



Consolidated Financial Statements
For the Years Ended June 30, 2024 and 2023
Expressed in Canadian Dollars



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Cascada Silver Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cascada Silver Corp. (the Company), which comprise the consolidated statements of financial position as at June 30, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and 2023, and its financial performance and its cash flows for the years ended June 30, 2024 and 2023, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a comprehensive loss of \$520,491 for the year ended June 30, 2024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Emphasis of Matter – Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our



auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
October 28, 2024

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

As at June 30,	2024	2023
ASSETS		
Current assets		
Cash	\$ 1,369,554	\$ 520,610
Accounts and other receivables	17,004	4,685
Prepaid expenses (note 10)	22,138	19,254
Total current assets	1,408,696	544,549
Non-current assets		
Exploration and evaluation assets (note 8)	118,544	20,300
Total assets	\$ 1,527,240	\$ 564,849
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	\$ 83,825	\$ 39,074
Total liabilities	83,825	39,074
Equity		
Share capital (note 9)	2,003,809	1,307,522
Contributed surplus (note 9)	57,300	225,100
Warrants (note 9)	-	2,694,600
Shares to be issued (note 9)	741,844	-
Accumulated other comprehensive income	29,123	29,248
Deficit	(1,388,661)	(3,730,695)
Total equity	1,443,415	525,775
Total equity and liabilities	\$ 1,527,240	\$ 564,849

The accompanying notes are an integral part of these consolidated financial statements

Nature of operations (note 1)
 Going concern (note 2)
 Subsequent events (note 13)

Approved on behalf of the Board:

(Signed) "Robert Suttie" _____ Director

(Signed) "Brent Peters" _____ Director

Cascada Silver Corp.
Consolidated Statements of Loss and Comprehensive Loss
Expressed in Canadian Dollars

For the Year Ended June 30	2024	2023
Expenses		
Management fees (note 10)	\$ -	\$ 240,000
General and administrative	67,527	85,654
Professional fees (note 10)	48,227	37,403
Transfer agent	15,681	21,667
Filing fees	9,475	9,775
Investor relations	9,914	3,564
Exploration and evaluation expenses	375,566	425,357
Foreign exchange (gain) loss	(4,876)	(44,024)
Net loss from operations	(521,514)	(779,396)
Other items		
Interest income	1,148	738
Net loss for the year	(520,366)	(778,658)
Other comprehensive (loss) income		
Items that may be subsequently reclassified to profit or loss:		
Foreign currency translation	(125)	1,548
Comprehensive loss for the year	\$ (520,491)	\$ (777,110)
Basic and diluted net loss per share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	68,559,573	64,660,100

The accompanying notes are an integral part of these consolidated financial statements

Cascada Silver Corp.

Consolidated Statements of Changes in Equity

Expressed in Canadian Dollars

	Share Capital	Shares To be Issued	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	-	-	-	-	1,548	-	1,548
Net loss for the year	-	-	-	-	-	(778,658)	(778,658)
Balance, June 30, 2023	\$ 1,307,522	\$ -	\$ 225,100	\$ 2,694,600	\$ 29,248	\$ (3,730,695)	\$ 525,775
Issued under private placement	740,120	741,844	-	-	-	-	1,481,964
Costs of issue	(43,833)	-	-	-	-	-	(43,833)
Expiry of options	-	-	(167,800)	-	-	167,800	-
Warrants expired	-	-	-	(2,694,600)	-	2,694,600	-
Other comprehensive income	-	-	-	-	(125)	-	(125)
Net loss for the year	-	-	-	-	-	(520,366)	(520,366)
Balance, June 30, 2024	\$ 2,003,809	\$ 741,844	\$ 57,300	\$ -	\$ 29,123	\$ (1,388,661)	\$ 1,443,415

The accompanying notes are an integral part of these consolidated financial statements

Cascada Silver Corp.
Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

For the Year Ended June 30	2024	2023
Operating activities		
Net loss for the year	\$ (520,366)	\$ (778,658)
Changes in non-cash working capital items:		
Accounts and other receivables	(12,319)	(4,685)
Prepaid expenses	(2,884)	83
Accounts payable and accrued liabilities	44,751	(94,295)
Net cash used in operating activities	(490,818)	(877,555)
Investing activities		
Exploration and evaluation assets	(98,244)	(20,300)
Net cash used in investing activities	(98,244)	(20,300)
Financing activities		
Issuance of common shares for cash	696,287	-
Proceeds received for shares to be issued, net of costs	741,844	-
Net cash provided by financing activities	1,438,131	-
Net change in cash	849,069	(897,855)
Effect of exchange rate changes on cash	(125)	1,548
Cash, beginning of year	520,610	1,416,917
Cash, end of year	\$ 1,369,554	\$ 520,610

The accompanying notes are an integral part of these consolidated financial statements

Cascada Silver Corp.

