



Silver Dollar Resources Inc.

Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

November 30, 2023

Notice of No Auditor Review

The accompanying unaudited condensed consolidated interim financial statements were prepared by management and approved by the Audit Committee and the Board of Directors.

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

Silver Dollar Resources Inc.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	November 30 2023	August 31 2023
ASSETS		
Current		
Cash and cash equivalents	\$ 4,172,749	\$ 4,502,151
Accounts receivable	33,417	41,385
Marketable securities (note 5)	-	179,211
Prepaid expenses	55,106	37,341
	4,261,272	4,760,088
Equipment	5,365	5,647
Exploration and evaluation assets (note 6)	11,362,557	11,266,068
	\$ 15,629,194	\$ 16,031,803
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 8)	\$ 133,586	\$ 138,051
SHAREHOLDERS' EQUITY		
Share capital (note 7)	19,926,114	19,926,114
Share-based payment reserve (note 7)	2,709,352	2,709,352
Accumulated other comprehensive income	522,552	658,395
Deficit	(7,662,410)	(7,400,109)
	15,495,608	15,893,752
	\$ 15,629,194	\$ 16,031,803

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Silver Dollar Resources Inc.

Condensed Consolidated Interim Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

Three month periods ended November 30, 2023 and 2022

	2023	2022
Expenses		
Consulting	\$ 28,047	\$ 61,870
Depreciation	282	353
Foreign exchange loss (gain)	(264)	321
Insurance	7,643	6,324
Interest and bank charges	790	606
Listing and filing fees	11,715	5,216
Management and administration fees (note 8)	24,000	24,000
Office	1,007	1,344
Professional fees	44,779	66,095
Site investigation fees	160	-
Transfer agent	1,671	1,911
Travel and promotion	2,076	74,583
Operating loss	(121,906)	(242,623)
Other income (expense)		
Interest income (repayment)	38,816	(54,750)
Unrealized loss on securities	(179,211)	-
	(140,395)	(54,750)
Loss for the period	(262,301)	(297,373)
Other comprehensive income (expense)		
Exchange difference on translating foreign operations	(135,843)	145,530
Total comprehensive loss	\$ (398,144)	\$ (151,843)
Loss per share - basic and diluted	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding	44,102,355	41,897,237

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Silver Dollar Resources Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

Three month periods ended November 30, 2023 and 2022

	Issued Share Number	Capital Amount	Share-based Payment Reserve	Accumulated Other Comprehensive Income	Deficit	Total
Balances, August 31, 2022	41,897,237	\$ 19,165,348	\$ 2,709,352	\$ 49,899	\$ (5,562,050)	\$ 16,362,549
Loss for the period	-	-	-	-	(297,373)	(297,373)
Exchange difference on translating foreign operations	-	-	-	145,530	-	145,530
Balances, November 30, 2022	41,897,237	19,165,348	2,709,352	195,429	(5,859,423)	16,210,706
Shares issued for acquisition	2,205,118	760,766	-	-	-	760,766
Loss for the period	-	-	-	-	(1,540,686)	(1,540,686)
Exchange difference on translating foreign operations	-	-	-	462,966	-	462,966
Balances, August 31, 2023	44,102,355	19,926,114	2,709,352	658,395	(7,400,109)	15,893,752
Loss for the period	-	-	-	-	(262,301)	(262,301)
Exchange difference on translating foreign operations	-	-	-	(135,843)	-	(135,843)
Balances, November 30, 2023	44,102,355	\$ 19,926,114	\$ 2,709,352	\$ 522,552	\$ (7,662,410)	\$ 15,495,608

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Silver Dollar Resources Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

Three month periods ended November 30, 2023 and 2022

	2023	2022
Operating activities		
Loss for the period	\$ (262,301)	\$ (297,373)
Adjustment for items not involving cash:		
Depreciation	282	353
Foreign exchange loss (gain)	(264)	321
Unrealized loss on securities	179,211	-
	(83,072)	(296,699)
Changes in non-cash working capital:		
Accounts receivable	7,968	(65,150)
Prepaid expenses	(17,765)	49,856
Accounts payable and accrued liabilities	(4,465)	(138,111)
	(97,334)	(450,104)
Investing activity		
Investments in exploration and evaluation assets	(214,406)	(245,547)
Net change in cash and cash equivalents	(311,740)	(695,651)
Effect of foreign exchange on cash and cash equivalents	(17,662)	23,573
Cash and cash equivalents, beginning of period	4,502,151	7,155,593
Cash and cash equivalents, end of period (note 9)	\$ 4,172,749	\$ 6,483,515
Supplemental cash flow information		
Interest received (repaid)	\$ 1,249	\$ (54,750)
Income taxes paid	-	-

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

November 30, 2023 and 2022

1. Nature and Continuance of Operations

The Company was incorporated on November 19, 2018 under the laws of the Province of British Columbia, Canada.

