

SILVERSTOCK METALS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2022

(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

NOTICE TO READER

Pursuant to the National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The condensed interim financial statements of the Company for the period ended December 31, 2022 have been prepared by and are the responsibility of the Company's management.

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

SILVERSTOCK METALS INC.
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(Unaudited – Prepared by management)
(Expressed in Canadian Dollars)

	December 31, 2022	March 31, 2022
Assets		
Current		
Cash	\$ 520,372	\$ 640,216
Receivables	18,211	13,781
	<u>538,583</u>	<u>653,997</u>
Exploration and evaluation assets (Note 3)	<u>209,817</u>	<u>172,317</u>
	<u>\$ 748,400</u>	<u>\$ 826,314</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 120	\$ 19,466
Due to related parties (Note 4)	<u>2,100</u>	<u>2,100</u>
	<u>2,220</u>	<u>21,566</u>
Shareholders' Equity		
Share capital (Note 5)	945,242	653,410
Subscriptions received in advance (Note 5)	-	270,000
Reserves	60,000	60,000
Deficit	<u>(259,062)</u>	<u>(178,662)</u>
	<u>746,180</u>	<u>804,748</u>
Total Liabilities and Shareholders' Equity	<u>\$ 748,400</u>	<u>\$ 826,314</u>

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors:

Jim Walchuck Director _____
Roger Foster Director

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

SILVERSTOCK METALS INC.
CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by management)
(Expressed in Canadian Dollars)

	Nine Months Ended December 31, 2022	Nine Months Ended December 31, 2021	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021
Operating Expenses				
Consulting fees (Note 4)	\$ 45,000	\$ 40,500	\$ 15,000	\$ 13,500
General and administrative	2,340	3,078	454	1,211
Filing fees	12,344	5,112	4,252	4,231
Rent	4,500	4,500	1,500	1,500
Professional fees	16,216	16,155	770	3,762
Net Loss and	\$ 80,400	\$ 69,345	\$ 21,976	\$ 24,204
Basic and Diluted Loss per Share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted Average Number of Common Shares Outstanding	19,100,001	15,350,001	19,100,001	15,350,001

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

SILVERSTOCK METALS INC.
CONDENSED INTERIM STATEMENT OF CASH FLOW
(Expressed in Canadian Dollars)

	Nine Months Ended December 31, 2022	Year Ended March 31, 2022
Cash Flows From Operating Activities		
Net loss for the period	(80,400)	\$ (108,280)
Items not involving cash		
Share based payments	-	6,000
Changes in non-cash working capital items		
Receivables	(4,430)	(13,631)
Accounts payable and accrued liabilities	(19,346)	(5,534)
Due to related parties	-	100
Net cash used in operating activities	<u>(104,176)</u>	<u>(121,345)</u>
Cash Flows From Investing Activities		
Exploration and evaluation of assets	<u>(15,000)</u>	<u>(44,885)</u>
Net cash used in operating investing activities	<u>(15,000)</u>	<u>(44,885)</u>
Cash Flows From Financing Activities		
Proceeds from issuance of shares, net of share issuance costs	(668)	292,409
Proceeds from exercise of warrants	-	90,000
Subscriptions received in advance	-	270,000
Net cash from financing activities	<u>(668)</u>	<u>652,409</u>
Increase (decrease) in cash during the period	(119,844)	486,179
Cash, Beginning of Period	640,216	154,037
Cash, End of Period	\$ 520,372	\$ 640,216

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

SILVERSTOCK METALS INC.**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Expressed in Canadian Dollars)

	Number of Outstanding Shares	Share Capital	Reserves	Deficit	Total Shareholders' Equity
		\$	\$	\$	\$
Balance, March 31, 2021	10,600,001	269,501	30,000	(70,382)	229,119
Shares issued for cash	4,500,000	450,000	-		450,000
Shares issued from the exercise of warrants	3,600,000	360,000	-		360,000
Shares issued for corporate finance fee	100,000	10,000	-		10,000
Shares issued for property acquisition	150,000	25,500	-		25,500
Share issuance costs	-	(191,591)	24,000	-	(167,591)
Subscriptions received in advance					
Share-based payments	-	-	6,000	-	6,000
Net loss for the period	-	-	-	(108,280)	(108,280)
Balance, March 31, 2022	18,950,001	923,410	60,000	(178,662)	804,748
Shares issued for property acquisition	150,000	22,500			22,500
Share issuance costs		(668)			(668)
Net loss for the period				(80,400)	(80,400)
Balance, December 31, 2022	19,100,001	945,242	60,000	(259,062)	746,180

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

SILVERSTOCK METALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Silverstock Metals Inc. (the “Company” or “Silverstock”) was incorporated on September 1, 2020 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 200 – 2710 Granville St, Vancouver, British Columbia, Canada.

The Company is in the process of acquiring and exploring exploration and evaluation assets and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

As at December 31, 2022, the Company has generated negative cash flows from operating activities and has an accumulated deficit of \$259,062. The Company expects to incur further losses in the development of its operations. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues enough to cover its operating costs. These factors indicate the existence of material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds to support exploration activities.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual financial statements for the reporting period ended March 31, 2022, which have been prepared in accordance with IFRS as issued by the IASB. In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the nine-month period ended December 31, 2022 are not necessarily indicative of the results that may be expected for the year ended March 31, 2023.

