



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, 2023

Containing information as of December 28, 2023

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[®] 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 Nora Silver-Gold Project located in Durango, Mexico and it owns the La Joya Silver Project located in Durango, Mexico and 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, 2023 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 \$4,622,037 as of August 31, 2023. 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 the Company’s 2023 financial year, its consolidated net loss was \$1,625,110, as compared with a \$274,756 net loss for the same period last year. This \$1,350,354 increase was caused primarily by a \$1,032,036 non-cash writedown of exploration and evaluation assets and a \$72,541 non-cash loss upon settlement of its \$200,000 Canasil loan receivable. Offsetting these somewhat were a \$106,641 decrease in promotion costs following the cessation of an investor relations program launched in 2020 and a \$51,752 non-cash unrealized gain on securities.

Annual Results

During its 2023 financial year, the Company experienced a consolidated net loss of \$1,838,059. This represents a \$783,828 increase from the \$1,054,231 loss last year. The bulk of this change was, as described above, caused by a \$1,032,036 non-cash writedown of exploration and evaluation assets and a \$163,774 increase in professional fees. Offsetting these increases was a \$419,529 decrease in promotion costs.

Cash Flow

As of its August 31, 2023 financial year-end, the Company had cash of \$4,502,151 as compared with \$7,155,593 at the beginning of the financial year – a decrease of \$2,653,442. Of this total, \$573,665 of cash was used for its operations, \$1,869,118 of cash was used for the exploration and acquisition of the Company’s silver and gold projects, and \$200,000 was advanced as a loan to Canasil Resources Inc. pursuant to its option and exclusivity agreements with Canasil. Management expects exploration expenditures to continue at a similar pace in the coming year as it continues exploring its La Joya, Nora, Longlegged Lake and Pakwash Lake projects.

For a detailed breakdown of exploration and evaluation assets for the Company’s 2023 financial year on a property-by-property basis as well as for last year, refer to the Consolidated Schedules of Exploration and Evaluation Assets accompanying the financial statements.

General

The Company is exploring its La Joya and Nora silver and gold projects in Durango, Mexico and its Longlegged Lake and Pakwash Lake gold properties near Red Lake, Ontario. With silver and gold prices near all-time highs, management expects world political turmoil and ongoing inflation to continue pressuring prices higher. Accordingly, the Company plans to continue its strategy of advancing its mineral properties to add shareholder value.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global

challenges, such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

Selected Annual Information

	2023	2022	2021
Revenue	\$ -	\$ -	\$ -
Net loss	(1,838,059)	(1,054,231)	(4,478,458)
Net loss per share	(0.04)	(0.03)	(0.12)
Total assets	16,031,803	16,557,334	17,400,314
Total non-current financial liabilities	-	-	-
Cash dividends declared	-	-	-

Summary of Quarterly Results

	2023				2022			
	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income (loss) for the period	(1,625,110)	253,286	(168,862)	(297,373)	(274,756)	(214,174)	(317,851)	(247,450)
Income (loss) per share	(0.04)	0.01	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Total comprehensive loss	(929,746)	(133,911)	(14,063)	(151,843)	(221,354)	(216,335)	(316,887)	(249,756)

Variations in operating loss from quarter to quarter typically result from increases in exploration and property acquisition activity. During periods of greater activity, professional fees, consulting fees, costs relating to regulatory approvals, and travel and promotion costs will typically increase.

During the third quarter of 2023, non-cash foreign exchange gains contributed to the marked increase in operating income, while during the fourth quarter of 2023, net loss increased when management deemed it prudent to write down the value of certain of its exploration and evaluation assets.

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 2024.

Mineral Exploration Activities

La Joya Silver Project, Durango, Mexico

Overview

In May 2023, Silver Dollar exercised its option and acquired a 100% interest in First Majestic's La Joya silver-copper-gold property (the "Property"). Located in the southeastern portion of the State of Durango in the Mexican Silver Belt, this exploration and development stage property consists of 15 mineral concessions totaling 4,646 hectares and hosts the Main Mineralized Trend (MMT), Santo Nino, and Coloradito deposits.

The Property is situated approximately 75 kilometres southeast of the state capital city of Durango in a prolific high-grade silver 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's La Parrilla and Del Toro Silver Mines. Access and infrastructure near the Property are considered excellent with highway, rail, and power lines nearby.



