



Condensed Interim Consolidated Financial Statements

For the Three Months Ended September 30, 2021 and the Period From August 25,
2020 (Incorporation) to September 30, 2020

Expressed in Canadian Dollars

Unaudited

Cascada Silver Corp.
Condensed Interim Consolidated Statements of Financial Position
Expressed in Canadian Dollars
Unaudited

	As at September 30, 2021	As at June 30, 2021
ASSETS		
Current assets		
Cash	\$ 2,042,913	\$ 2,526,992
Sales tax receivable	25,899	50,806
Prepaid expenses	7,324	65,000
Total assets	\$ 2,076,136	\$ 2,642,798
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 23,671	\$ 322,611
Total liabilities	23,671	322,611
Equity		
Share capital (note 8)	1,307,522	1,307,522
Contributed surplus (note 8)	174,200	174,200
Warrants (note 8)	2,694,600	2,694,600
Accumulated other comprehensive income	57,656	27,700
Deficit	(2,181,513)	(1,883,835)
Total equity	2,052,465	2,320,187
Total equity and liabilities	\$ 2,076,136	\$ 2,642,798

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Nature of operations (note 1)
 Going concern (note 2)
 Subsequent events (note 10)

Approved on behalf of the Board:

(Signed) "Thomas Pladsen" _____ Director

(Signed) "Carl Hansen" _____ Director

Cascada Silver Corp.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****Expressed in Canadian Dollars****Unaudited**

		Period from August 25, 2020
	Three Months (Incorporation) Ended	to September 30, September 30, 2021 2020
Expenses		
Consulting (note 9)	\$ 112,851	\$ -
General and administrative	81,808	-
Professional fees (note 9)	7,212	11,000
Transfer agent	3,116	-
Filing fees	2,445	-
Investor relations	2,699	-
Exploration expenses	131,569	-
Foreign exchange gain	(43,561)	(10)
Net loss from operations	(298,139)	(10,990)
Other income		
Interest income	461	-
Net loss for the period	(297,678)	(10,990)
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss:		
Foreign currency translation gain	29,956	-
Comprehensive loss for the period	\$ (267,722)	\$ (10,990)
Basic and diluted net loss per share	\$ (0.00)	\$ (109.90)
Weighted average number of common shares outstanding	64,660,100	100

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Cascada Silver Corp.**Condensed Interim Consolidated Statements of Changes in Equity****Expressed in Canadian Dollars****Unaudited**

	Share Capital	Contributed Surplus	Warrants	Accumulated Other Comprehensive Income	Deficit	Total
Balance, August 25, 2020 (Incorporation)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common shares issued for cash (note 8(b))	1	-	-	-	-	1
Proceeds on special warrants to be issued (note 8(c))	-	-	185,000	-	-	185,000
Net loss for the period	-	-	-	-	(10,990)	(10,990)
Balance, September 30, 2020	\$ 1	\$ -	\$ 185,000	-	\$ (10,990)	\$ 174,011
Balance, June 30, 2021	1,307,522	\$ 174,200	\$ 2,694,600	\$ 27,700	\$ (1,883,835)	\$ 2,320,187
Other comprehensive income	-	-	-	29,956	-	29,956
Loss for the period	-	-	-	-	(297,678)	(297,678)
Balance, September 30, 2021	\$ 1,307,522	\$ 174,200	\$ 2,694,600	\$ 57,656	\$ (2,181,513)	\$ 2,052,465

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Cascada Silver Corp.**Condensed Interim Consolidated Statements of Cash Flows****Expressed in Canadian Dollars****Unaudited**

