
including	34.15	35.15	1	0.17	734.0	3.75	1,064.5	1,182.2
	44.9	68.3	23.4	0.34	31.7	0.12	58.9	66.0
	74.8	79.2	4.4	0.40	48.6	0.26	91.0	103.0
	134.8	137.05	2.25	0.41	90.4	0.84	182.5	212.5
<b>LJ DD14-116</b>	19.1	44.2	25.1	0.06	75.7	0.55	126.2	143.9
including	19.1	28.2	9.1	0.04	185.1	1.37	305.2	348.2
and	26.4	28.2	1.8	0.11	602.3	4.64	1,006.4	1,151.1
	82.4	105.5	23.1	0.29	106.2	1.20	223.9	264.0
including	86	88	2	0.09	723.5	8.97	1499.2	1,778.1
<b>LJ DD14-117</b>	61	80.8	19.8	0.36	29.5	0.36	78.4	93.2
including	74.5	75.8	1.3	0.88	219.0	2.05	439.1	511.3
	106.8	108.6	1.8	0.85	46.7	0.53	134.2	158.9
<b>LJ DD14-118</b>	54	58	4	0.14	72.8	0.35	109.5	121.6
	64	104.2	40.2	0.05	32.9	0.49	77.3	93.0
including	68	74.3	6.3	0.06	61.7	1.35	181.2	223.8
and	93.4	97.7	4.3	0.12	79.3	1.00	171.2	203.3
	132.75	149.85	17.1	0.44	14.8	0.16	50.9	60.4
<b>LJ DD14-119</b>	63.15	74.8	11.65	0.06	82.7	0.99	171.1	202.5
including	72.4	73.8	1.4	0.26	387.1	4.62	797.4	943.3
	91.4	95.5	4.1	0.28	35.2	0.34	78.4	91.8
	119	122.5	3.5	0.62	44.3	0.45	114.0	134.2
<b>LJ DD14-120</b>	39.5	43.1	3.6	0.05	91.6	0.49	136.5	152.3
	59.65	68.35	8.7	0.14	59.1	0.27	89.2	98.9
including	67.3	68.35	1.05	0.08	375.2	1.09	472.8	507.3
	96.25	151.1	54.85	0.10	36.5	0.23	61.5	69.7
including	130.2	134.6	4.4	0.17	171.5	1.41	301.7	347.2
	199.5	217.15	17.64	2.30	31.7	0.12	157.6	184.5
including	208.5	212.15	3.65	10.43	52.3	0.22	592.6	703.6
<b>LJ DD14-121</b>	Geotechnical hole, no assays							
<b>LJ DD14-122</b>	68.7	70.55	1.4	0.18	225.4	1.95	402.1	464.3
	90.9	93.5	2.6	1.53	5.5	0.10	90.6	109.0
	99.9	101.6	1.7	1.88	32.6	0.32	154.2	183.0
	129.25	131.2	1.95	0.04	33.7	0.37	67.3	79.1
	150.8	152.75	1.95	0.37	46.6	0.36	96.2	111.0
<b>LJ DD14-123</b>	Geotechnical hole, no assays							
<b>LJ DD14-124</b>	116.4	122.65	6.25	0.20	94.0	0.77	170.5	196.5
<b>LJ DD14-125</b>	26.75	37.05	10.3	0.02	34.1	0.02	37.4	38.4
	120.45	126.6	6.15	0.07	67.2	0.11	80.2	84.3
	200.6	201.85	1.25	0.07	121.7	0.54	171.5	188.9

Notes:

- lengths are downhole length
  - the reported assay values have been validated by SLV using laboratory certificates and digital drill hole database, however, SLV has not yet reviewed drill core nor verified the drill hole survey information
  - all intercept lengths are reported as downhole length
- \* AgEq as calculated in the La Joya NI 43-101 PEA Technical Report (Effective Date October 21, 2013) which used metal prices of US\$ 24/oz silver, US\$ 1,200/oz gold, and US\$ 3/lb. copper, and equal metallurgical recoveries.

\*\* AgEq as calculated using current metals price assumptions of US\$ 17.50/oz silver, US\$ 1,500/oz gold, and US\$ 3/lb. copper, along with preliminary and conceptual metallurgical recoveries reported in the PEA of 85% Ag, 85% Cu and 60% Au.

### Sample Analyses and QA/QC

Sampling of the drill core was conducted along the entire length of each hole below overburden (excepting hole LJ DD14-117, where sampling started at 34.55 m downhole depth) generally at 1 metre sample lengths, up to a maximum of 5.5 metres, except within visually mineralized intervals where sample intervals respected geological contacts down to a minimum interval of 0.10 metre downhole length. A total of 2,596 drill core samples were collected.

The samples were submitted to the Inspectorate preparation lab based in Durango, Mexico, and shipped to Acme Laboratories (both labs part of the Bureau Veritas Group Companies), based in Vancouver, Canada for analysis. Samples were crushed and split from which 250-gram subsamples were pulverized to 200 mesh.

All samples were submitted for 33 trace elements inductively coupled plasma emission spectroscopy (ICP-ES) (using aqua regia digestion), and 30-gram fire assay (FA) (using lead fusion) with atomic absorption spectrometry (AAS) analyses for gold. Where gold assays exceeded the upper FA-AAS detection limit of 10 g/t, or where silver assays exceeded the upper ICP-ES detection limit of 100 g/t, then analysis was conducted for both gold and silver using fire assay with a gravimetric finish. Any copper, lead or zinc assay exceeding the upper ICP-ES detection limit of 10,000 ppm triggered re-analysis of all three elements at higher grade ICP-ES detection limits.

Additionally, 279 samples were submitted to the laboratory for quality assurance and control (QA/QC). These comprised 246 blank samples and 33 certified standard reference samples. No duplicate samples appear to have been collected as part of this campaign. The QA/QC results were reviewed and no concerns were identified.

Garry Clark, P.Geo., of Clark Exploration Consulting, a Qualified Person as defined in NI 43-101, reviewed and approved the technical contents above.

### *2021 Exploration Planning*

Silver Dollar engaged Tetra Tech Inc. in October 2020 to assist with planning its 2021 exploration of the La Joya Silver Project. Tetra Tech was previously involved with the project providing technical support services between 2010 and 2015 when SilverCrest Mines Inc. owned and operated the property. The Tetra Tech team has visited the site on several occasions and completed two inferred mineral resource estimates and developed a preliminary economic assessment study on behalf of SilverCrest.

Highlights from database studies performed for Silver Dollar by Tetra Tech Inc. include:

- Newly identified areas demonstrate the potential to host additional high-grade mineralization
- Skarn hosted mineralization has similarities to a recent discovery in the area
- Fault kinematic study highlights additional targets
- Additional untested geophysical targets identified
- Geochemical assessment of historical drilling data expands mineralization understanding
- New 3D geological and mineralization model generation.

In advance of restarting drilling and exploration activities on the Property, Silver Dollar requested that Tetra Tech conduct comprehensive desktop studies of La Joya's extensive

historical database to identify additional areas of opportunity that exist on the Property. These studies included a detailed review of historical geophysical, geochemical, and regional exploration data, and detailed comparisons to nearby properties. These studies successfully identified several new, highly prospective regions with the potential to host additional high-grade mineralization at La Joya. Findings of the various studies are summarized below:

#### La Joya Mineralization

The skarn hosted mineralization at La Joya has geological and mineralization similarities to a major discovery Pan American Silver Corp. reported last year that is located east of the current La Colorada mine workings.

The geological similarities between the recent discovery at La Colorada and the La Joya property include:

- La Joya is comprised of epithermal veins and mantos style (flat-lying layers) mineralization, which progresses into a garnet-pyroxene skarn, magmatic-hydrothermal breccia, proximal skarn, and an apparent overprinted Cu-Mo porphyry signature, which is nearly identical to the geology, alteration, and mineralization observed at La Colorada
- Mineralization at La Joya is hosted in an extensive network of structural veins, similar to those discovered at La Colorada
- La Joya may represent a stratigraphic analogue of La Colorada



Figure 1: La Joya Silver Property location and area mines

#### Fault Kinematic Study Highlights Additional Targets

An in-depth review of historical geophysics allowed for a more detailed interpretation of regional faults. These regional faults were not considered during the previous modelling in 2012 and have provided more in-depth insights into where the La Joya deposit sits in a regional structural geology sense. This study has allowed the deposit's structural corridors to be better constrained and has identified a NE-SW trending controlling fault system that is a new target for



mineralization. The analysis further highlighted the extensive local scale faulting that served as the conduit for the observed mineralization at the site. Additional structures have been identified onsite, which remain untested and represent additional high priority exploration targets.