Figure 1: La Joya Silver Property location and area mines

History

First Majestic acquired the La Joya Property as part of its acquisition of SilverCrest Mines Inc. in 2015. In 2013, SilverCrest disclosed a mineral resource estimate for the Property that was reported to conform to CIM definitions for resource estimation (Table 1). A qualified person of Silver Dollar has not done sufficient work to classify this historical resource and the Company is not treating it 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:Au is 50:1, Ag:Cu 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.

Mike Kilbourne, P. Geo, an independent qualified person as defined in NI 43-101, reviewed and approved the technical contents above on behalf of the Company.

2021-2022 Drilling Program

In 2021 and 2022, the Silver Dollar 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 tonne (g/t) silver equivalent (AgEq) over 1.29 metres (m).
- Hole NOR-22-024 returned 894 g/t AgEq over 0.5 m.

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.

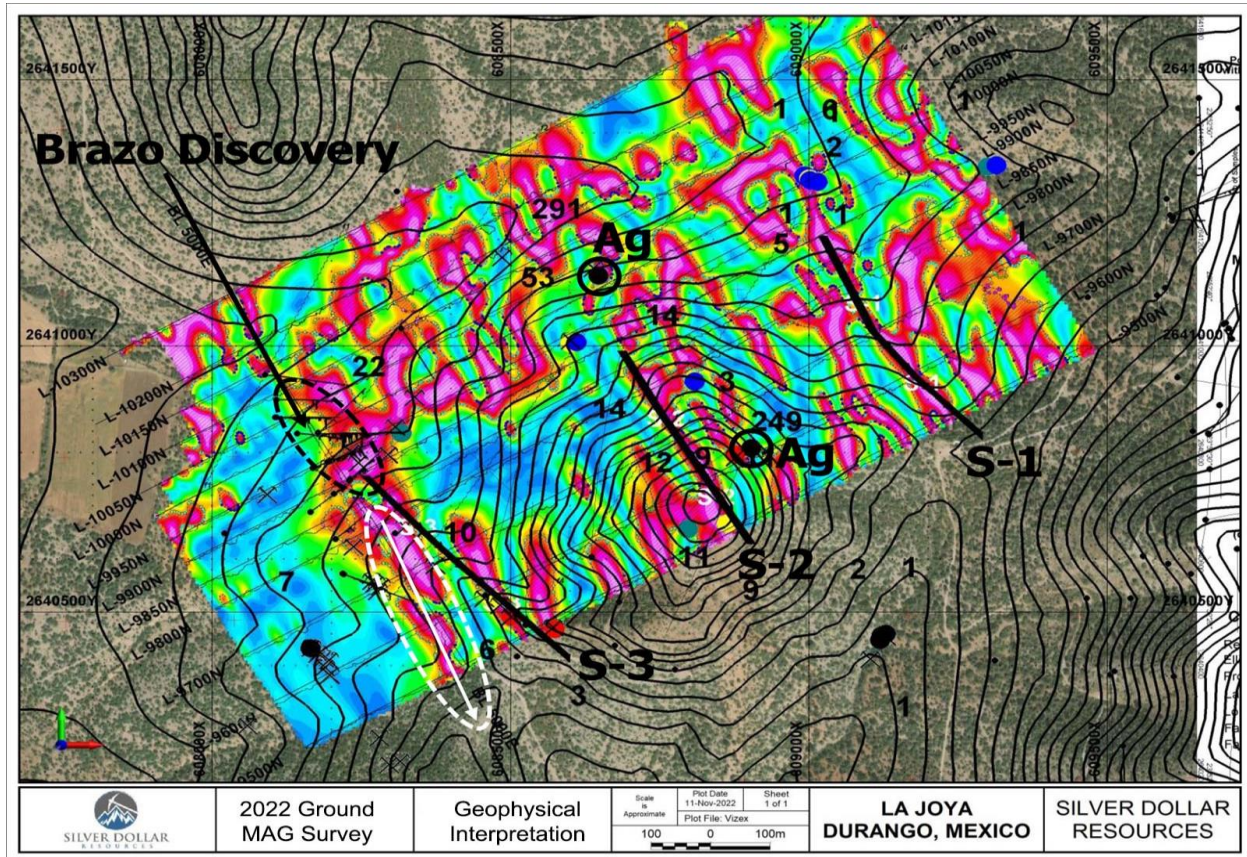


Figure 2: 2022 Brazo Discovery ground magnetic survey and geophysical interpretation

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 were submitted to the lab for analysis. The results are discussed below.