		Period from August 25, 2020
	Three Months (Incorporation) Ended September 30, 2021	to September 30, 2020
Operating activities		
Net loss for the period	\$ (297,678)	\$ (10,990)
Adjustments for:		
Foreign exchange gain	-	(10)
Changes in non-cash working capital items:		
Prepaid expenses	57,676	(26,690)
Sales tax receivable	24,907	-
Accounts payable and accrued liabilities	(298,940)	50,182
Net cash provided by (used in) operating activities	(514,035)	12,492
Investing activities		
Exploration and evaluation assets	-	(12,492)
Net cash used in investing activities	-	(12,492)
Financing activities		
Issuance of shares for cash	-	1
Issuance of special warrants for cash	-	185,000
Net cash provided by financing activities	-	185,001
Net change in cash	(514,035)	185,001
Effect of exchange rate changes on cash	29,956	\$ -
Cash, beginning of period	2,526,992	-
Cash, end of period	\$ 2,042,913	\$ 185,001

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Cascada Silver Corp.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2021

Expressed in Canadian Dollars

Unaudited

1. Corporate Information and Nature of Operations

Cascada Silver Corp. (the "Company") was incorporated under the Ontario Business Corporations Act on August 25, 2020. On October 2, 2020, the Company continued its incorporation to the province of British Columbia. The Company is in the business of exploration and evaluation of mineral properties in South America. The Company has one 100% owned Chilean subsidiary, Atacama Silver SpA. The address of the Company's corporate office and principal place of business is 25 Adelaide Street East, Suite 1900, Toronto, Ontario, Canada.

The Company's common shares began trading on the Canadian Securities Exchange ("CSE") on March 12, 2021 under the symbol "CSS".

2. Going Concern

These unaudited condensed interim consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned revenue and has an accumulated deficit of \$2,181,513 as at September 30, 2021. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and or achieve profitable operations in the future. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material. Management will pursue funding options, being financing and alternative funding options, required to meet the Company's requirements on an ongoing basis.

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

3. Basis of Presentation and Statement of Compliance

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as described in note 3 to the most recent audited consolidated financial statements for the period ending June 30, 2021.

The unaudited condensed interim consolidated financial statements for the period ended September 30, 2021 were reviewed and authorized for issue by the Board of Directors on November 29, 2021.

Cascada Silver Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended September 30, 2021
Expressed in Canadian Dollars
Unaudited

3. Basis of Presentation and Statement of Compliance (Continued)

Basis of measurement

The unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. The financial statements are presented in Canadian dollars, which is the parent company's functional currency. The functional currency of the subsidiary is the US dollar.

The preparation of these unaudited condensed interim consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

4. Summary of Significant Accounting Policies

Basis of consolidation

These unaudited condensed interim consolidated financial statements incorporate the financial statements of the Company and its wholly-owned Chilean subsidiary, Atacama Silver SpA.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtained control, and continues to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statements of comprehensive loss from the effective date of control and up to the effect date of disposal or loss of control, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Foreign currency translation

The functional currency of each entity is determined using the currency of the primary economic environment in which that entity operates. The functional and presentation currency, as determined by management, of the Company is the Canadian dollar.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of comprehensive loss in the period in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Cascada Silver Corp.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2021

Expressed in Canadian Dollars

Unaudited

5. Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there are significant risk of material adjustments to assets and liabilities in future accounting periods include:

- recoverable amount of its exploration and evaluation assets; and
- fair value of stock-based transactions.

The preparation of financial statements in accordance with IFRS also requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The significant judgments in the Company's financial statements include:

- management's assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- management's determination of the functional currency of the Company and its subsidiary.

6. Capital Risk Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon securing additional financing.

The Company considers its capital to be equity which at September 30, 2021, totaled \$2,052,465. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. The Company's capital management objectives, policies and processes have remained unchanged during the period from June 30, 2021 to September 30, 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

Cascada Silver Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended September 30, 2021
Expressed in Canadian Dollars
Unaudited

7. Exploration and Evaluation Assets

Agua Amarga Project

On September 30, 2020, the Company, through its wholly-owned Chilean subsidiary, entered into an option agreement with Aragonita Asesorias Ltda. ("Aragonita"), an arm's length Chilean company, to acquire a 100% interest in the Agua Amarga Project, covering a total area of 1,465 hectares located in Region III, Chile.