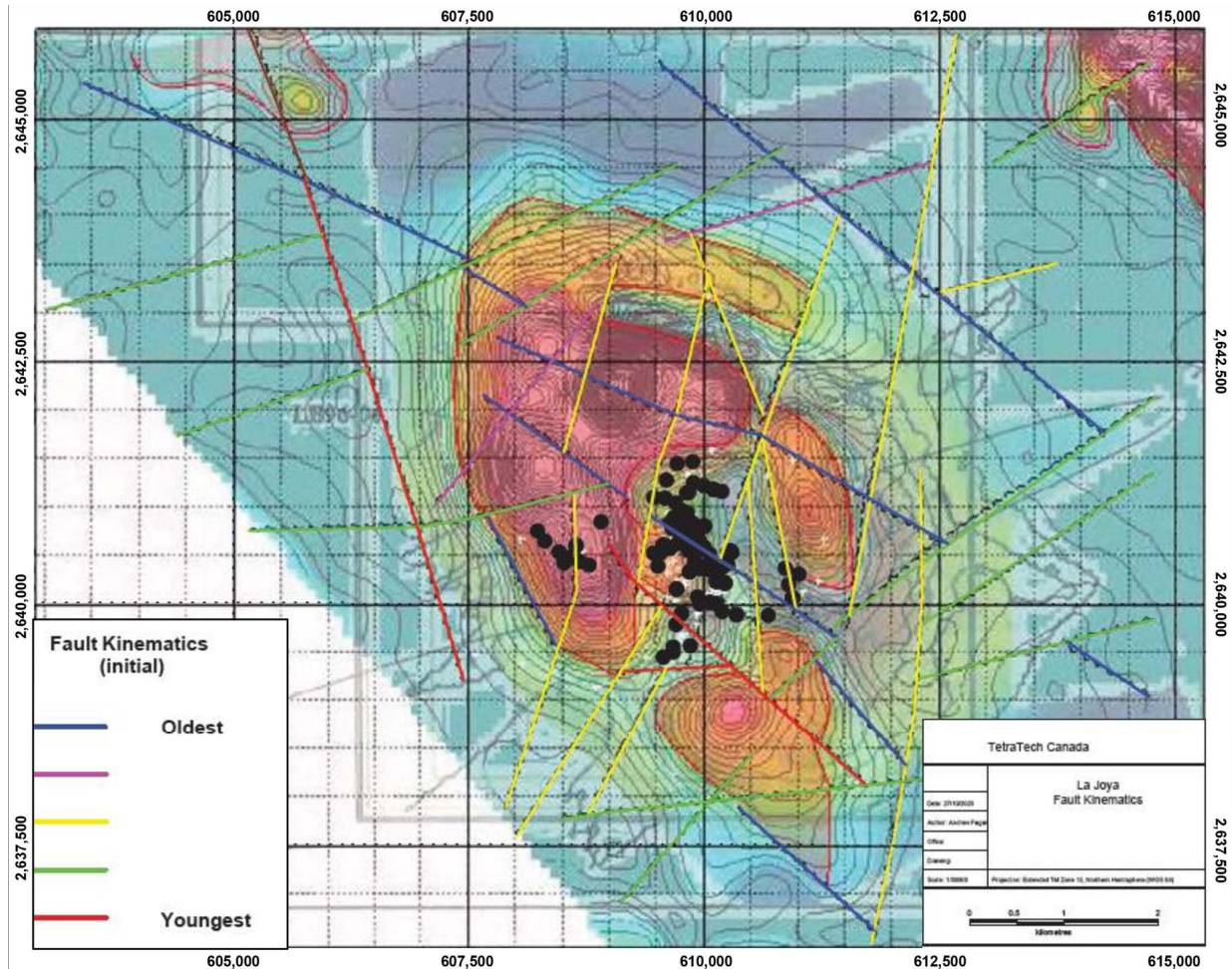


Figure 2: Faults are coloured based on projection from the magnetic and gravity datasets

#### Additional Untested Geophysical Targets Identified

A detailed review of the historical geophysical database discovered high-quality electromagnetic (EM) and induced polarization (IP) data. When the data was compared against the historical drilling database, multiple EM conductors were identified which have not been historically tested and represent significant exploration targets. A substantial gravity anomaly has also been identified to the south of the current extent of drilling the La Joya property. The source of this gravity anomaly remains unexplained and it will be the focus of additional work moving forward.

#### Geochemical Assessment of Historical Drilling Data Expands Mineralization Understanding

Tetra Tech undertook a detailed review of the historical drilling and assay database using Reflex's ioGAS™ software, an advanced software that utilizes a wide range of quantitative tools to gain additional insight into the database. The ioGAS study identified the subtle geochemical signatures of the numerous geological units onsite to allow for more accurate modelling and spatial relationships. The geochemical modelling also successfully defined a unique “chemical signature” of the mineralization hosting mantos units. These unique mantos signatures were then used in Seequent Leapfrog Geo 3D software to re-constrain and model the sub-horizontal

mantos previously identified and modelled.

The historical 2013 Preliminary Economic Assessment (PEA) completed by previous operators did not utilize this advanced geochemical signature analysis technique during previous modeling efforts. As such, the assessment of the drill data in ioGAS provided Tetra Tech a secondary, and updated check on the interpretations and models developed for the historical PEA.

### New 3D Geological and Mineralization Model Generation

An updated geological and mineralization model was generated using Leapfrog Geo 3D to create a detailed geologic model that can be used in supporting future resource studies and developing high priority drill targets for exploration campaigns. This work synthesized the extensive geochemical, structural, and geophysical studies into a more comprehensive model. Additionally, through the aid of the ioGAS studies, the geological database underwent re-interpretation allowing for more accurate modelling of the geological units present on site and the remodeling of mineralization. As a result, the updated model was able to identify the following:

- Mineralized mantos units appear to be more continuous than previously modelled
- Higher grade mineralization appears to correlate to where the mantos intersect specific structures
- High-grade structural oreshoot potential identified, which have yet to be drill tested and represent a high priority target
- High-grade mineralization within the skarn also appears to be associated with local inflections (possible fault offsets) of the underlying intrusion. These inflections have not entirely been drill tested and represent additional high-grade mineralization potential