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%).

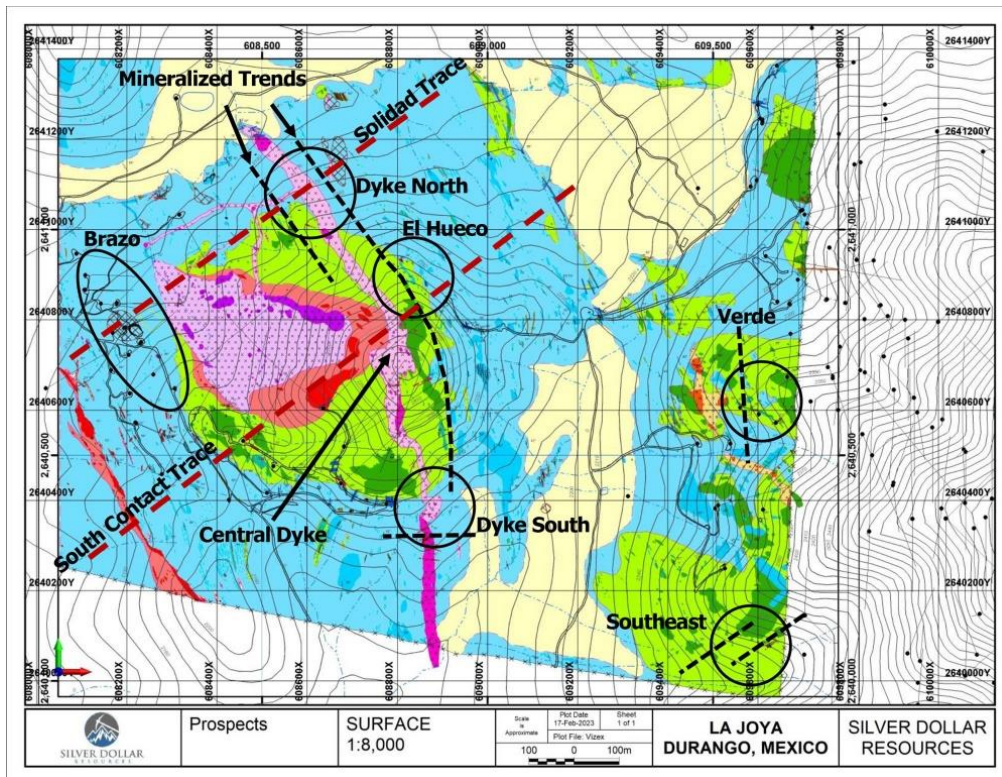
Data Interpretation

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.

Mapping

In February 2023, the Company completed its geological mapping and sampling program to cover all of the Coloradito-Noria ground at a 1:1,000 scale.



The mapping and sampling program identified five mineralized areas (see Figure 3): the Verde and El Hueco areas were partially drilled by a previous operator, and the Dyke North, Dyke South, and South-East areas have never been drill-tested. A summary of each area follows:

Verde Area:

Verde is a historical surface occurrence with visible copper mineralization and where three historical holes were drilled at 045° (LJ-DD-11-11, 12 & 13). The best assay results from this area were chip sample #120 that returned 415 grams per tonne (g/t) silver equivalent (AgEQ) over 0.3 metres (m), and chip sample #121 that returned 1,218 g/t AgEQ over 0.3 m. Both samples strike north and north-northwest dipping to the west. Historical hole LJ-DD-11-11 was collared near these samples but missed the surface mineralization as it was targeting a deeper area. A better understanding of this structure down dip to the west and its relation to the nearby "Dique Viejo" dyke, could provide better guidance to justify follow-up drilling of this target.

El Hueco Area:

Hueco Grande is a significant historical working on a structure with a true width of at approximately 3 m wide and mined to a depth of 15 m. Grab sample #16 was a composite sample taken over 5 m of dump material that assayed 391 g/t AgEQ. Assuming safe access into the workings can be established, proper mapping and sampling will be done. The extension of these workings could be targeted from an existing drill pad 55 m to the northeast.

Dyke North Area:

Dyke North mineralization is located within and around the northern extension of the Central Dyke Zone. Here mineralization has been identified in three parallel zones: within the dyke, 70 m to the east of the dyke in the foot wall, and 20 m to the west in the hanging wall.