During the period ended June 30, 2021, the Company assessed the carrying value of this project, and wrote off the entire carrying value of \$713,988. In September 2021, the Company terminated the option agreement with Aragonita.

Gema Concessions

On September 30, 2020, the Company, through its wholly-owned Chilean subsidiary, entered into an assignment agreement with SBX Asesorías e Inversiones Limitada, an arm's length Chilean company ("SBX"), to acquire a 100% interest in the Gema concessions, located in Region III, Chile. The Gema concessions included three projects, Marilin, El Gringo and Guanaca, that were originally optioned to SBX by arm's length Chile optionors.

During the period ended June 30, 2021, the Company assessed the carrying value of this project, and wrote off the entire carrying value of \$390,782. In September 2021, the Company terminated the option agreements on the Gema concessions.

8. Share Capital

(a) Authorized share capital

Unlimited number of common shares without par value.

(b) Issued

	Number of shares	Share capital
Balance, August 25, 2020 (Incorporation)	-	\$ -
Common shares issued for cash (i)	100	1
Balance, September 30, 2020	100	1
Balance, June 30, 2021 and September 30, 2021	64,660,100	\$ 1,307,522

The Company was incorporated by issuing 100 common shares for \$1.

On October 13, 2020, the Company issued 15,000,000 units ("Units") at \$0.01 per Unit for gross proceeds of \$150,000. Each Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.15 per common share until March 11, 2024. The Company's key management subscribed for 3,550,000 Units in the financing.

The 15,000,000 warrants issued were determined to have a fair value of \$29,500 at the time of grant as estimated using the Black-Scholes option pricing model. The model used the following market assumptions: expected dividend yield 0%, risk free rate of 0.24%, expected life of 3.2 years and expected volatility of 100%.

Cascada Silver Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended September 30, 2021
Expressed in Canadian Dollars
Unaudited

8. Share Capital (continued)

(b) Issued (continued)

On March 12, 2021, the Company issued 281,000 units ("IPO Units") at \$0.10 per IPO Unit for gross proceeds of \$28,100. Each IPO Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.15 per common share at any time up to March 11, 2024.

The 281,000 warrants issued were determined to have a fair value of \$8,900 at the time of grant as estimated using the Black-Scholes option pricing model. The model used the following market assumptions: expected dividend yield 0%, risk free rate of 0.55%, expected life of 3 years and expected volatility of 100%.

(c) Special warrants

On October 15, 2020 the Company issued 44,890,000 special warrants ("Special Warrants") at \$0.10 per Special Warrant for gross proceeds of \$4,489,000. Each Special Warrant was exercisable for one unit ("SW Unit") consisting of one common share and one common share purchase warrant ("SW Warrant"). Each SW Warrant entitled the holder to purchase one common share at an exercise price of \$0.15 per common share at any time until March 11, 2024. In the event that the listing and posting for trading on a recognized Canadian exchange was not completed by February 12, 2021, each Special Warrant was entitled to receive, at no additional consideration, one-and-one-tenth SW Units (instead of one SW Unit). The Company incurred \$441,817 of cash issuance costs and issued 3,591,200 broker warrants. Each broker warrant will entitle the agent to purchase one SW Unit at a price \$0.10 per SW Unit until September 11, 2022.

The 3,591,200 broker warrants were determined to have a fair value of \$7,300 at the time of grant as estimated using the Black-Scholes option pricing model. The model used the following market assumptions: expected dividend yield 0%, risk free rate of 0.23%, expected life of 3.7 years and expected volatility of 100%.

The Company's common shares were not listed and posted for trading on a recognized Canadian exchange by February 12, 2021. As a result, each Special Warrant holder was entitled to receive, at no additional consideration, one and-one-tenth SW Units (instead of one SW Unit) when exercised. On March 12, 2021, the Company's common shares began trading on the CSE and the 44,890,000 Special Warrants were converted into 49,379,000 SW Units. The 49,379,000 SW Warrants were determined to have a fair value of \$2,648,900 at the time of grant as estimated using the Black-Scholes option pricing model. The model used the following market assumptions: expected dividend yield 0%, risk free rate of 0.55%, expected life of 3 years and expected volatility of 100%.