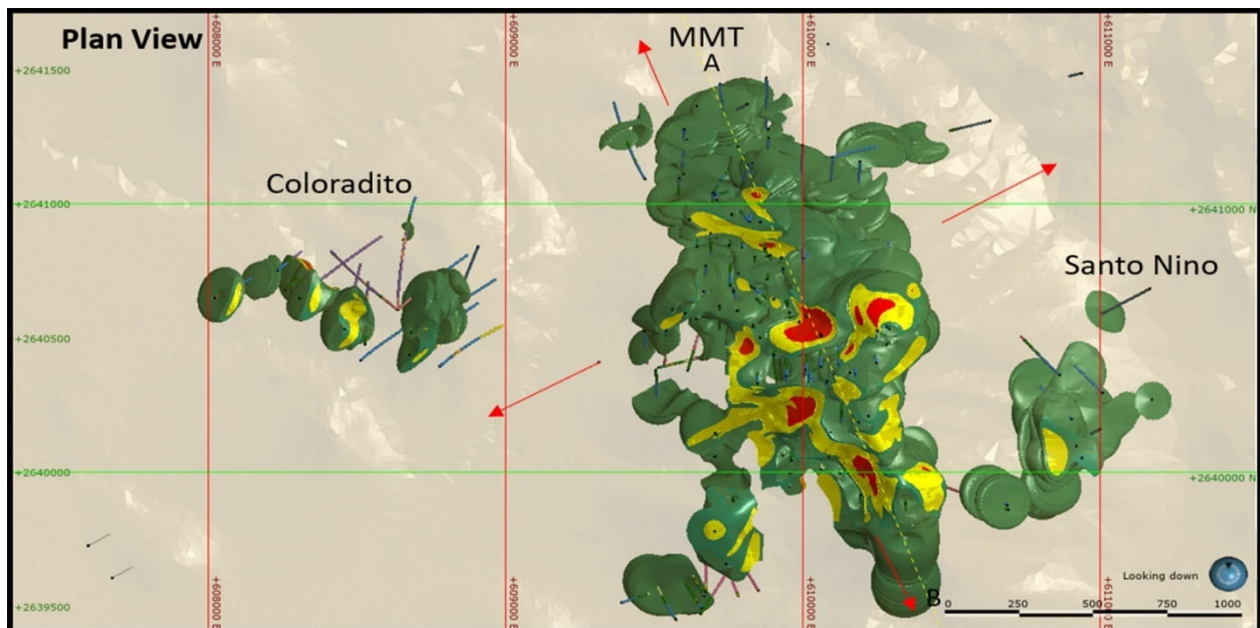


Figure 3: Mantos grade models in plan view. Zones remain open in all directions

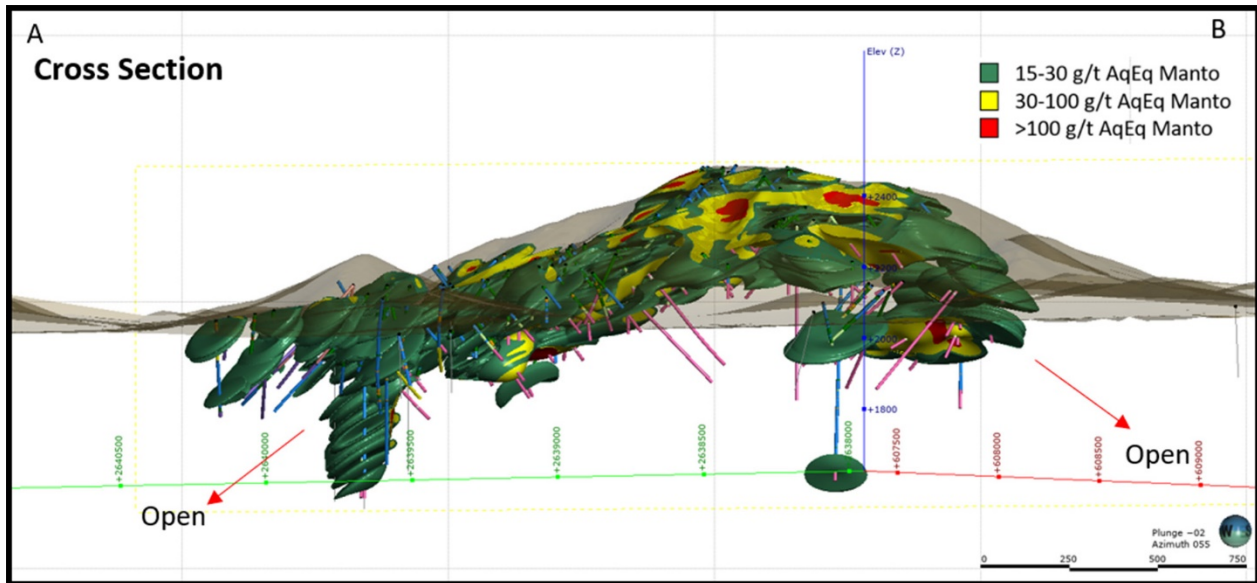


Figure 4: Mantos grade models in cross-sectional view. Zones remain open in all directions

#### 2021-2022 Drilling Program

In 2021 and 2022, the Company undertook two phases of drilling totalling 5,852 metres of core through 28 holes at the La Joya Silver Project. The drilling program was focused on the underexplored Noria portion of the Property and was successful in identifying possible structural extensions of the known mineralized zones as well as the discovery of a new shallow high-grade gold zone. Highlights of the results included:

- Hole NOR-21-002 that returned 131.2 grams per tonne (g/t) silver equivalent (AgEq) over 5.37 metres (m);
- Hole NOR-21-004 that returned 1,590 g/t AgEq over 3.00 m, and 2,369 g/t AgEq over 1.01 m within a broader intersection of 361.8 g/t AgEq over 8.37 m;
- Hole NOR-22-008 intersected 89.57 grams per tonne (g/t) silver equivalent (AgEq) over 125.3 metres (m) starting at 3 m downhole. This interval includes 267.56 g/t AgEq over 10.47 m starting at 70.53 m downhole. Mineralization consists of Ag, gold (Au), copper (Cu), lead (Pb), and zinc (Zn) mineralization over wide intervals associated with sulphide veins, hornfels, and quartz veins hosted in Indidura formation carbonates adjacent to a monzonite intrusive;
- Hole NOR-22-009 intersected 60.33 g/t AgEq over 58.84 m starting at 75.83 m downhole. This hole was higher grade in gold recording 0.66 g/t Au over the same 58.84 m interval. Gold tenors were over twice the grade and triple the width of mineralization encountered in historical hole LJ-DD12-96; and
- Hole NOR-22-013 returned the highest grades to date at the new Brazo Discovery, intersecting 815 grams per tonne (g/t) silver equivalent (AgEq) over 5 m within a broader interval of 363 g/t AgEq over 19.35 m starting at 86.4 m downhole.
- Hole NOR-22-017 returned 1,052 grams per tonne (g/t) silver equivalent AgEQ over 1.87 metres (m).
- Hole NOR-22-020 returned 662 g/t AgEQ over 2.33 m within a broader intercept of 145 g/t AgEQ over 22.36 m.
- Hole NOR-22-023 returned 686 grams per tone (g/t) silver equivalent (AgEQ) over 1.29 metres (m).
- Hole NOR-22-024 returned 894 g/t AgEQ over 0.5 m.



Holes NOR-21-001 and NOR-21-002 targeted possible westward and downward extensions of the mineralization related to the past producing Embotelladora mine, one of the historic artisanal mines on the Property.

Hole NOR-21-001 intercepted the Embotelladora structure and 27 m of anomalous copper (Cu) and silver (Ag) values which graded 10.7 g/t Ag and 674 ppm Cu starting at 66 m downhole. This hole was successful in confirming the extension of the mineralized structure.

Hole NOR-21-002 intersected the downdip extension of the Embotelladora structure with an intercept of 110 g/t Ag over 5.37 m from a depth of 118.62 m downhole.

Hole NOR-21-003 targeted a historic gold intercept excluded from the database with a short 69 m hole but did not return any significant results.

Hole NOR-21-004 was drilled to test the deep high-grade "San Martin" type mineralization intercepted in historical hole LB96-04. This hole deviated significantly to the south and failed to intercept mineralization at the target depth. However, the hole did encounter unexpected high-grade gold in multiple intervals that have been verified by check assays including 19.2 g/t Au over 3.00 m starting from a depth of 126 m downhole and 29.0 g/t gold over 1.01 m starting from a depth of 164.61 m downhole. This shallow gold zone will be a primary target going forward.

Hole NOR-21-005 was planned to target an extension of mineralization associated with the western intrusive contact of Coloradito. While it failed to reach the contact, it did intercept high percentages of pyrite and 40.44 m of 0.28% Zinc (Zn).

Holes NOR-22-006 and NOR-22-007 were drilled outside of the focus area to test conceptual geophysical targets and did not return any significant results.

Hole NOR-22-008 was designed to target mineralization on the west side of the Coloradito intrusive where anomalous gold and zinc values were intersected in historical hole LLDD12-96. This hole intersected wide intervals of skarn-type Ag-Au-Cu-Pb-Zn representing the highest reported grades and widths to date from the Coloradito area. This area represents an exciting new discovery, particularly given it is located a full kilometre west of the Main Mineralized Trend.

Hole NOR-22-009 was designed to test the downward extension of the mineralization previously encountered in hole LJ-DD12-96 with an intercept of 0.32 g/t Au over 29 m. This hole returned 0.66 g/t Au over 58.84 m starting at 75.83 m downhole, both increasing previous gold tenors and width encountered in historical hole LJ-DD12-96. This intercept also averaged 60.33 g/t AgEq. Additional drilling in Phase II will follow up on this near-surface gold and skarn polymetallic mineralization.