The North Hanging Wall is defined by a series of small pits over a 105 m strike length where six samples assayed 474 g/t AgEQ (dump #91), 148 g/t AgEQ over 1.5 m (chip #92), 82 g/t AgEQ over 0.6 m (chip #93), 96 g/t AgEQ over 1 m (chip #90), 113 g/t AgEQ (dump #24), and 50 g/t AgEQ over 0.6 m (chip #25). These pits all have poor and sloughed-in conditions that will be investigated further.

Mineralization within the intrusive dyke has been identified in dumps and an outcrop where a dump material sample (#80) assayed 267 g/t AgEQ, and a 0.3 m chip sample (#81) assayed 53 g/t AgEQ. Gold is elevated within the intrusive with a high of 1.88 g/t Au in sample #80. Again, exposure is limited here that will be followed up.

At the North Foot Wall, there are three pits over approximately 50 m paralleling the dyke where grab sample #83 assayed 46 g/t AgEQ, chip sample #82 assayed 453 g/t AgEQ over 1.7 m, and grab sample #23 assayed 682 g/t AgEQ. These showings are 400 m north of and on strike with Hueco Grande, with samples from three showings in between returning assays of 518 g/t AgEQ (dump #85), 165 g/t AgEQ over 1.6 m (chip #84), and 73 g/t AgEQ over 2 m (chip #22).

Dyke South Area:

In the South Dyke area, there is the southward extension of the mineralized trace from Hueco Grande 350 m to the north. Chip sample #35 was taken from a small working and assayed 305 g/t AgEQ over 1.8 m.

The "South Dyke Au Zone" is defined by six grab samples (#42 through #47) that returned assays of 0.40, 0.26, 0.35, 0.85, 0.56, and 0.31 g/t Au, respectively, over a 25 x 25 m area. These occur within three east-west trending shear zones exposed in a series of low-lying outcrops. Further mapping and trenching are recommended.

South-East Area:

The "South-East" area consists of two parallel structures approximately 100 m apart. The eastern structure is poorly exposed, with the best result coming from a chip sample (#78) that assayed 401 g/t AgEQ over 0.8 m. The western structure is defined by two collapsed prospect pits with no exposed outcrop. Hand and/or backhoe trenching across both structures could improve the understanding of this area.

2023 Drilling Program

In late January 2023, two widely spaced holes were drilled to target the untested southern extension of the Brazo structure, coincident with the S-3 MAG anomaly and near the intersection of major structures. Hole NOR-23-029 was drilled to a total depth of 336 m and intersected a broad >100 m hornfels zone with local concentrations of sulphides. Hole NOR-23-030 was drilled to a total depth of 549 m and cut through a very wide alteration zone with local sulphides throughout the entire 200-m zone. All drill core has been logged with samples from both holes shipped for assay.

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 testwork.

The sealed and tagged sample bags were transported to the ActLabs facility in Zacatecas, Mexico, where the samples were crushed and 200- to 300-gram pulp samples were prepared with 90 per cent passing Tyler 150 mesh (106 micrometres). The pulps were assayed for gold using a 30-gram charge by fire assay (Code 1A2 and/or FA450) and overlimits greater than 10 g/t were reassayed using a gravimetric finish (Code 1A3 and/or FA550). Silver and multielement analysis were completed using total digestion (Code 1F2 total digestion ICP). Overlimits greater than 100 g/t silver were reassayed using a gravimetric finish (Code 8-Ag FA-GRAV Ag).

Quality assurance and quality control ("QA/QC") procedures monitor the chain-of-custody of the samples and include 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 are tracked to ensure the integrity of the assay data. All results stated in this news release have passed Silver Dollar's QA/QC protocols.

