



Condensed Interim Consolidated Financial Statements
For the Six Months Ended December 31, 2023 and 2022

Expressed in Canadian Dollars

Unaudited

Cascada Silver Corp.

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars

Unaudited

	As at December 31, 2023	As at June 30, 2023
ASSETS		
Current assets		
Cash	\$ 234,054	\$ 520,610
Accounts and other receivables	15,860	4,685
Prepaid expenses	13,044	19,254
Total current assets	262,958	544,549
Non-current assets		
Exploration and evaluation assets (note 7)	20,300	20,300
Total assets	\$ 283,258	\$ 564,849
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 11,310	\$ 39,074
Total liabilities	11,310	39,074
Equity		
Share capital (note 8)	1,307,522	1,307,522
Contributed surplus (note 8)	225,100	225,100
Warrants (note 8)	2,694,600	2,694,600
Accumulated other comprehensive income	78,032	29,248
Deficit	(4,033,306)	(3,730,695)
Total equity	271,948	525,775
Total equity and liabilities	\$ 283,258	\$ 564,849

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)

Approved on behalf of the Board:

(Signed) "Robert Suttie" _____ Director

(Signed) "Brent Peters" _____ Director

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

	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Six Months Ended December 31, 2023	Six Months Ended December 31, 2022
Expenses				
Management fees (note 9)	\$ -	\$ 120,000	\$ -	\$ 240,000
General and administrative	51,238	22,544	70,122	30,221
Professional fees (note 9)	11,990	35,889	15,170	43,629
Transfer agent	8,048	11,855	9,497	13,351
Filing fees	2,750	3,025	5,100	5,275
Investor relations	1,350	1,170	2,520	2,340
Exploration expenses	83,629	1,608	156,216	84,295
Foreign exchange (gain) loss	(50,351)	(144,270)	44,453	(46,779)
Net loss from operations	(108,654)	(51,821)	(303,078)	(372,332)
Other items				
Interest income	467	117	467	300
Net loss for the period	(108,187)	(51,704)	(302,611)	(372,032)
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	46,776	(47,819)	48,784	(151,447)
Comprehensive loss for the period	\$ (61,411)	\$ (99,523)	\$ (253,827)	\$ (523,479)
Basic and diluted net loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding	64,660,100	64,660,100	64,660,100	64,660,100

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, June 30, 2022	\$ 1,307,522	\$ 225,100	\$ 2,694,600	\$ 27,700	\$ (2,952,037)	\$ 1,302,885
Other comprehensive income	-	-	-	(151,447)	-	(151,447)
Net loss for the period	-	-	-	-	(372,032)	(372,032)
Balance, December 31, 2022	\$ 1,307,522	\$ 225,100	\$ 2,694,600	\$ (123,747)	\$ (3,324,069)	\$ 779,406
Balance, June 30, 2023	\$ 1,307,522	\$ 225,100	\$ 2,694,600	\$ 29,248	\$ (3,730,695)	\$ 525,775
Other comprehensive income	-	-	-	48,784	-	48,784
Net loss for the period	-	-	-	-	(302,611)	(302,611)
Balance, December 31, 2023	\$ 1,307,522	\$ 225,100	\$ 2,694,600	\$ 78,032	\$ (4,033,306)	\$ 271,948

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**

	Six Months Ended December 31, 2023	Six Months Ended December 31, 2022
Operating activities		
Net loss for the period	\$ (302,611)	\$ (372,032)
Changes in non-cash working capital items:		
Accounts and other receivables	(11,175)	(44,428)
Prepaid expenses	6,210	14,278
Accounts payable and accrued liabilities	(27,764)	(85,065)
Net cash used in operating activities	(335,340)	(487,247)
Net change in cash	(335,340)	(487,247)
Effect of exchange rate changes on cash	48,784	(151,447)
Cash, beginning of period	520,610	1,416,917
Cash, end of period	\$ 234,054	\$ 778,223

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 and Six Months Ended December 31, 2023

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 401 Bay street, Suite 2702, Toronto, Ontario.

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 \$4,033,306 as at December 31, 2023. 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.

3. Basis of Presentation

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 audited consolidated financial statements for the year ending June 30, 2023.

The Company's unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Audit Committee on behalf of the Board of Directors of the Company. They include the appropriate accounting principles, judgment and estimates in accordance with IFRS for interim financial statements.

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

The unaudited condensed interim consolidated financial statements for the period ended December 31, 2023 were reviewed and authorized for issue by the Board of Directors on February 28, 2024.