Notes to Consolidated Financial Statements

Years Ended June 30, 2024 and 2023

Expressed in Canadian Dollars

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 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 \$1,388,661 as at June 30, 2024. 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 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 consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The policies set out below have been consistently applied to all the periods presented, unless otherwise noted.

The consolidated financial statements for the year ended June 30, 2024 were reviewed and authorized for issue by the Board of Directors on October 28, 2024.

Basis of measurement

The 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 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.

Cascada Silver Corp.
Notes to Consolidated Financial Statements
Years Ended June 30, 2024 and 2023
Expressed in Canadian Dollars

4. Summary of Material Accounting Policies

Basis of consolidation

These 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.

Exploration and evaluation expenditures

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activities.

The Company follows the practice of capitalizing acquisition costs on active exploration properties and expensing exploration and evaluation expenditures. Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

4. Summary of Material Accounting Policies (continued)

Exploration and evaluation expenditures (continued)

After technical feasibility and commercial viability of the extraction of mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which the equity-settled share-based payment vests. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Cascada Silver Corp.
Notes to Consolidated Financial Statements
Years Ended June 30, 2024 and 2023
Expressed in Canadian Dollars

4. Summary of Material Accounting Policies (continued)

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”); at fair value through other comprehensive income (loss) (“FVTOCI”); or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

- | | |
|---|----------------|
| • Cash | Amortized cost |
| • Accounts receivable and accrued receivables | Amortized cost |
| • Accounts payable and accrued liabilities | Amortized cost |

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net loss in the period in which they arise.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (“OCI”). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Cascada Silver Corp.
Notes to Consolidated Financial Statements
Years Ended June 30, 2024 and 2023
Expressed in Canadian Dollars

4. Summary of Material Accounting Policies (continued)

Financial instruments (continued)

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

New accounting pronouncements

Standards issued but not yet effective

The Company has not adopted the following standards and interpretations applicable to the Company that have been issued but not yet effective:

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (Amendments)

In February 2021, the International Accounting Standards Board (IASB) issued amendments to IAS 1 Presentation of Financial Statements which were incorporated into Part I of the CPA Canada Handbook - Accounting and IFRS Practice Statement 2 Making Materiality Judgements in June 2021.

The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by:

- Replacing the requirement to disclose “significant” accounting policies under IAS 1 with a requirement to disclose “material” accounting policies. Under this, an accounting policy would be material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements.
- Providing guidance in IFRS Practice Statement 2 to explain and demonstrate the application of the four-step materiality process to accounting policy disclosures.

The amendments, which should be applied prospectively, are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2. The adoption of this amendment and the IFRS Practice Statement 2 is not expected to have a significant impact on the Company’s consolidated financial statements.

Cascada Silver Corp.
Notes to Consolidated Financial Statements
Years Ended June 30, 2024 and 2023
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4. Summary of Material Accounting Policies (continued)

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The amendment is expected to have no impact on the Company's consolidated financial statements on adoption.

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.

Cascada Silver Corp.
Notes to Consolidated Financial Statements
Years Ended June 30, 2024 and 2023
Expressed in Canadian Dollars

6. Capital Risk Management (continued)

The Company considers its capital to be equity which at June 30, 2024, totaled \$1,443,415. 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 June 30, 2024. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

7. Financial Risk Management

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and price risk).

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's exposure to credit risk is limited to its cash. The Company limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions.

(ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2024, the Company had cash of \$1,369,554 to settle current liabilities of \$83,825. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and quoted prices.

(a) Interest rate risk

The Company has \$1,369,554 cash balances and no interest-bearing debt and was not exposed to interest rate risk. As a result, the Company's exposure to interest rate risk is minimal.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not have any significant assets in currency other than the functional currency of the Company, nor has significant foreign currency denominated liabilities, therefore any changes in foreign exchange rates will not give rise to significant changes to the loss.

(c) Price risk

The ability of the Company to acquire new properties and the future profitability of the Company is directly related to the market price of certain minerals. The Company's risk management objectives are to ensure that business and financial exposures to risk that have been identified and measured are minimized using the most effective and efficient methods to reduce, transfer and, when possible, eliminate such exposures. Operating decisions contemplate associated risks and management strives to structure proposed transactions to avoid or reduce risk whenever possible.

Cascada Silver Corp.
Notes to Consolidated Financial Statements
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7. Financial Risk Management (continued)

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period.