Hole NOR-22-010 was designed to test mineralization at a depth of 375 m. While the deep target was not encountered, interesting values were intercepted at shallower depths with the hole returning 72.29 g/t AgEq over 13.32 m starting at 112.73 m downhole, which included 0.78 g/t Au over the same interval. The above interval includes 305.57 g/t and 3.63 g/t Au over 2.09 m starting at 123.96 m downhole. Higher grade gold mineralization AgEq in Phase I has been observed associated with rhodonite and within an 80-170 m vertical depth horizon spatially associated with the Coloradito intrusive. This higher-grade gold corridor which reported 29 g/t Au over 1.01 m in NOR-21-004 represents a potential new target for Phase II follow-up drilling.

Hole NOR-22-011 targeted a western extension of the Yeyis structure with an intercept of 0.55 g/t Au over 7.87 m starting at 155.23 m downhole. While this mineralization generally coincides with the strike of the Yeyis structure, it is right on the intrusive contact.

Hole NOR-22-012 was a 30 m step back targeting the gold zone identified in NOR-22-009 (0.66 g/t gold (Au) over 58.84 m from 75.83 m downhole). Mineralization encountered included an intercept with 1.00 g/t Au over 26.85 m from 131.78 m downhole. While the interval in NOR-22-012 is approximately half the width of the interval in NOR-22-009 it is 42% higher in grade.

Hole NOR-22-013 was a -20° steeper inclined hole beneath the silver-zinc (Ag-Zn) zone identified in NOR-22-008 (89.59 g/t AgEq over 125.3 m from surface including 267.56 g/t AgEq over 10.47 m from 70.53 m downhole), with NOR-22-013 targeting the higher-grade mineralization 35 m further down dip. The high-grade polymetallic mineralization of note begins with 363.29 g/t AgEq over 19.35 m from 86.4 m downhole.

Hole NOR-22-014 was a 32 m step back from NOR-22-013 that returned mineralization of lesser grade and width than at higher elevations in the section; however, the results do indicate a continuation of the mineralizing event that remains open at depth and along strike.

Hole NOR-22-015 was drilled in the 100 m gap between the Au and Ag-Zn zones to establish continuity between the zones and better understand the zonation. While the mineral distribution in this hole is intermittent, it shows characteristics of the gold-rich zone to the south and the Ag-Zn mineralization to the north.

Hole NOR-22-016 was drilled in the Brazo Zone 30° steeper below NOR-22-015 to target the area between the silver-zinc and gold zones and was successful in expanding the Brazo Zone at depth.

Hole NOR-22-017 was drilled to test for mineralization 25 m to the south of the shallow gold zone encountered in NOR-21-004. This hole encountered a 12.87 g/t gold intercept that correlates to one of the gold intercepts in NOR-21-004.

Hole NOR-22-018 was drilled in the same section as NOR-21-004 at 15° shallower to target the gold mineralization 35 m and 44 m to the east. This hole missed the target suggesting that if the gold mineralization has continuity, it may dip to the east steeper than the -60° of hole NOR-22-018.

Hole NOR-22-019 was drilled in the Brazo Zone on the same section and 26 m back to target mineralization 40 m down section from NOR-22-016. The Brazo structure is now mineralized over a drilled strike length of 155 m and remains open in both strike directions and at depth.

Hole-22-020 was drilled in the Brazo Zone to target an extension 35 m to the northwest of the high-grade mineralization intercepted in hole NOR-22-013. This hole cut the same type of skarn alteration and sulphide mineralization.

Hole NOR-22-021 was drilled to target an extension below the gold mineralization encountered in hole NOR-22-012 (1 g/t Au over 26.85 m). The intrusive contact was shallower and flatter, and the hornfels zone was narrower than expected. This hole returned lower gold assays, but with increased Ag+Cu+Zn near the skarn front while largely absent higher up.

Hole NOR-22-022 was drilled to target the southeast extension of the Brazo mineralization,

stepping out 68 m to look for an increase in gold values below historical hole S-3 and similar to that in hole NOR-22-009. The intrusive was hit much shallower than expected, and the only notable intercept in this hole was some shallow Zn values near a fine-grained dyke of 7.49% over 0.67 m.

Hole NOR-22-023 was a step-out hole drilled to target 33 m to the north of NOR-22-020. While there were anomalous values at the main intrusive contact, the margins of a smaller granitic dyke were more fertile with values of 0.68 g/t Au, 304 g/t Ag, 0.05% Cu, 1.81% Cu, 5.35% Zn or 686 g/t AgEQ over 1.29 m.

Hole NOR-22-024 & 025 were drilled at 115° perpendicularly to target below a potential cross structure exposed in historic workings. There were some narrow intervals with high Zn up to 10.03% over 0.50 m (NOR-22-024) associated with the footwall of a vaguely defined fine grained dyke.

Hole-22-026 was a step-out hole drilled 45 m north of NOR-22-023 targeting the strike to the north and a possible confluence of Brazo with the E-W striking structure related to the drainage north of Coloradito. The only notable intercept in this hole was a narrow interval of 5.49% Zn over 0.79 m.

Hole-22-027 & 028 were drilled to test the downward extension of an intercept in hole NOR-22-020 of 0.38 g/t Au, 332.9 g/t Ag, 0.11% Cu, 1.77% Pb, 4.60% Zn or 662 g/t AgEQ over 2.33 m.

NOR-22-027 targeted 35 m below NOR-22-020, intercepting 0.1 g/t Au, 63 g/t Ag, 0.17% Cu, 0.26% Pb, 1% Zn or 152 g/t AgEQ over 6.67 m. While this deeper hole was justified, these values were less than expected.

NOR-22-028 targeted 35 m below NOR-22-027 intercepting 0.28 g/t Au, 69.10 g/t Ag, 1.15% Cu or 248 g/t AgEQ over 5.38 m.

Table 2: A summary of downhole drill intersections

Drill Hole #	From (m)	To (m)	Length <sup>1</sup> (m)	Ag (g/t)	Au (g/t)	Cu %	Pb %	Zn %	AgEQ <sup>2</sup> (g/t)
NOR-21-001	66	93	27	10.7	0.05	0.07	-	0.02	16.6
<b>NOR-21-002</b>	<b>118.62</b>	<b>123.99</b>	<b>5.37</b>	<b>110.5</b>	<b>0.19</b>	<b>0.04</b>	<b>0.25</b>	<b>0.28</b>	<b>131.2</b>
<i>Including</i>	121.14	123.99	2.85	141.3	0.06	0.04	0.42	0.44	161.1
NOR-21-003	No significant values								
NOR-21-004	78	84	6.00	2.8	0.21	0.06	0.01	0.02	21.6
“	<b>126</b>	<b>129</b>	<b>3.00</b>	<b>49</b>	<b>19.2</b>	<b>0.48</b>	-	<b>0.03</b>	<b>1,590</b>
”	<b>157.25</b>	<b>165.62</b>	<b>8.37</b>	<b>16.9</b>	<b>4.3</b>	<b>0.10</b>	-	<b>0.01</b>	<b>361.8</b>
<i>Including</i>	<b>164.61</b>	<b>165.62</b>	<b>1.01</b>	<b>58</b>	<b>29.0</b>	<b>0.15</b>	-	<b>0.01</b>	<b>2,369</b>
“	204	213	9.00	5.5	0.21	0.11	-	0.02	25.3
NOR-21-005	9	49.44	40.44	4.4	0.02	0.01	0.02	0.28	9.8
NOR-21-005	144.57	157.11	12.54	16	0.06	0.11		0.15	25.5
NOR-22-006	No significant values								
NOR-22-007	No significant values								