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 consolidated 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 and Six Months Ended December 31, 2023

Expressed in Canadian Dollars

Unaudited

5. Significant Accounting Estimates, Judgments and Assumptions

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;
- valuation of stock-based transactions; and
- deferred tax assets and liabilities.

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 December 31, 2023, totaled \$271,948. 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 ended December 31, 2023. 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 and Six Months Ended December 31, 2023

Expressed in Canadian Dollars

Unaudited

7. Exploration and Evaluation Assets

		Angie Project	Total
Balance, June 30, 2022 and December 31, 2022	\$ -	\$ -	
Balance, June 30, 2023 and December 31, 2023	\$ 20,300	\$ 20,300	

Golden Lake property

In October 2022, the Company staked certain mineral claims located 1,350 kilometers south of Santiago in Chile's Region XI (the "Golden Lake Property"). The Golden Lake Property, located adjacent to the western border of concessions owned by Minera Newmont Chile Ltd, overlies a portion of the Pollux Gold District which hosts a series of eroded gold-silver bearing veins.

Angie Project

The Company entered in an option agreement, dated January 20, 2023 and amended on January 24, 2024, with a third party Chilean vendor to acquire a 100% interest in the Angie Project. The Angie Project is a 1,5, hectare property located in Region III, Chile, approximately 75 kilometers east of the city of Copiapo, Chile. The Company made an initial payment of US\$15,000 to the vendor and a further series of annual option payments are payable on the anniversary date of the agreement as follows: US\$7,500 (paid); US\$327,500; US\$750,000; and US\$2,500,000, payable upon the first, second, third and fourth anniversary dates, respectively, for total payments of US\$3,600,000. The second through fourth anniversary payments may be paid 50% in cash and 50% in common shares at the Company's choice. In addition to the annual payments, upon the Company earning a 100% interest in the Angie Project, the vendor will receive a 1.5% net smelter royalty, two thirds of which may be purchased by the Company for \$5,000,000 for a period of up to one year from the start of commercial production.

8. Share Capital

(a) Authorized share capital

Unlimited number of common shares without par value.

(b) Issued

	Number of shares	Share capital
Balance, June 30, 2022, June 30, 2023 and December 31, 2023	64,660,100	\$ 1,307,522

Cascada Silver Corp.**Notes to Condensed Interim Consolidated Financial Statements****Three and Six Months Ended December 31, 2023****Expressed in Canadian Dollars****Unaudited**

8. Share Capital (continued)**(c) Warrants**

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

	Number of warrants	Weighted average exercise price
Balance, June 30, 2022, June 30, 2023 and December 31, 2023	64,660,000	\$ 0.15

The following table reflects the warrants outstanding as of December 31, 2023:

Expiry date	Number of warrants outstanding	Exercise price	Remaining life (years)
March 11, 2024	64,660,000	\$ 0.15	0.19

(d) Stock options

A summary of changes in the Company's stock options is presented below:

	Number of stock options	Weighted average exercise price
Balance, June 30, 2022 and December 31, 2022	5,850,000	\$ 0.11
Balance, June 30, 2023 and December 31, 2023	5,850,000	\$ 0.11

The following table reflects the stock options outstanding as of December 31, 2023:

Expiry date	Number of options outstanding	Exercise price	Remaining life (years)
March 31, 2024	3,625,000	\$ 0.15	0.15
October 15, 2024	2,225,000	\$ 0.05	0.30
	5,850,000	\$ 0.11	0.46

Cascada Silver Corp.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended December 31, 2023

Expressed in Canadian Dollars

Unaudited

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 and six months ended December 31, 2023, consulting fees of \$nil (December 31, 2022 - \$45,000 and \$90,000 respectively) were paid to Swansea Holdings Inc., a company controlled by the Company's Chief Executive Officer. As at December 31, 2023, \$nil (December 31, 2022 - \$nil) was included in accounts payable and accrued liabilities with respect to these fees.

During the three and six months ended December 31, 2023, consulting fees of \$nil (December 31, 2022 - \$30,000 and \$60,000 respectively) were paid to 2208932 Ontario Inc., a company controlled by the Company's Chief Financial Officer. As at December 31, 2023, \$nil (December 31, 2022 - \$nil) was included in accounts payable and accrued liabilities with respect to these fees.

During the three and six months ended December 31, 2023, accounting fees of \$3,455 and \$6,635 (December 31, 2022 - \$5,000 and \$10,000 respectively) were paid to Marrelli Support Services Inc., a company which a director of the Company is President. As at December 31, 2023 - \$nil (December 31, 2022 - \$5,000) was included in accounts payable and accrued liabilities with respect to these fees.