The Company is exposed to foreign currency risk in fluctuations related to cash and cash equivalents, accounts payable and accrued liabilities, that are denominated in US dollar. As at June 30, 2024, had the US dollar weakened/strengthened by plus or minus 5% against the Canadian dollar with all other variables held constant, the Company's consolidated other Comprehensive loss for the year ended June 30, 2024 would have been approximately \$26,000 higher/lower (2023 - \$23,000) as a result of foreign exchange losses/gains on translation of non-Canadian dollar denominated financial instruments. Similarly, as at June 30, 2024, shareholders' equity would have been approximately \$26,000 higher/lower (2023 - \$23,000) had the US dollar weakened/strengthened by 5% against the Canadian dollar as a result of foreign exchange losses/gains on translation of non-Canadian dollar denominated financial instruments.

8. Exploration and Evaluation Assets

	Angie Project	Guanaca Project	Total
Balance, June 30, 2022	\$ -		\$ -
Acquisition costs	20,300		20,300
Balance, June 30, 2023	\$ 20,300	-	\$ 20,300
Option payments	10,163	88,081	98,244
Balance, June 30, 2024	\$ 30,463	\$ 88,081	\$ 118,544

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 1,500 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.

Guanaca Project

On June 8, 2023 the Company reported that it had signed an agreement to enter into an option to acquire a 100% interest in the 250-hectare Mina Guanaca Copper Property ("Guanaca Project") located 110 kilometres northeast of the City of Copiapó, Chile.

On May 29, 2024, the Company finalized the agreement, the terms of which include initial payments of US\$65,000(paid) with a second payment of US\$75,000 due upon the 6-month anniversary of signing. A further series of payments are payable as follows: US\$125,000 on the 12-month anniversary of signing; US\$200,000 at 18 months; US\$750,000 at 24 months; US\$1,300,000 at 36 months; and US\$2,500,000 upon the 48-month anniversary for total payments of US\$5,015,000 over 4 years. Work commitments of 1,250 metres of drilling per annum over the option period are required. In addition, upon completion of the above noted obligations, the Vendor will receive a 2.5% net smelter royalty of which half (1.25%) can be repurchased for US\$2,250,000 one year from the start of commercial production. The current lessee of the open pit will be allowed to continue mining operations at a rate of 2,000 tonne per month for a minimum of 12 months.

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Notes to Consolidated Financial Statements

Years Ended June 30, 2024 and 2023

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8. Exploration and Evaluation Assets (continued)

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.

9. 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, and June 30, 2023	64,660,100	\$ 1,307,522
Common shares issued for cash	56,092,306	740,120
Share issue costs	840,000	(43,833)
Balance, June 30, 2024	121,592,406	\$ 2,003,809

On June 5, 2024, the Company closed a non-brokered private placement for aggregate gross proceeds of \$1,471,834 (the "Offering"). The Offering consisted of:

- 56,092,306 common shares of the Company ("Common Shares") at a price of \$0.013 per Common Share for \$729,200 in gross proceeds; and
- 57,125,676 subscription receipts of the Company ("Subscription Receipts") at a price of \$0.013 per Subscription Receipt for \$742,634 in gross proceeds. Each Subscription Receipt will entitle the holder thereof, without payment of any additional consideration and without further action on the part of the holder, upon the satisfaction of certain escrow release conditions, to receive one Common Share. The escrow release conditions include, but are not limited to, the Company obtaining shareholder approval for the issuance of Common Shares underlying the Subscription Receipts and the receipt of all required regulatory approvals. The proceeds from the Subscription Receipts will be held in escrow until the escrow release conditions, noted above, have been satisfied or waived. As at June 30, 2024, the Subscription Receipts, less costs of \$790, have been recorded as shares to be issued on the Company's consolidated statement of changes in shareholders equity. On July 15, 2024, shareholder approval was received, and on July 18, 2024 the Subscription Receipts were exchanged for 57,125,676 Common Shares. See note 13.

The Company paid a finder's fee in accordance with the policies of the Canadian Securities Exchange of \$10,920, which was satisfied by the issuance to the finder of 840,000 Common Shares. In addition, the Company incurred cash costs of issue of \$32,913.

Cascada Silver Corp.

Notes to Consolidated Financial Statements

Years Ended June 30, 2024 and 2023

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9. 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	64,660,000	\$ 0.15
Expired	(64,660,000)	(0.15)
Balance, June 30, 2024	-	\$ -

(d) 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, June 30, 2022	3,591,200	\$ -
Expired	(3,591,200)	0.10
Balance, June 30, 2023 and June 30, 2024	-	\$ -

(e) 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 June 30, 2023	5,850,000	\$ 0.11
Expired	(3,625,000)	0.15
Balance, June 30, 2024	2,225,000	\$ 0.05

The following table reflects the stock options outstanding as of June 30, 2024:

Expiry date	Number of options outstanding	Exercise price	Remaining life (years)
October 15, 2024	2,225,000	\$ 0.05	0.29

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10. 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 year ended June 30, 2024, consulting fees of \$nil (2023 - \$90,000) were paid to Swansea Holdings Inc., a company controlled by the Company's Chief Executive Officer. As at June 30, 2024, \$nil (June 30, 2023 - \$nil) was included in accounts payable and accrued liabilities with respect to these fees.