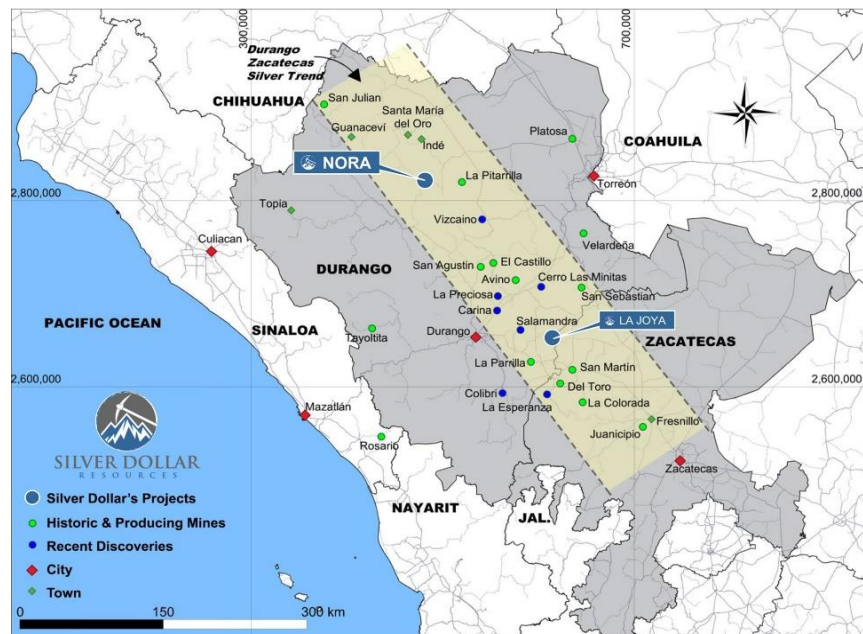
Mike Kilbourne, P.Geo., an independent Qualified Person as defined in NI 43-101, reviewed and approved the contents of the 2021-2022 drilling program overview, target development and 2023 drilling program on behalf of the Company.

Nora Silver-Gold Project, Durango, Mexico

Overview

Located in the Eastern Sierra Madre sub-province in the transition to the high plateau of Mexico, the Nora silver-gold property (the "Property") lies centrally within the "Silver Trend" that runs from the northwest to the southeast through Durango State. Significant deposits in the region include Endeavour Silver's Guanaceví mine and Fresnillo's San Julián mine on-trend to the northwest, with Endeavour Silver's Pitarrilla project approximately 50 kilometres (km) to the east. Pitarrilla is one of the largest undeveloped silver deposits in the world and was discovered by Perry Durning and Frank (Bud) Hillemeier, Silver Dollar's technical advisors.

The Property is located approximately 200 km north-northwest of the city of Durango, with excellent year-round access via Federal highway, paved road, and local dirt roads. Local infrastructure is available in the towns of Tepehuanes and Santa Maria del Oro and the city of Santiago Papasquiario, all within 50 km of the Property.



The geological setting is a Tertiary-aged volcanic flow- *Figure 4: Canasil map showing the location of the Nora property and other mines and deposits in the region*

dome complex. Gold-silver mineralization is hosted within two structurally controlled epithermal veins. Mineralization is typical of that found at many mines in the region, with gold and silver associated with galena, sulfosalt minerals, and lesser pyrite, sphalerite, and chalcopyrite.

There are two principal veins outcropping at the Nora project:

- The Candy vein, which shows evidence of small-scale historical mining activity, is 0.50 m to 2.00 m wide and is exposed in discontinuous outcrops for over 900 m with the fault structure hosting the vein traced over 3 km.
- The Nora vein is located 600 m northeast of the Candy vein with a parallel north-south strike and can be traced for 230 m along strike with widths of over 9.0 m.

Only 500 m of the potential 3-km strike of the Candy vein structure has been drill tested, and only to a depth of 250 m below surface.

In addition to the Candy vein structure, historical systematic grid soil sampling over a 2 km east-west and 3 km north-south area covering the central zone of the project returned widespread silver, gold, copper, zinc, and lead geochemical anomalies coincident with pathfinder mineral anomalies. The gold and silver anomalies are particularly strong over the 3 km strike extent of the Candy vein structure on the western side of the project area, as well as to the southwest and east of the Candy vein structure. A strong silver and gold anomaly also extends for 1.5 km southwest from the central area of the Candy vein, and a breccia target has been identified to the south with the potential for hosting bulk tonnage disseminated silver-gold mineralization.

Mike Kilbourne, P.Geol., an independent Qualified Person (the "QP") as defined in NI 43-101, has reviewed and approved the technical contents hereof on behalf of the Company. The QP and the Company have not completed sufficient work to verify the information on the Nora Property, particularly regarding historical exploration, neighbouring companies, and government geological work.