The Company is in the business of exploring its mineral exploration assets and has not yet determined whether these properties contain ore reserves that are economically recoverable. As of November 30, 2023, the Company was in the exploration stage and had interests in properties in Durango, Mexico and Ontario, Canada.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern and the recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition thereof.

The Company has sustained losses from operations and has an ongoing requirement for capital investment to explore its exploration and evaluation assets. As of November 30, 2023, the Company had working capital of \$4,127,686 (August 31, 2023 – \$4,622,037). Based on its current plans, budgeted expenditures and cash requirements, the Company does not have sufficient cash to finance its current plans and will need to raise substantial additional capital to accomplish its plans over the next several years. The Company intends to seek additional financing through equity financing, though there can be no assurance as to the availability or terms upon which such financing might be available.

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.

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The address of the Company is 179 - 2945 Jacklin Road, Suite 416, Victoria, British Columbia, V9B 6J9, Canada.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

November 30, 2023 and 2022

2. Material Accounting Policies

Basis of Presentation

These condensed consolidated interim financial statements, including comparatives, comply with IAS 34 – Interim Financial Reporting. The policies applied herein are based on IFRS issued and outstanding as of the date the Board of Directors approved these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements are presented in the Company's presentation currency – the Canadian dollar – on a historical cost basis except for certain items that are measured at fair value. The accounting policies described herein have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements incorporate the financial statements of the Company and the following subsidiaries:

Subsidiary	Country	Control	
		November 30 2023	August 31 2023
Meta Victoria, S.A. de C.V.	Mexico	100%	100%
SVL Minerals Ltd.	Canada	100%	100%
Silvercrest de Mexico, S.A. de C.V.	Mexico	100%	100%

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. Intercompany balances, transactions, income and expenses are eliminated on consolidation.

Financial Instruments

The Company recognizes a financial asset or financial liability in the Condensed Consolidated Interim Statements of Financial Position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

November 30, 2023 and 2022

2. Material Accounting Policies (continued)

Financial Instruments (continued)

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- a) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
- b) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- a) amortized cost;
- b) FVTPL if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
- c) FVTOCI when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at FVTOCI or amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company's financial assets consist of cash and cash equivalents and marketable securities which are classified and measured at FVTPL with realized and unrealized gains or losses related to changes in fair value reported in profit or loss. The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability or, where appropriate, a shorter period.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

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2. Material Accounting Policies (continued)

Financial Instruments (continued)

Impairment

The Company assesses all information available including, on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available and reasonable and supportive forward-looking information.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers cash and cash equivalents to include amounts held in banks and cashable highly liquid investments with limited interest and credit risk. The Company places its cash and cash equivalents with institutions of high creditworthiness.

Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and pre-exploration expenses, are expensed in the period in which they occur.

The Company may occasionally enter into option arrangements whereby the Company will transfer part of a mineral interest as consideration for an agreement by the optionee to meet certain exploration and evaluation expenditures, which would otherwise be undertaken by the Company. The Company does not record any expenditures made by the optionee on its behalf. Any consideration received from the agreement is credited against the costs previously capitalized to the exploration and evaluation asset given up by the Company with any excess consideration accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation costs in excess of estimated recoveries are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment at each reporting date and when indicators and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Industry-specific indicators for an impairment review arise typically when one or more of the following circumstances applies:

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

November 30, 2023 and 2022

2. Material Accounting Policies (continued)

Exploration and Evaluation Assets (continued)

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment; and
- Adverse changes in variables in commodity prices and markets making the project unviable.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Exploration and evaluation assets are classified as intangible assets. Cash which is subject to contractual restrictions on use is classified separately as reclamation deposits.

Loss per Share

The Company uses the treasury stock method of calculating diluted per share amounts whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. The assumed conversion of outstanding common share options and warrants had an anti-dilutive impact in 2023 and 2022. There were 2,750,000 outstanding options as of November 30, 2023 (August 31, 2023 – 2,750,000) that were not included in the calculation of diluted per share amounts.

Basic loss per share is calculated using the weighted-average number of shares outstanding during the period.

Share Capital

The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.