These financial statements were authorized for issue by the Board of Directors on February 10, 2023.

Basis of presentation

These financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

SILVERSTOCK METALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION OF ASSETS

A summary of the changes in exploration and evaluation assets is presented below:

	Gold Cutter
Balance at March 31, 2022	\$ 172,317
Acquisition costs:	
Cash	15,000
Shares	22,500
Total expenditures for the period	37,500
Balance at December 31, 2022	\$ 209,817

Gold Cutter Project

Pursuant to an option agreement dated September 2, 2020 the Company was granted an option to acquire a 100% undivided interest in the Gold Cutter Project (the "Property") in the Kamloops Mining Division of British Columbia. To exercise the option the Company must pay \$445,000 and issue 500,000 common share as follows:

	Cash	Common Shares
Upon signing of the agreement	\$ 5,000 (paid)	-
On or before the Company's common shares listed on the Canadian Stock Exchange ("CSE") (the "Listing")	10,000 (paid)	-
Within 15 days of the Listing	-	150,000 (issued)
On or before the first anniversary of the Listing	15,000 (paid)	150,000 (issued)
On or before the second anniversary of the Listing	25,000	100,000
On or before the third anniversary of the Listing	25,000	100,000
On or before the fourth anniversary of the Listing	40,000	-
On or before the fifth anniversary of the Listing	100,000	-
On or before the Sixth anniversary of the Listing	225,000	-
Total	\$ 445,000	500,000

Upon commencement of commercial production, the optionor will receive a 1.8% Gross Smelter Returns Royalty.

4. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

a) As at December 31, 2022 the liabilities of the Company include the following amounts to a director and officer:

Trade payables	\$ 2,100
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SILVERSTOCK METALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
DECEMBER 31, 2022
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- b) During the period from April 1, 2022 to December 31, 2022 the Company incurred consulting fees and share-based payments with an officer and directors, which compromise key management compensation as follows:

Consulting fees	\$ 18,000
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5. SHARE CAPITAL AND RESERVES

a) Common shares

Authorized – Unlimited common shares without par value.

During the nine-month period ended December 31, 2022, the Company had the following share capital transactions:

- (1) Issued 150,000 common shares pursuant to the Gold Cutter option agreement.

During the year ended March 31, 2022, the Company had the following share capital transactions:

- (1) On August 30, 2021 the Company completed an initial public offering (“IPO”) through the issuance of 4,500,000 common shares at a price of \$0.10 per share for gross proceeds of \$450,000. In connection with the IPO, the Company paid an agent’s commission of \$45,000 and issued 450,000 agent’s warrants, each entitling the holder to purchase one common share at a price of \$0.10 per share for a period of two years from issuance. In addition, the Company paid the agent a corporate finance fee consisting of \$30,000 cash and 100,000 common shares fairly valued at \$0.10 per share and incurred additional issuance costs of \$82,591
- (2) Issued 150,000 common shares pursuant to the Gold Cutter option agreement.
- (3) Issued 3,600,000 common shares for proceeds of \$360,000 pursuant to the exercise of share purchase warrants.

b) Share purchase warrants

The following is a summary of changes in share purchase warrants from March 31, 2022 to December 31, 2022

	Number of warrants	Weighted Average Exercise Price
Balance, March 31, 2022	3,150,000	\$0.10
Exercised	(2,700,000)	\$0.10
Balance, December 31, 2022	450,000	\$0.10

SILVERSTOCK METALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (Cont'd...)

As at December 31, 2022, the following share purchase warrants were outstanding and exercisable:

Expiry Date	Number of warrants	Exercise Price
Aug 30, 2023	450,000	\$0.10
	450,000	\$0.10

As at December 31, 2022, the weighted average remaining contractual life of warrants outstanding is 0.58 years.

c) Share purchase options

The following is a summary of changes in share purchase options from March 31, 2022 to December 31, 2022

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2022	200,000	\$0.10
Balance, December 31, 2022	200,000	\$0.10

As at December 31, 2022, the following share purchase options were outstanding and exercisable:

Expiry Date	Number of options	Exercise Price
April 12, 2026	200,000	\$0.10
	200,000	\$0.10

As at December 31, 2022, the weighted average remaining contractual life of options outstanding is 3.2 years.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of amounts due to related parties and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd...)

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to cash is remote as cash is deposited in high credit quality financial institutions.

Liquidity risk

Liquidity risk is the risk the Company will not have sufficient liquidity to meet its ongoing liabilities. As of December 31, 2022, the Company had a cash balance of \$520,372 to settle current liabilities of \$2,220 which are all due within 3 months.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company's expenditures are denominated in Canadian dollars and current exposure to currency risk is minimal.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

7. CAPITAL MANAGEMENT

The Company defines capital that it manages as the aggregate of share capital, reserves and deficit.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company relies on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is enough economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the period.