Option terms

Under the terms of the Nora Option Agreement, Silver Dollar can earn a 100% interest in the Property by incurring total exploration expenditures of \$3,000,000 and making cash payments totaling \$375,000 over five years. Upon earning a 100% interest in the Property, Silver Dollar will grant Canasil a 3% net smelter returns royalty, with Silver Dollar having the right to buy back 1% of the royalty for \$3,000,000. After granting the royalty, Silver Dollar will also pay an annual royalty of \$25,000 which will be offset against the 1% royalty buyback.

Longlegged Lake Property, Red Lake, Ontario

Overview

Silver Dollar owns a 100% interest in the Longlegged Lake property, subject to a 1.5% net smelter returns royalty. Located approximately 30 kilometres south of the town of Red Lake, Ontario, Canada, the 2,597-hectare property is situated in a structurally active area of the Red Lake Mining Division approximately 15 km south of the Dixie Gold property. Other active neighbours in the area include BTU Metals, who staked a large claim package adjoining the northern boundary of the property (Figure 5) to expand their Dixie-Halo property; and Golden Goliath Resources, who reported their Kwai property to the north-east of the property along the PLFZ has been found to host a repetition of the same sequence of rocks that hosts the LP Zone on the Dixie property.

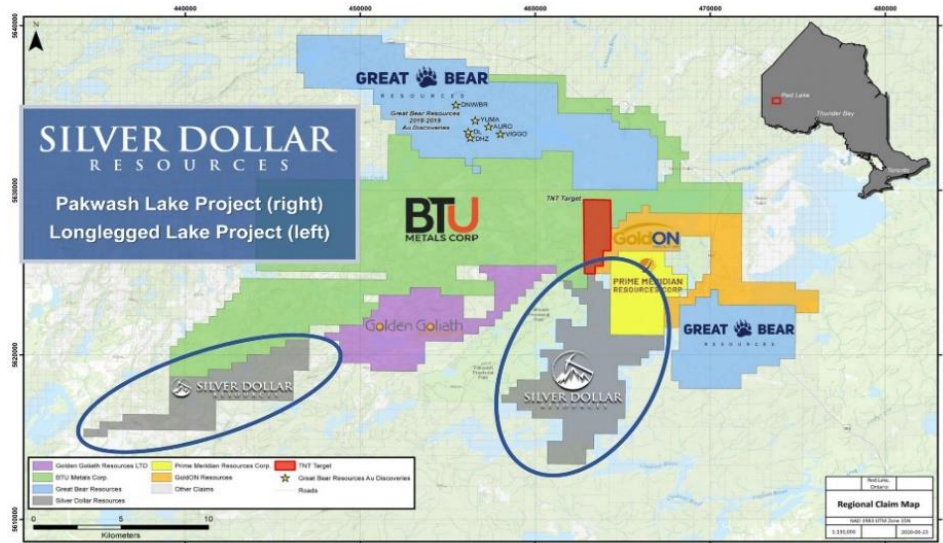


Figure 5: Location of Silver Dollar's Longlegged Lake and Pakwash Lake Properties