Drill Hole #	From (m)	To (m)	Length <sup>1</sup> (m)	Ag (g/t)	Au (g/t)	Cu %	Pb %	Zn %	AgEQ <sup>2</sup> (g/t)
NOR-22-008	3	128.3	125.3	40.61	0.11	0.05	0.18	0.55	89.57
<i>Including</i>	70.53	81	10.47	137.0	0.23	0.14	0.39	1.67	267.57
NOR-21-009	75.83	134.67	58.84	2.58	0.66	0.03	-	0.03	60.33
NOR-22-010	112.73	126.05	13.32	2.78	0.79	0.48	-	-	72.29
<i>Including</i>	123.96	126.05	2.09	6.05	3.63	0.08	-	-	305.58
NOR-21-011	25.64	169.1	143.46	7.52	0.07	0.06	0.02	-	21.83
<i>Including</i>	155.23	163.1	7.87	4.85	0.55	0.08	0.03	-	60.44
NOR-22-012	110.34	111.94	1.60	37.8	0.43	0.16	0.02	0.15	101
"	131.78	158.63	26.85	4.5	1.0	0.06	-	0.01	92
<i>Including</i>	145.30	157.35	12.05	4.0	1.22	0.03	-	-	106
NOR-21-013	2.30	19.35	17.05	6.0	0.03	0.02	0.04	0.99	58
NOR-21-013	31.16	41.06	9.90	3.0	0.03	0.02	0.01	0.93	51
NOR-21-013	55.50	64.63	9.13	7.0	0.03	0.01	0.06	0.74	48
NOR-21-013	86.40	129.52	43.12	90.0	0.41	0.08	0.45	1.0	198
<b><i>Including</i></b>	<b>86.40</b>	<b>105.75</b>	<b>19.35</b>	<b>192.0</b>	<b>0.27</b>	<b>0.06</b>	<b>1.0</b>	<b>2.2</b>	<b>363</b>
"	<b>92.75</b>	<b>97.75</b>	<b>5.00</b>	<b>451.0</b>	<b>0.62</b>	<b>0.07</b>	<b>2.3</b>	<b>4.6</b>	<b>815</b>
NOR-22-014	122.57	127.50	4.93	120.5	0.09	0.05	0.76	0.84	203
NOR-21-015	2.80	5.80	3.00	73.9	0.05	0.02	0.61	2.20	207
NOR-21-015	58.61	64.40	5.79	114.1	0.18	0.09	0.36	1.72	235
<b>NOR-21-015</b>	<b>76.30</b>	<b>80.73</b>	<b>4.43</b>	<b>23.2</b>	<b>0.26</b>	<b>0.07</b>	<b>0.03</b>	<b>5.64</b>	<b>319</b>
NOR-21-015	86.04	99.67	13.63	14.0	0.30	0.07	0.02	0.07	50
NOR-22-016	10.50	13.50	3.00	24.50	0.19	0.03	0.18	2.25	156
"	127.22	137.13	9.91	33.70	0.80	0.47	-	0.03	161
<b>NOR-22-017</b>	<b>130.50</b>	<b>132.37</b>	<b>1.87</b>	<b>21.10</b>	<b>12.87</b>	<b>0.04</b>	<b>-</b>	<b>0.2</b>	<b>1,052</b>
NOR-22-018	206.73	211.23	4.50	28.00	1.26	0.27	-	0.03	165
NOR-22-019	31.88	44.28	12.40	8.00	0.39	0.02	0.04	0.81	81
<i>Including</i>	31.88	33.95	2.07	25.00	1.06	0.02	0.03	0.40	132
NOR-22-019	115.25	162.95	47.70	39.00	0.35	0.11	0.02	0.17	90
<i>Including</i>	132.00	152.43	20.43	65.00	0.44	0.13	0.02	0.04	119
<i>Including</i>	132.00	135.40	3.40	132.00	0.74	0.17	0.02	0.07	218
NOR-22-020	90.76	96.78	6.02	68.10	0.08	0.03	0.25	0.58	115
<b><i>Including</i></b>	<b>90.76</b>	<b>91.51</b>	<b>0.75</b>	<b>268.3</b>	<b>0.26</b>	<b>0.07</b>	<b>1.79</b>	<b>3.56</b>	<b>534</b>
NOR-22-020	133.20	134.70	1.50	6.70	0.05	-	-	2.7	140
NOR-22-020	162.34	184.70	22.36	66.8	0.24	0.16	0.22	0.61	145
<b><i>Including</i></b>	<b>164.84</b>	<b>167.17</b>	<b>2.33</b>	<b>332.9</b>	<b>0.38</b>	<b>0.11</b>	<b>1.77</b>	<b>4,60</b>	<b>662</b>
NOR-22-021	155.44	180.88	25.44	21.10	0.08	0.17	0.01	0.22	61

Drill Hole #	From (m)	To (m)	Length <sup>1</sup> (m)	Ag (g/t)	Au (g/t)	Cu %	Pb %	Zn %	AgEQ <sup>2</sup> (g/t)
<i>Including</i>	155.44	164.25	8.81	43.90	0.05	0.24	0.03	0.43	101
<i>Including</i>	178.48	180.88	2.40	26.90	0.23	0.59	-	0.02	125
NOR-22-022	64.95	65.62	0.67	32.00	0.38	0.10	0.13	7.49	431
"	136.03	139.89	3.86	72.00	0.11	0.09	0.08	0.50	118
NOR-22-023	126.81	127.62	0.81	142.00	0.26	0.04	0.95	2.20	307
"	<b>139.46</b>	<b>140.75</b>	<b>1.29</b>	<b>304.00</b>	<b>0.68</b>	<b>0.05</b>	<b>1.81</b>	<b>5.35</b>	<b>686</b>
"	172.34	175.22	2.88	52.00	0.07	0.14	0.13	0.47	103
NOR-22-024	48.00	51.00	3.00	2.00	0.01	0.01	-	2.3	111
<i>Including</i>	<b>85.33</b>	<b>85.83</b>	<b>0.50</b>	<b>282.00</b>	<b>0.55</b>	<b>0.13</b>	<b>2.13</b>	<b>10.03</b>	<b>894</b>
NOR-22-025	52.10	53.60	1.50	2.00	0.04	-	0.08	20.60	106
NOR-22-026	141.56	142.35	0.79	8.00	0.02	0.04	0.01	5.49	272
NOR-22-027	118.87	120.00	1.13	28.20	0.12	0.05	0.32	5.24	303
"	<b>136.81</b>	<b>137.47</b>	<b>0.66</b>	<b>42.80</b>	<b>0.02</b>	<b>0.07</b>	<b>2.09</b>	<b>5.80</b>	<b>409</b>
"	190.00	196.67	6.67	63.20	0.10	0.18	0.26	1.02	152
<i>Including</i>	195.00	196.67	1.67	69.30	0.14	0.32	0.16	1.62	206
NOR-22-028	1.44	144.37	0.37	4.00	0.03	-	-	4.12	204
"	204.32	207.82	3.5	49.70	0.34	0.15	0.14	1.38	167
"	<b>212.48</b>	<b>217.86</b>	<b>5.38</b>	<b>69.10</b>	<b>0.28</b>	<b>1.15</b>	-	<b>0.02</b>	<b>248</b>

1. True widths have yet to be determined.

2. AgEQ in results assume (USD) \$1,750 Au and \$22 Ag per/oz, and \$4.30 Cu, \$1.25 Pb, and \$1.50 Zn per/lb., and 100% metallurgical recovery.

#### Procedure, Quality Assurance / Quality Control, and Data Verification

The diamond drill core (HQ size) was geologically logged, photographed and marked for sampling. Core designated for sampling was sawn in half with a diamond blade core saw. One-half of the core was sealed in plastic bags and shipped for analysis. The remaining half was returned to the core trays for storage and/or for metallurgical test work.

The sealed and tagged sample bags were transported to either the ActLabs facility in Zacatecas, Mexico, or the Bureau Veritas facility in Durango, Mexico where the samples were crushed and 200- to 300-gram pulp samples prepared with ninety percent passing Tyler 150 mesh (106 µm). The pulps were assayed for gold using a 30-gram charge by fire assay (Code 1A2 and/or FA450) and over limits greater than 10 grams per tonne are re-assayed using a gravimetric finish (Code 1A3 and/or FA550). Silver and multi-element analysis was completed using total digestion (Code 1F2 Total Digestion ICP). Over limits greater than 100 grams per tonne silver were re-assayed using a gravimetric finish (Code 8-Ag FA-GRAV Ag).

Quality assurance and quality control ("QA/QC") procedures monitored the chain-of-custody of the samples and included the systematic insertion and monitoring of appropriate reference materials (certified standards, blanks, and duplicates) into the sample strings. The results of the assaying of the QA/QC material included in each batch were tracked to ensure the integrity of the assay data. All results passed Silver Dollar's QA/QC protocols.



### New Target Development

In the Autumn of 2022, the Company engaged TMC Exploration to conduct a ground magnetic (MAG) survey on the Coloradito area within the Noria portion of the Property. The limited MAG survey was designed to test the signature of the pyrrhotite/intrusive contact associated with the Brazo discovery mineralization and identify any extensions or replication of that signature.

The ground magnetic lines were surveyed using GPS, chain, and compass spaced at 50 or 100 metres (m) and oriented at 060° to perpendicularly cross the Brazo, Brazo East and the Coloradito intrusive contact.