During the year ended June 30, 2024, consulting fees of \$nil (2023 - \$60,000) were paid to 2208932 Ontario Inc., a company controlled by the Company's Chief Financial Officer. As at June 30, 2024, \$7,272 (June 30, 2023 - \$nil) was included in accounts payable and accrued liabilities with respect to these fees and reimbursable expenses.

During the year ended June 30, 2024, accounting fees of \$12,635 (2023 - \$20,000) were paid to Marrelli Support Services Inc., a company which a director of the Company is President. As at June 30, 2024 - \$6,000 (June 30, 2023 - \$5,000) was included in accounts payable and accrued liabilities with respect to these fees.

During the year ended June 30, 2024, the Company expensed \$24,743 in office rent paid to a company for which Cascada's Chief Executive Officer serves as a senior officer (2023 - \$13,630). As at June 30, 2024, \$8,465 was included in prepaid expenses. (2023 - \$nil)

11. Income taxes [TBD]

The Company's provision for income taxes differ from the amounts computed by applying the basic current rate of 27% for British Columbia and 25% for Chile to the loss for the year before taxes as shown in the following table at June 30:

	2024	2023
Loss before recovery of income taxes	\$ (520,366)	\$ (778,658)
Expected tax (recovery) expense at 26.50%	(132,988)	(200,124)
Increase (decrease) to the income tax benefit resulting from:		
Shared based compensation	(3,327)	21,659
Share issue costs	(13,871)	(12,051)
Change in deferred asset not recognized	150,186	190,516
Income tax (recovery) expense	\$ -	\$ -
Deferred Income Taxes:		
	2024	2023
Mineral property interests	\$ 536,283	\$ 442,391
Non-capital losses carried forward	530,991	469,927
Share issuance costs	19,331	24,101
Deferred tax asset (liability)	1,086,605	936,419
Less: deferred tax asset not recognized	(1,086,605)	(936,419)
Total unrecognized deferred tax assets	\$ -	\$ -

Certain deferred assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefit therefrom.

Cascada Silver Corp.
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12. Segmented Information

IFRS 8 requires operating segments to be determined based on the Company's internal reporting to the Chief Operating Decision Maker ('CODM'). The CODM has been determined to be the Company's CEO as he is primarily responsible for the allocation of resources and the assessment of performance. The CODM uses net (loss) income, as reviewed at periodic business review meetings, as the key measure of the Company's results as it reflects the Company's underlying performance for the period under evaluation. The CODM's primary focus for review and resource allocation is the Company as a whole and not any component part of the business. Having considered these factors, management has judged that the Company comprises two operating segments under IFRS 8. As such, the disclosures required under IFRS 8 for the consolidated financial statements are shown on the face of the consolidated statement of loss and comprehensive loss and consolidated statement of financial position.

June 30, 2024	Canada	Chile	Total
Assets	\$ 1,393,522	\$ 133,715	\$ 1,527,237
Liabilities	\$ (83,825)	\$ -	\$ (83,825)
Net Loss	\$ (144,800)	\$ (375,566)	\$ (520,366)

June 30, 2023	Canada	Chile	Total
Assets	\$ 534,934	\$ 29,915	\$ 564,849
Liabilities	\$ (33,331)	\$ (5,743)	\$ (39,074)
Net Loss	\$ (271,459)	\$ (505,651)	\$ (777,110)

13. Subsequent Events

On July 18, 2024, the Company issued an aggregate of 57,125,676 Cascada common shares (the "Shares") on the exchange of 57,125,676 subscription receipts that were issued pursuant to the Company's June 5, 2024 private placement, following the receipt of requisite approvals, including shareholder approval on July 15, 2024. Subscription receipts totalled \$741,844 after costs. (see note 9(b))

On August 7, 2024, the Company granted 14,010,000 stock options with 6,780,000 options to directors and officers of Cascada and 7,230,000 to consultants of the Company. Each option entitles the holder to acquire one Cascada common share at an exercise price of \$0.05 until August 8, 2027. The options vested immediately upon grant.

On October 15, 2024, 2,225,000 stock options with an exercise price of \$0.05 expired without exercise.

In July, August and September 2024, the Company issued an aggregate of 3,000,000 common shares for capital advisory services.