2019 Geophysical Survey

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

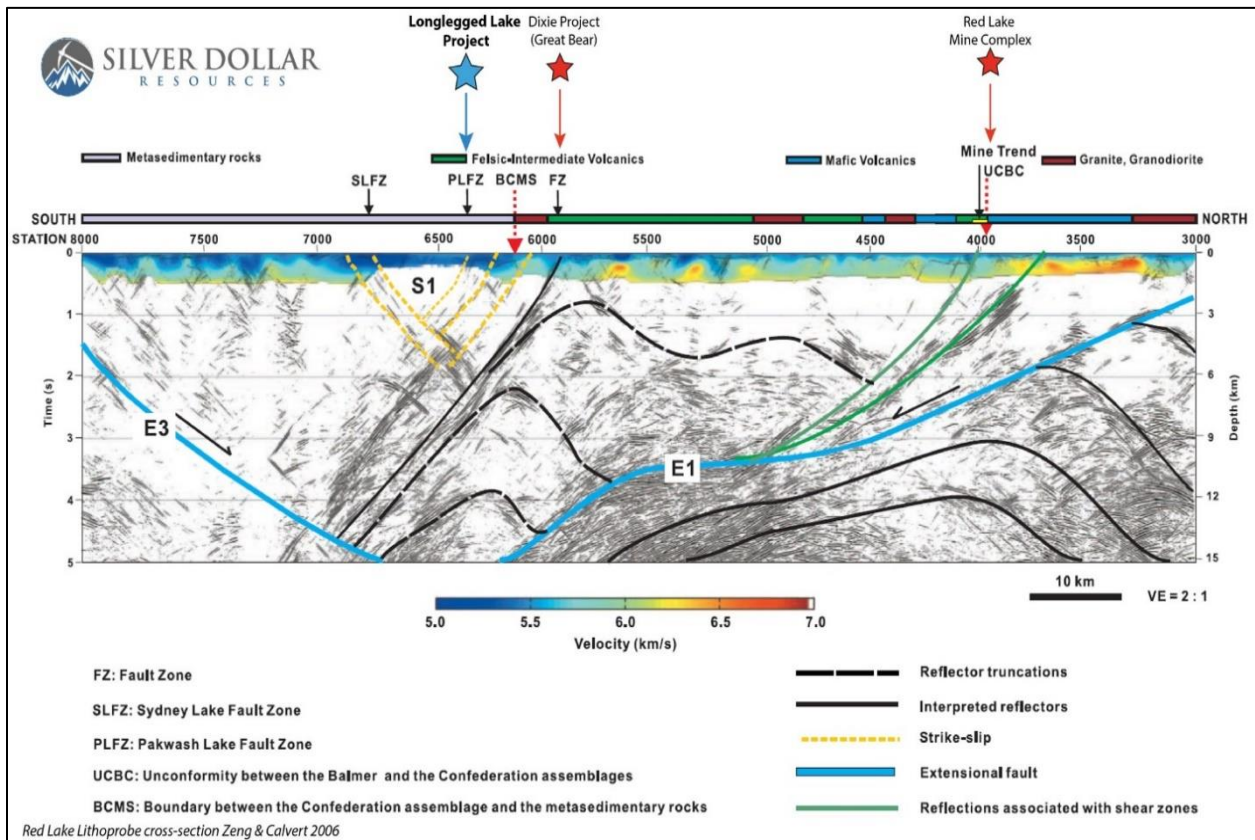


Figure 6: Deep Penetrating Regional Lithoprobe Seismic Survey

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.

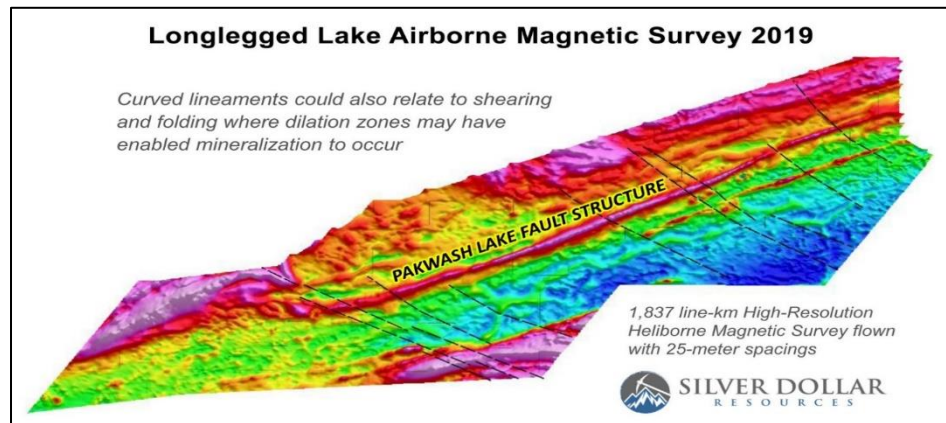


Figure 7: MAG Survey Showing Pakwash Lake Fault Zone Structure and Curved Lineaments

2020 Fieldwork

To further evaluate the anomalous gold in soils along the Pakwash Lake Fault Zone, Silver Dollar completed 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. Gold grains within the samples were classified as to their shape and size to help determine proximity to the potential source, and the results of the sampling were 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. The property is fully permitted for exploration and drilling.

Mike Kilbourne, P. Geo, an independent qualified person as defined in NI 43-101, has reviewed and approved the technical contents herein.

Pakwash Lake Property, Red Lake, Ontario

Overview

Silver Dollar owns a 100% interest in the Pakwash Lake property, subject to a 1.5% net smelter returns royalty. Located approximately 30 kilometres (km) south-southeast of the town of Red Lake, Ontario, Canada, the 4,252-hectare property is situated in a structurally active area of the Red Lake Mining Division where exploration activity was re-energized with the success of Great Bear (now owned by Kinross Gold) and the numerous high-grade gold discoveries on the Dixie property located ~7.5 km to the north. Other active neighbours in the area include BTU Metals who have been drilling untested IP anomalies on their Dixie Halo property for potential base metals (Cu-Zn) as well as gold and silver at their prospect called the TNT Target near the northern boundary of the Pakwash Lake property (see Figure 5).