Magnetic readings were collected continuously by the instrumentation over 14 lines ranging between 1.325 to 1.5 kilometres (km) for a total of approximately 19.8 km of magnetic data.

TMC provided an interpretation identifying three relatively well contrasted and thin magnetic beds striking N150°/N330° that can be differentiated to the south (namely S-1, S-2, and S-3). Each bed may sub-outcrop and appears with some continuity at depth. They may underscore, for example, sulphide and ferromagnesian rich horizons hosted along a shear zone.

- S-1: is located in a largely blind area mostly covered with caliche (hardpan) with limited outcrops of limestone and hornfels.
- S-2: in general, follows a N-S trending just off the east side of the top of Coloradito with coincident anomalies and workings.
- S-3: is coincident with the El Brazo mineralization and identifies a prospective area to the south.

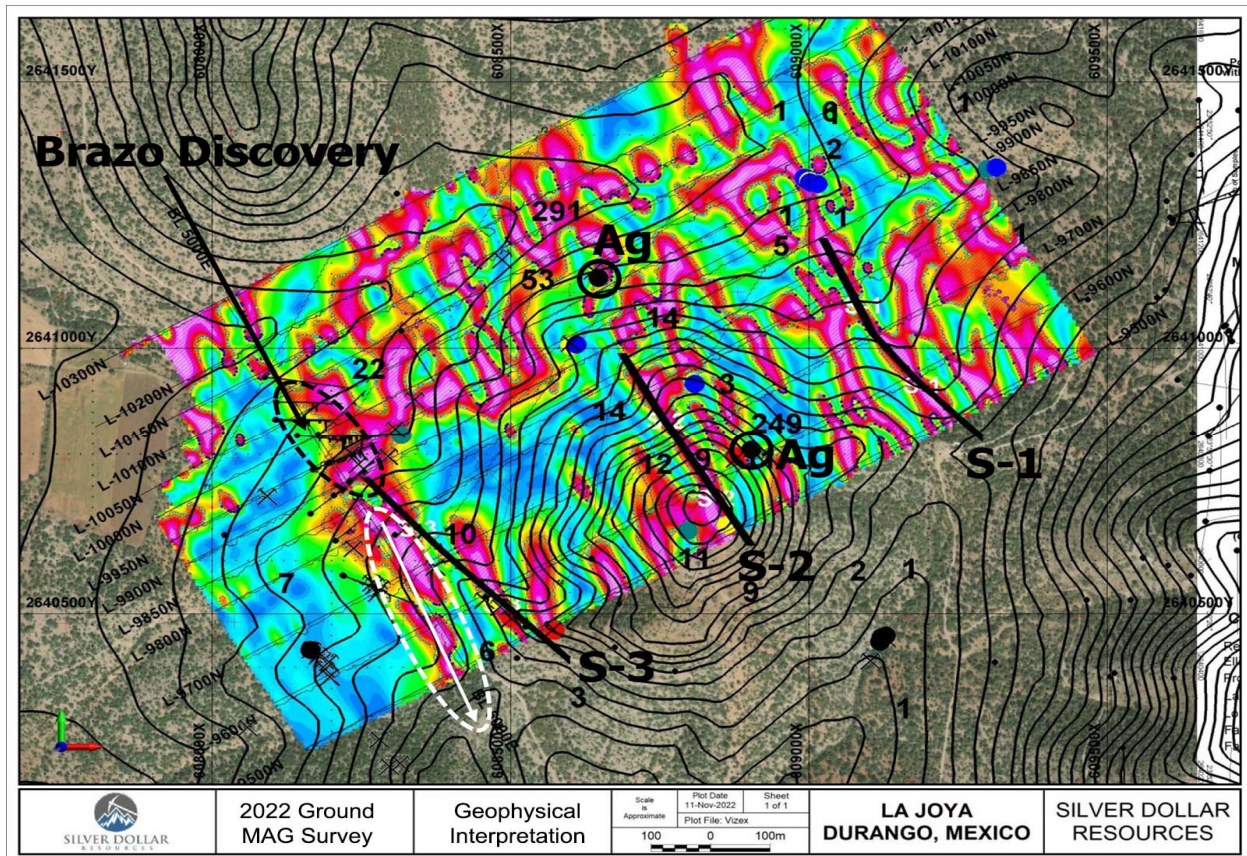


Figure 5: 2022 Brazo Discovery ground magnetic survey and geophysical interpretation

#### Ground Truthing and Surface Sampling

Detailed surface mapping and sampling have been carried out with a focus on the areas identified as targets by the ground magnetic survey. A total of 125 rock samples have been submitted to the lab for analysis, of which assays for 79 samples have been received to date.

On the S-2 target, mapping and sampling identified coincident alteration, mineralization, and old prospect pits and shafts. Sample assays returned values up to 291 grams per tonne (g/t) silver 0.8 g/t gold and 1.2% zinc.

On the S-3 target, which extends from the Brazo mineralization to the south, follow-up mapping and sampling also identified alteration zones and mineralization. Seven samples returned elevated zinc (0.3%-1.0%) and lead (1.4%-6.2%).

Further follow-up work is being conducted in the areas where both geophysical and geochemical anomalies have been identified to develop new drill targets.

#### Data Interpretation

Silver Dollar hired Orix Geoscience to compile and integrate all historical and 2021-2022 drilling into Leapfrog to model geology and mineralization in three dimensions. Additionally, all historical surface and recent sampling programs plus geophysical signatures were integrated with 3D modeled trends. This work will aid in understanding mineralizing controls and vector exploration and drilling efforts to expand the Brazo mineralization and test for similar style mineralization proximal to and around the Coloradito intrusive contact.

Mike Kilbourne, P.Geo., an independent Qualified Person as defined in NI 43-101, reviewed and approved the contents of the 2021-2022 drilling program overview and target development on behalf of the Company.

#### *Key Terms of the Option*

Under the terms of the definitive agreement, Silver Dollar may exercise the first option and acquire an initial 80% interest in the subsidiary holding the La Joya Silver Project by:

- a) paying to the optionor a total of \$1,300,000 plus annual holding costs for the property, of which:
  - i) \$300,000 upon execution of the definitive agreement (paid in August 2020),
  - ii) \$200,000 on or before the first anniversary of the definitive agreement (paid in July 2021),
  - iii) \$200,000 on or before the second anniversary of the definitive agreement (paid in July 2022),
  - iv) \$300,000 on or before the third anniversary of the definitive agreement, and
  - v) \$300,000 on or before the fourth anniversary of the definitive agreement;
- b) incurring exploration expenditures on the property of not less than \$1,000,000 within three years of entering into a surface rights agreement relating to the property, but in any event within five years of the date of the definitive agreement; and
- c) issuing to the optionor, within 45 days of the date of the definitive agreement, such number of common shares of the Company as is equal to 19.9% of the then-issued and outstanding shares of Silver Dollar (issued in August 2020).

If Silver Dollar incurs at least \$1,000,000 of exploration expenditures on the property within three years of the date of the definitive agreement, the optionor will waive the third- and fourth-anniversary cash option payments described above totalling \$600,000.

In addition, the optionor will reserve a 2% net smelter returns royalty interest in all minerals produced from the property.

Within 30 days after exercising its first option, Silver Dollar may exercise its second option and acquire the remaining 20% interest in the subsidiary that owns the La Joya Silver Project by delivering notice and issuing to the optionor the number of shares as is equal to 5% of the then-issued and outstanding shares of Silver Dollar.

If Silver Dollar exercises its first option, but elects to not exercise its second option, Silver Dollar and the optionor will be deemed to have formed a joint venture with respect to the property.

The definitive agreement also includes representations, warranties and covenants customary in transactions of this nature.

### **Longlegged Lake Property, Red Lake, Ontario**

#### *Overview*

In April 2022, Silver Dollar exercised its option to purchase the 8 multi-cell mining claims covering an area of 2,597 hectares comprising the Longlegged Lake Property. The property is located in the Red Lake Mining Division in northwestern Ontario, approximately 30 kilometres south of the community of Red Lake.

The Longlegged Lake Property lies within the Superior Province, straddling the suture zone between the east-west trending, Mesoarchean North Caribou and Winnipeg River Terranes to the north and south respectively. More specifically, the property is underlain by rocks assigned to the Uchi subprovince in the north, and the English River subprovince in the south. The English River and Uchi subprovinces in the property area are separated by the Pakwash Lake Fault Zone, a major east-west trending fault that is interpreted to splay from the Sydney Lake Fault zone, located south of the property.