(d) Warrants

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

	Number of warrants	Weighted average exercise price
Balance, August 25, 2020 (Incorporation) and September 30, 2020	-	\$ -
Balance, June 30, 2021 and September 30, 2021	64,660,000	\$ 0.15

Cascada Silver Corp.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2021

Expressed in Canadian Dollars

Unaudited

8. Share Capital (continued)

(d) Warrants (continued)

The following table reflects the warrants outstanding as of September 30, 2021:

Expiry date	Number of warrants outstanding	Exercise price (\$)	Remaining life (years)
March 11, 2024	64,660,000	0.15	2.5

(e) Broker warrants

Broker warrant transactions and the number of broker warrants outstanding are summarized as follows:

	Number of broker warrants	Weighted average exercise price
Balance, August 25, 2020 and September 30, 2020	-	\$ -
Balance, June 30, 2021 and September 30, 2021	3,591,200	\$ 0.10

The following table reflects the broker warrants outstanding as of September 30, 2021:

Expiry date	Number of broker warrants outstanding	Exercise price (\$)	Remaining life (years)
September 11, 2022	3,591,200	0.10	1.05

(f) Stock options

A summary of changes in the Company's stock options is presented below for the period from June 30, 2021 to September 30, 2021:

	Number of stock options	Weighted average exercise price
Balance, August 25, 2020 and September 30, 2020	-	\$ -
Balance, June 30, 2021 and September 30, 2021	3,925,000	\$ 0.15

On March 30, 2021, the Company granted 300,000 stock options to a consultant of the Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.15 until 30 days after the termination of an investor relations agreement and vests immediately. The options issued were determined to have a fair value of \$6,400 at the time of grant as estimated using the Black-Scholes option pricing model using the following market assumptions: expected dividend yield 0%, risk free rate of 0.23%, expected life of 1 year and expected volatility of 100%.

Cascada Silver Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended September 30, 2021
Expressed in Canadian Dollars
Unaudited

8. Share Capital (continued)

(f) Stock options (continued)

On March 30, 2021, the Company granted 3,625,000 stock options to directors, officers and consultants of the Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.15 until March 31, 2024 and vests immediately. The options issued were determined to have a fair value of \$167,800 at the time of grant as estimated using the Black-Scholes option pricing model using the following market assumptions: expected dividend yield 0%, risk free rate of 0.49%, expected life of 3 years and expected volatility of 100%.

The following table reflects the stock options issued and outstanding as of September 30, 2021:

Expiry date	Number of options outstanding	Exercise price (\$)	Remaining life (years)
March 31, 2022	300,000	0.15	0.50
March 31, 2024	3,625,000	0.15	2.50
	3,925,000	0.15	2.35

9. Related Party Transactions

Key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel include directors and officers.

During the three months ended September 30, 2021, consulting fees of \$33,855 (September 30, 2020 - \$nil) were paid to 2208932 Ontario Inc., a Company controlled by the Company's Chief Financial Officer. As at September 30, 2021, \$nil (June 30, 2021 - \$nil) was included in accounts payable and accrued liabilities with respect to these fees.

During the three months ended September 30, 2021, consulting fees of \$45,141 (September 30, 2020 - \$nil) were paid to Swansea Holdings Inc., a Company controlled by the Company's Chief Executive Officer. As at September 30, 2021, \$nil (June 30, 2021 - \$nil) was included in accounts payable and accrued liabilities with respect to these fees.

10. Subsequent Events

Subsequent to September 30, 2021, the Company granted 2,225,000 stock options, comprised of 1,400,000 granted to Directors and officers of the Company, and 825,000 options to consultants of the Company. Each option entitles the holder to acquire one common share of the Company at an exercise price of \$0.05 until October 15, 2024.