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. These faults are considered deep-seated crustal-scale features from a 2006 deep penetrating regional lithoprobe seismic survey and important markers for exploration in the region and warrant further investigation.

The Pakwash Lake and Sydney Lake faults and splays run through the property (Figure 8) 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.

Mike Kilbourne, P. Geo, an independent qualified person as defined in NI 43-101, has reviewed and approved the technical contents herein.

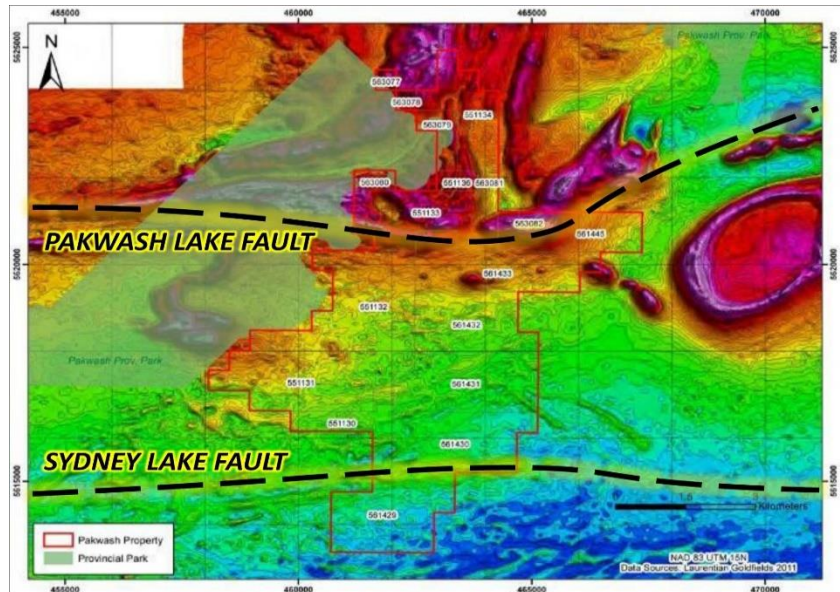


Figure 8: 2011 MAG Survey with Interpreted Tracing of the PLFZ and SLFZ Structures Crossing the Property

Outstanding Share Data

As of the date hereof, the Company has 44,102,355 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 2023 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

New Accounting Standards and Interpretations Recently Adopted

There were certain standards and amendments adopted by the Company during the year that had no material impact on the financial statements.

New Accounting Standards and Interpretations Not Yet Adopted

Amendments to IAS 8: Definition of Accounting Estimates

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary

amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company does not expect there will be a material impact on the future consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

These amendments continue the IASB's clarifications regarding applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company expects there will be fewer significant accounting policies to be disclosed in the future consolidated financial statements.

Amendment to IAS 1: Presentation of Financial Statements

Amendments to IAS 1 clarify the requirements for classifying liabilities as current or non current. The amendments provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024. The Company does not expect there will be a material impact on the future consolidated financial statements.

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, 2023, such contractual obligations comprised cash and cash equivalents held with high creditworthy financial institutions in the amount of \$4,502,151. 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, 2023, the Company had working capital of \$4,622,037. 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, but a large proportion of its accounts payable and accrued liabilities are denominated in foreign currencies. A fluctuation in the exchanges rates between Canadian dollars and Mexican pesos of 10% would result in a \$10,400 change in the Company's cash and a \$1,136,000 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 Consolidated 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.

The following tables present the financial instruments recorded at fair value in the Consolidated Statements of Financial Position, classified using the fair value hierarchy described above:

<u>Assets as at August 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$4,502,151	\$ -	\$ -
Marketable securities – shares	133,333	-	-
Marketable securities – warrants	-	-	45,878

<u>Assets as at August 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$7,155,593	\$ -	\$ -

Other Information

Additional information relating to the Company is available from the Company's website at <https://silverdollarresources.com> and on SEDAR+ at www.sedarplus.ca.

ON BEHALF OF THE BOARD

/s/ Michael Romanik
Michael Romanik, President