The local geology fits the model for the style of mineralization found at the Eleonore deposit of Newmont Goldcorp Corp. in northern Quebec, where mineralization occurs in polydeformed sedimentary rocks near a subprovince boundary and near a quartz diorite stock (Beausoleil, 2015). However, the Company has not verified information with respect to the Eleonore deposit, and information with respect to the Eleonore deposit is not necessarily indicative of the mineralization on the Longlegged Lake Property.

On the Longlegged Lake Property, Silver Dollar is focused on identifying and delineating Archean-aged orogenic gold deposits (Groves et al., 1998). Following Kerrich et al. (2000), orogenic gold deposits are typically associated with crustal-scale fault structures, although the most abundant gold mineralization is hosted by lower-order splays from these major structures. Deposition of gold is generally synkinematic, syn- to post-peak metamorphism and is largely restricted to the brittle-ductile transition zone. Host rocks are highly variable, but typically include mafic and ultramafic volcanic rocks, banded iron formation, sedimentary rocks and rarely granitoids.

Previous work on the Longlegged Lake Property has indicated the presence of elevated, or anomalous, gold values in soil samples over an area associated with the Pakwash Lake Fault



Zone, which also marks the contact zone between a granodiorite to the north, and mafic volcanic and metasediments to the south. Management believes this environment represents a promising geological environment to host gold mineralization. This area is expected to be the main focus of exploration by Silver Dollar.

The technical information comprising the above overview was summarized from a report entitled “*Technical Report on the Longlegged Lake Property, Red Lake Mining Division, Northwestern Ontario (Amended and Restated)*” dated June 4, 2020 by Matthew Long, P. Geo., a Qualified Person for the purposes of National Instrument 43-101. The full text of the report is available on [SEDAR](#).

### 2019 Geophysical Survey

Silver Dollar completed a heliborne high-resolution magnetic (MAG) survey on the Longlegged Lake Property in the spring of 2019 that identified dominant northeast-southwest MAG lineaments interpreted to be the deep-seated crustal scale Pakwash Lake Fault Zone (Figure 6).

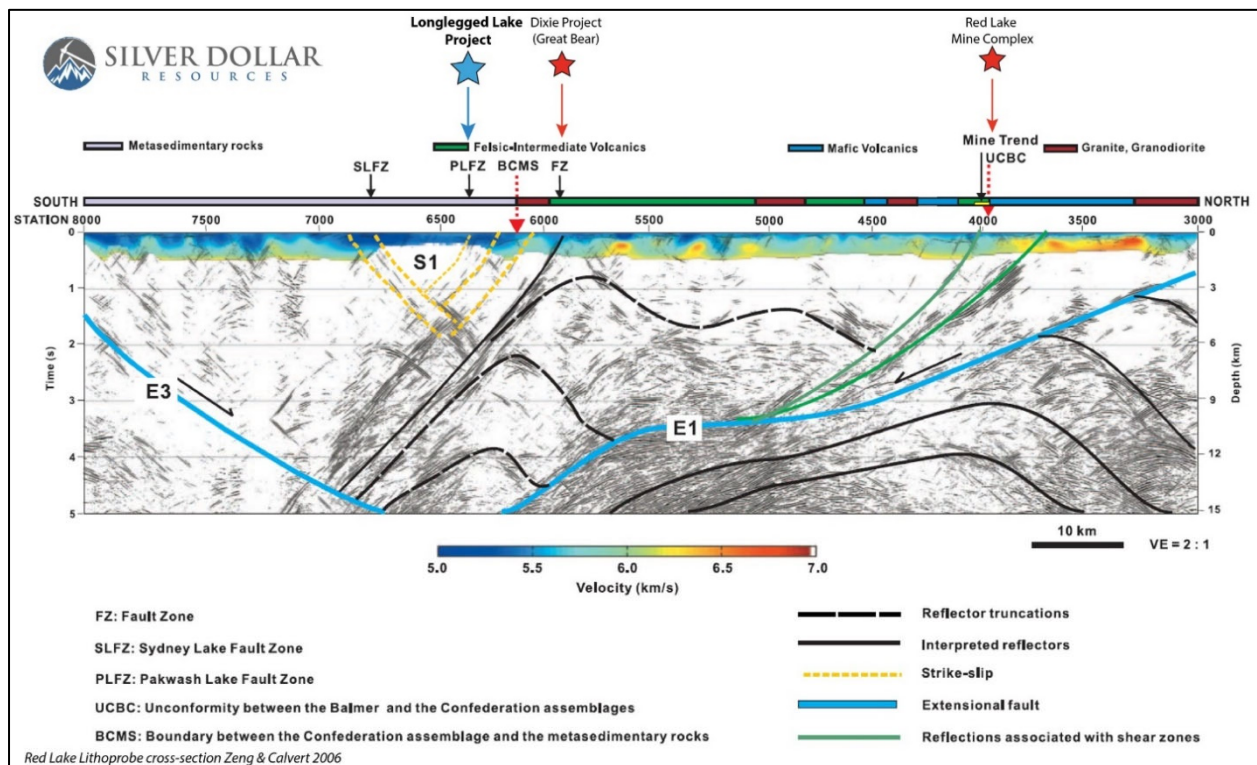


Figure 6: Deep Penetrating Regional Lithoprobe Seismic Survey

The MAG survey, which included a total of 1,837 line-kilometres on 25-meter line spacing, also identified many curved lineaments (Figure 7) which could be related to shearing and folding where dilation zones may have enabled mineralization to occur. Fieldwork underway will include soil sampling, geological mapping and prospecting to follow up on the key structures identified by the MAG survey. Previous work by Laurentian Goldfields indicated the presence of elevated or anomalous gold in soils along the Pakwash Lake Fault Zone. The Property is fully permitted for exploration and drilling.

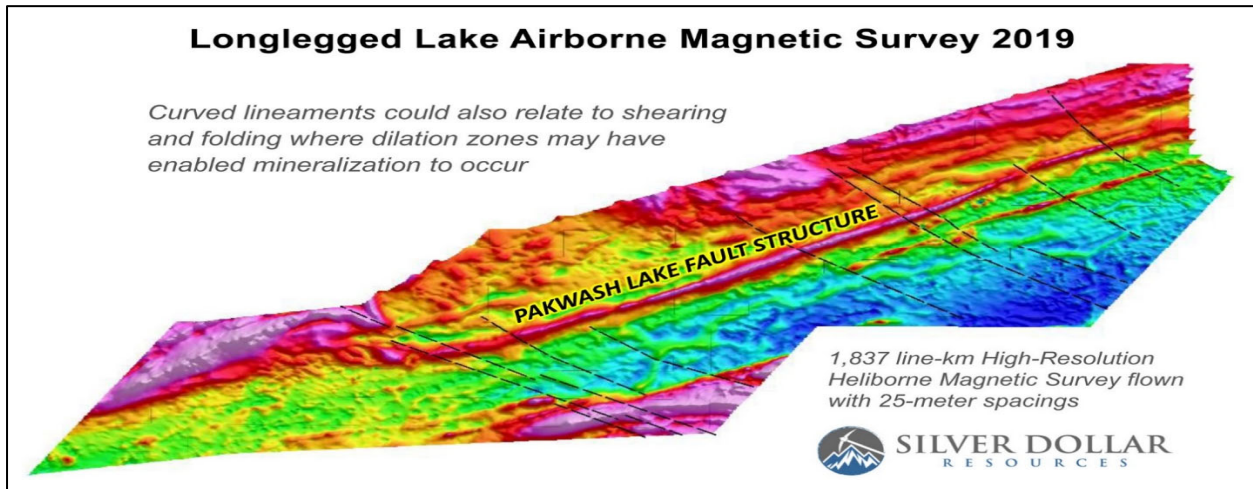


Figure 7: MAG Survey Showing Pakwash Lake Fault Zone Structure and Curved Lineaments

### 2020 Fieldwork

To further evaluate the Pakwash Lake Fault Zone, in 2020 Silver Dollar completed a program of prospecting and soil sampling of areas interpreted to be prospective to host gold mineralization. A till sampling program of 30 samples was completed to assess the potential of gold in basal till down ice direction of the Pakwash Lake Fault Zone. These samples were sent to Overburden Drilling Management in Nepean, Ontario for determination of the presence of gold grains. Gold grains within the samples will be classified as to their shape and size to help determine proximity to the potential source. The results of the sampling have been received and are being integrated into the exploration model.