Commissions and finders' fees paid to underwriters, agents and finders and other related share issue costs, such as legal, auditing and printing, on the issue of the Company's shares are charged directly to share capital.

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

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

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2. Material Accounting Policies (continued)

Share Capital (continued)

The fair value of the common shares issued in private placements is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing trade price on the announcement date. The residual balance, if any, is allocated to attached warrants. Any fair value attributed to the warrants is recorded in share-based payment reserve.

Share-based Compensation

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are considered by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid. When stock options expire or are forfeited, the applicable amounts of reserves are transferred to deficit.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

November 30, 2023 and 2022

2. Material Accounting Policies (continued)

Foreign Currency Translation

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiaries, Meta Victoria, S.A. de C.V. and Silvercrest de Mexico, S.A. de C.V., is the Mexican peso, while the functional currency of SVL Minerals Ltd. is the Canadian dollar. The functional currency is the currency of the primary economic environment in which the component operates. The Company's condensed consolidated interim financial statements are presented in Canadian dollars.

Transactions in foreign currencies are translated to the functional currency of each entity at a rate of exchange approximating the prevailing rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate in effect at that date. Nonmonetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Realized and unrealized exchange gains and losses are recognized in profit or loss.

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their statements of income (loss) are translated at the average exchange rates for the reporting period. The exchange differences arising on consolidation are recognized in other comprehensive income or loss. On disposal of a foreign operation, the component of other comprehensive income or loss relating to that particular foreign operation is reclassified to profit or loss.

Impairment of Long-Lived Assets

Management evaluates non-current assets at each reporting period for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit (CGU), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount.

Significant Accounting Estimates and Judgements

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the financial statement date and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future years if the revision affects both current and future periods.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

November 30, 2023 and 2022

2. Material Accounting Policies (continued)

Significant Accounting Estimates and Judgements (continued)

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates

There are no significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made.

Critical Accounting Judgements

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments. The Company made the following critical accounting judgements:

Going concern

The preparation of these condensed consolidated interim financial statements requires management to make judgements regarding the ability of the Company to continue as a going concern as discussed in Note 1.

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

New Accounting Standards and Interpretations Recently Adopted

The following standards were adopted by the Company effective September 1, 2023, but had no material impact on these condensed consolidated interim financial statements:

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.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

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2. Material Accounting Policies (continued)

New Accounting Standards and Interpretations Recently Adopted (continued)

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.

New Accounting Standards and Interpretations Not Yet Adopted

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.

3. Capital Management

The Company manages its capital to continue as a going concern largely through issuances of shares. These share issues depend on several factors, including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management. The capital structure of the Company consists of shareholders' equity, comprising share capital, share-based payment reserve and deficit. The Company is not subject to any external capital requirements. There were no changes to the Company's approach to capital management during the period ended November 30, 2023.

4. Financial 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.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

November 30, 2023 and 2022

4. Financial Instruments (continued)

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 November 30, 2023, such contractual obligations comprised cash and cash equivalents held with high creditworthy financial institutions in the amount of \$4,172,749 (August 31, 2023 – \$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 November 30, 2023, the Company had working capital of \$4,127,686 (August 31, 2023 – \$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 \$9,700 change in the Company's cash and a \$503,800 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.

Silver Dollar Resources Inc.

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4. Financial Instruments (continued)

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.

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

Assets as at November 30, 2023	Level 1	Level 2	Level 3
Cash and cash equivalents	\$4,172,749	\$ -	\$ -
Marketable securities – shares	-	-	-
Marketable securities – warrants	-	-	-

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

5. Marketable Securities

Marketable securities comprised the following:

	Number of Securities	Accumulated Cost	Unrealized Loss	Fair Value November 30 2023	Fair Value August 31 2023
Canasil Resources Inc. shares	6,666,667	\$100,000	\$(100,000)	\$ -	\$133,333
Canasil Resources Inc. warrants	6,666,667	27,459	(27,459)	-	45,878
Total		\$127,459	\$(127,459)	\$ -	\$179,211

Silver Dollar Resources Inc.

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(Unaudited)

November 30, 2023 and 2022

5. Marketable Securities (continued)

The warrants entitle the Company to acquire up to 6,666,667 additional shares in the capital of Canasil Resources Inc. at a price of \$0.05 per share until August 14, 2025. The cost and fair value of the warrants was estimated using the Black-Scholes option valuation model.

6. Exploration and Evaluation Assets

La Joya Project, Durango, Mexico

In August 2020, the Company acquired an option to purchase an initial 80% interest in SVL Minerals Ltd. and, if exercised, a second option to acquire the remaining 20% interest. SVL Minerals Ltd. indirectly owns the La Joya Project, a group of 15 mineral concessions located approximately 75 kilometres southeast of Durango in the State of Durango, Mexico.

The Company exercised the first option in May 2023 and acquired an 80% interest in SVL Minerals Ltd. by (i) paying \$700,000 plus annual holding costs over the preceding three years, (ii) issuing 5,146,401 shares of the Company in August 2020 with a fair value of \$0.99 per share, and (iii) incurring exploration expenditures on the property over the preceding three years of not less than \$1,000,000.

Concurrently, the Company exercised the second option and acquired the remaining 20% interest in SVL Minerals Ltd. by issuing an additional 2,205,118 shares of the Company in May 2023 with a fair value of \$0.345 per share. The optionor reserved for itself a 2% net smelter returns royalty.

Upon closing the transaction, SVL Minerals Ltd. and its subsidiary, Silvercrest de Mexico, S.A. de C.V., became wholly owned subsidiaries of the Company.

Nora Project, Durango, Mexico

In April 2023, the Company entered into an option to purchase the Nora Project comprising four mineral concessions located approximately 200 kilometres northwest of Durango in the State of Durango, Mexico. To earn a 100% interest in the project, the Company must pay the optionor \$375,000 and incur exploration expenditures of \$3,000,000 over five years, and grant to the optionor a 3% net smelter returns royalty, of which the Company may buy back one-third for \$3,000,000. In addition, after granting the royalty, the Company must pay an annual royalty of \$25,000 which will be offset against the royalty buyback.

In August 2023, management determined that the asset was impaired and the Company wrote down the carrying amount to zero.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

November 30, 2023 and 2022

6. Exploration and Evaluation Assets (continued)

Longlegged Lake Property, Red Lake, Ontario, Canada

In April 2022, the Company exercised its option to purchase 100% of the Longlegged Lake Property comprising eight cell claims located in the Red Lake Mining Division of northwestern Ontario, Canada. To exercise the option, the Company paid the optionor \$85,000 and granted a 1.5% net smelter returns royalty. The Company may repurchase half of the royalty for \$500,000.

As the Company had budgeted no exploration work for the project, in August 2023 management determined that the asset was impaired and wrote down the carrying amount to zero.

Pakwash Lake Property, Red Lake, Ontario, Canada

In April 2022, the Company exercised its option to purchase a 100% interest in the Pakwash Lake Property comprising 18 cell claims located in the Red Lake Mining Division of northwestern Ontario, Canada. To exercise the option, the Company paid the optionor \$131,000 and granted a 1.5% net smelter returns royalty. The Company may repurchase half of the royalty for \$500,000.

As the Company had budgeted no exploration work for the project, in August 2023 management determined that the asset was impaired and wrote down the carrying amount to zero.

7. Share Capital

Authorized

An unlimited number of common shares without par value.

Common Shares

In May 2023, the Company issued 2,205,118 common shares at a price of \$0.345 per share pursuant to an acquisition (Note 12).

Warrants

As of August 31, 2023 and 2022, the Company had no outstanding warrants to purchase common shares.

Stock Options

The Company adopted a stock option plan whereby up to a maximum of 10% of the outstanding shares of the Company as of the date of grant are reserved for the grant and issuance of incentive stock options. Under the plan, the exercise price of an option may not be set at less than the market price of the Company's common shares on the grant date and the options may be exercisable for up to 10 years. The aggregate number of options granted to any one individual during any twelve-month period may not exceed 5% of the issued shares of the Company. Furthermore, the aggregate number of options granted to all investor relations representatives during any twelve-month period may not exceed 1% of the issued shares of the Company.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

November 30, 2023 and 2022

7. Share Capital (continued)

Stock Options (continued)

The Company granted no stock options during the three-month periods ended November 30, 2023 or 2022.