The next phase of exploration is comprised of two areas of Induced Polarization (IP) surveying. The two grids were selected using the interpretation of the airborne magnetics. The IP survey is intended to define sulfide mineralization within or adjacent to the Pakwash Lake Fault Zone. In other locations within the Red Lake area, sulfide mineralization is associated with gold values.

Garry Clark, P.Geo. of Clark Exploration Consulting, a Qualified Person as defined in National Instrument 43-101, reviewed and approved the 2019 Geophysical Survey and 2020 Fieldwork technical content herein.

### Pakwash Lake Property, Red Lake, Ontario

#### Overview

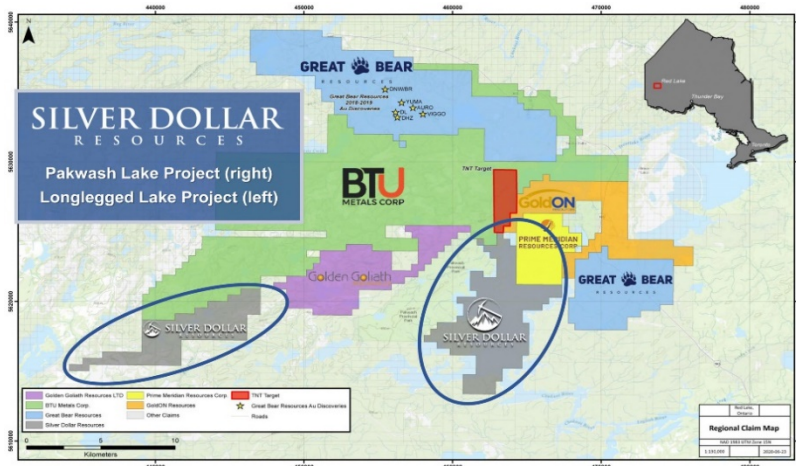


Figure 8: Pakwash Lake property regional claim map

In April 2022, the Company exercised its option to acquire 18 mining claims located in the Red Lake Mining Division in northwestern Ontario approximately 30 kilometres south southeast of the community of Red Lake.

The 4,252-hectare property is situated in a structurally active area of the Red Lake Mining Division where exploration activity has been re-energized

with the success of Great Bear Resources and the numerous high-grade gold discoveries on their Dixie property. Other active neighbours in the area include BTU Metals who have been drilling a potential Cu-Ag-Au VMS discovery called the TNT Target that adjoins the northern boundary of the Property (Figure 8).

A high-resolution airborne magnetic (MAG) survey completed by Laurentian Goldfields in 2011 identified the numerous geophysical features on the property including two dominant east-west trending MAG lineaments. These lineaments are interpreted to be the Pakwash Lake Fault Zone and Sydney Lake Fault Zone, which are deep-seated crustal-scale features and important markers for exploration in the region and warrant further investigation.

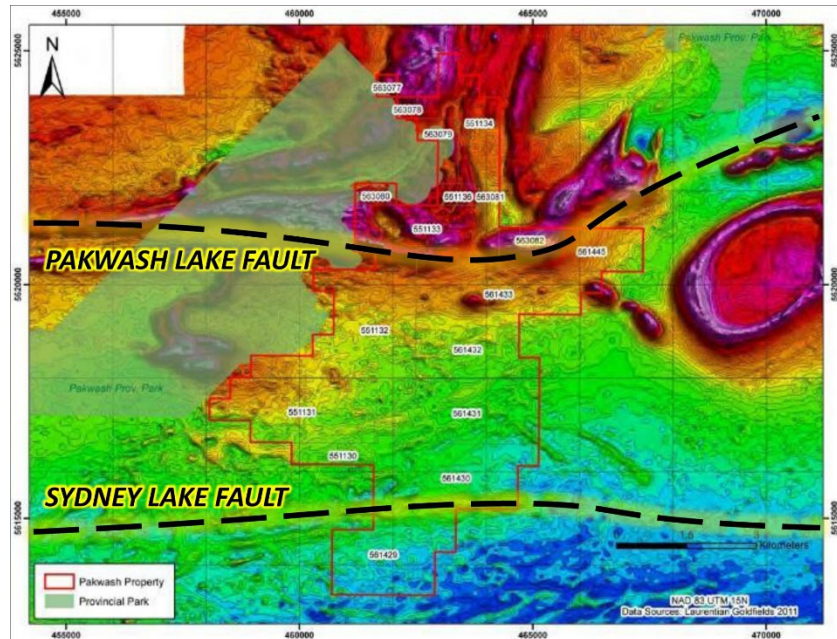


Figure 9: 2011 MAG survey with interpreted tracing of the Pakwash Lake and Sydney Lake fault zone structures crossing the property

The Pakwash Lake and Sydney Lake faults and splays run through the property (Figure 9) and orogenic gold deposits are typically associated with crustal-scale fault structures, although the most abundant gold mineralization is hosted by lower-order splays from these major structures (Kerrich et al. 2000). The property is fully permitted for exploration and drilling.

## Outstanding Share Data

As of the date hereof, the Company has 41,897,237 common shares issued and outstanding.

Also as of the date hereof, the Company has options outstanding which may be exercised to purchase a total of 2,750,000 shares. Of this total, 200,000 options may be exercised at \$0.15 per share until October 23, 2024, 400,000 options may be exercised at \$0.59 per share until June 26, 2025, 1,850,000 options may be exercised at \$1.75 per share until December 14, 2025, and 300,000 options may be exercised at \$1.75 per share until March 9, 2026.

## Transactions with Related Parties

During its 2022 financial year, the Company paid \$60,000 to Anacott Capital Corporation, a corporation controlled by the Company's Chief Executive Officer in respect of the management and administration of the Company.

## Changes in Accounting Policies Including Initial Adoption

The following standard has not yet been adopted by the Company:



### *Amendment to IAS 1: Presentation of Financial Statements*

In January 2020, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2023, with early adoption permitted. The amendments are to be applied retrospectively. The Company is currently assessing the impact of this amendment.

## **Financial Instruments and Other Instruments**

The fair value of the Company's accounts payable and accrued liabilities approximates their carrying value due to the short-term nature of these instruments unless otherwise noted. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Company monitors and manages the risks relating to its financial instruments through analysis of exposures by degree and magnitude of risks. These risks include credit risk, liquidity risk and market risk.

### **Credit risk**

Credit risk refers to the risk that another entity will default on its contractual obligations resulting in financial loss to the Company. As of August 31, 2022, such contractual obligations comprised cash held with high creditworthy financial institutions in the amount of \$7,155,593. Management considers this risk to be negligible.

### **Liquidity risk**

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due or can only do so at excessive cost. As of August 31, 2022, the Company had working capital of \$7,302,378. Management anticipates that the Company will be able to meet its obligations as they become due.

### **Market risk**

Market risk is the risk that the fair value of a financial instrument will fluctuate because of currency risk, interest rate risk and other price risk. Management considers this risk to be negligible.

### *Currency risk*

Currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada and Mexico and incurs operating and exploration expenditures in Canadian dollars, Mexican Pesos and United States dollars. The fluctuation of the Canadian dollar in relation to other currencies will have an impact upon the results of the Company. The Company does not hold substantial funds in foreign currencies, and only a small amount of its accounts payable and accrued liabilities is denominated in foreign currencies. A fluctuation in the exchange rates between Canadian dollars and Mexican Pesos of 10% would result in a \$15,800 change in the Company's cash and a \$193,700 change in net assets. The Company does not use any techniques to mitigate currency risk.

### *Interest rate risk*

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company

does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

*Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. Management considers this risk to be negligible.

**Fair Value Hierarchy**

Financial instruments recorded at fair value in the Condensed Consolidated Interim Statements of Financial Position are classified using 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 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on 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 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Cash is measured using Level 1 of the fair value hierarchy.

**Other Information**

Additional information relating to the Company is available from the Company's website at <https://silverdollarresources.com> and on SEDAR at [www.sedar.com](http://www.sedar.com).

ON BEHALF OF THE BOARD

/s/ Michael Romanik  
Michael Romanik, President