A summary of the Company's stock options as of November 30, 2023 and August 31, 2023, and the changes for the periods ending on those dates is as follows:

	Number Outstanding and Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
Balances, August 31, 2022	2,750,000	\$ 1.46	3.2
Options exercised	-	-	-
Balances, August 31, 2023	2,750,000	1.46	2.2
Options exercised	-	-	-
Balances, November 30, 2023	2,750,000	\$ 1.46	1.9

A summary of stock options outstanding as of November 30, 2023 and August 31, 2023 is as follows:

Exercise Price Per Share	Expiry Date	Number of Stock Options Outstanding and Exercisable	
		November 30, 2023	August 31, 2023
\$0.15	October 23, 2024	200,000	200,000
\$0.59	June 26, 2025	400,000	400,000
\$1.75	December 14, 2025	1,850,000	1,850,000
\$1.75	March 9, 2026	300,000	300,000
		2,750,000	2,750,000

8. Related Party Transactions

The following transactions with related parties have been valued in these condensed consolidated interim financial statements at the exchange amount, which is the amount of consideration established and agreed to by the parties:

Key Management Compensation

During the three-month period ended November 30, 2023, the Company paid management and administration fees of \$15,000 (2022 – \$15,000) to a corporation controlled by the Company's Chief Executive Officer.

As of November 30, 2023, the Company owed no amounts (August 31, 2023 – \$5,250) to directors and officers of the Company in the ordinary course of business. Amounts due to related parties are without interest, unsecured and without stated terms of repayment.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

November 30, 2023 and 2022

9. Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances and cashable short-term deposits with banks. Cash and cash equivalents included in the Condensed Consolidated Interim Statements of Cash Flows comprise the following:

	2023	2022
Cash	\$ 328,611	\$ 250,919
Cash equivalents	3,844,138	6,232,596
Balance, end of period	\$ 4,172,749	\$ 6,483,515

10. Segmented Disclosure

The Company has one operating segment: mineral exploration and development. The Company's reportable segments are summarized as follows:

Geographical Information

Non-current assets	Canada	Mexico	Total
November 30, 2023	\$ 5,365	\$11,362,557	\$11,367,922
August 31, 2023	\$ 5,647	\$11,266,068	\$11,271,715

Silver Dollar Resources Inc.

Condensed Consolidated Interim Schedule of Exploration and Evaluation Assets

(Expressed in Canadian Dollars)
(Unaudited)

Three month period ended November 30, 2023

	La Joya	Nora	Longlegged Lake	Pakwash Lake	Totals
Acquisition costs					
Staking, renewal and other	\$ 1,750	\$ -	\$ -	\$ -	1,750
Foreign exchange	(40,336)	-	-	-	(40,336)
	(38,586)	-	-	-	(38,586)
Opening balance	7,148,478	-	-	-	7,148,478
	7,109,892	-	-	-	7,109,892
Deferred exploration expenditures					
Assays	10,054	-	-	-	10,054
Camp costs	424	-	-	-	424
Drill planning and due diligence	47,912	4,203	-	-	52,115
Field costs	7,788	-	-	-	7,788
Geological consulting	41,259	37,795	-	-	79,054
Geology	-	4,133	-	-	4,133
Meals and lodging	18,470	-	-	-	18,470
Prospecting and mapping	-	4,148	-	-	4,148
Reporting and analysis	23,583	-	-	-	23,583
Transport	12,887	-	-	-	12,887
Foreign exchange	(77,581)	-	-	-	(77,581)
	84,796	50,279	-	-	135,075
Opening balance	4,117,590	-	-	-	4,117,590
	4,202,386	50,279	-	-	4,252,665
Balance, August 31, 2023	\$ 11,312,278	\$ 50,279	\$ -	\$ -	11,362,557

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Silver Dollar Resources Inc.

Condensed Consolidated Interim Schedule of Exploration and Evaluation Assets

(Expressed in Canadian Dollars)

(Unaudited)

Three month period ended November 30, 2022

	La Joya	Longlegged Lake	Pakwash Lake	Totals
Acquisition costs				
Staking, renewal and other	\$ 5,107	\$ -	\$ -	\$ 5,107
Foreign exchange	3,212	-	-	3,212
	8,319	-	-	8,319
Opening balance	6,003,468	85,000	131,000	6,219,468
	6,011,787	85,000	131,000	6,227,787
Deferred exploration expenditures				
Assays	46,106	-	-	46,106
Camp costs	332	-	-	332
Drilling	130,931	-	-	130,931
Field costs	8,133	-	-	8,133
Geological consulting	2,605	-	-	2,605
Geology	1,760	-	-	1,760
Line cutting and geophysics	8,154	-	-	8,154
Meals and lodging	11,995	-	-	11,995
Transport	30,423	-	-	30,423
Foreign exchange	118,425	-	-	118,425
	358,864	-	-	358,864
Opening balance	2,145,619	592,735	95,290	2,833,644
	2,504,483	592,735	95,290	3,192,508
Balance, November 30, 2022	\$ 8,516,270	\$ 677,735	\$ 226,290	\$ 9,420,295

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements