

**SILVERSTOCK METALS INC.**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED JUNE 30, 2023 AND 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 interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The interim financial statements of the Company for the three months ended June 30, 2023 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 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.**  
**STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

	<b>June 30, 2023</b>	<b>March 31, 2023</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 485,194	\$ 499,365
Receivables	<u>6,743</u>	<u>19,558</u>
	491,937	518,923
Exploration and evaluation assets (Note 3)	<u>209,817</u>	<u>209,817</u>
	\$ 701,754	\$ 728,740
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 20,449	\$ 28,171
Due to related parties (Note 4)	<u>2,100</u>	<u>2,100</u>
	22,549	30,271
<b>Shareholders' Equity</b>		
Share capital (Note 5)	945,242	945,242
Subscriptions received in advance (Note 5)	-	-
Reserves	60,000	60,000
Deficit	<u>(326,037)</u>	<u>(306,773)</u>
	679,205	698,469
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 701,754</b>	<b>\$ 728,740</b>

**Nature of operations and going concern** (Note 1)

**Approved on behalf of the Board of Directors:**

Jonathan Fruchter Director Roger Foster Director

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

**SILVERSTOCK METALS INC.**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)

	<b>Three Months Ended June 30, 2023</b>	<b>Three Months Ended June 30, 2022</b>
<b>Operating Expenses</b>		
Consulting fees (Note 4)	\$ 15,000	\$ 15,000
General and administrative	85	912
Filing fees	2,250	2,400
Rent	1,500	1,500
Professional fees	429	1,545
<b>Net Loss and Comprehensive Loss</b>	<b>\$ 19,264</b>	<b>\$ 21,357</b>
<b>Basic and Diluted Loss per Share</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted Average Number of Common Shares Outstanding</b>	<b>19,100,001</b>	<b>18,050,001</b>

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

**SILVERSTOCK METALS INC.**  
**STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)

	<b>Three Months Ended June 30, 2023</b>		<b>Year Ended March 31, 2023</b>
<b>Cash Flows From Operating Activities</b>			
Net loss for the year	(19,264)	\$	(128,111)
Items not involving cash			
Changes in non-cash working capital items			
Receivables	12,815		(5,777)
Accounts payable and accrued liabilities	(7,722)		8,705
Net cash used in operating activities	(14,171)		(125,183)
<b>Cash Flows From Investing Activities</b>			
Exploration and evaluation of assets	-		(15,000)
Net cash used in operating investing activities	-		(15,000)
<b>Cash Flows From Financing Activities</b>			
Proceeds from issuance of shares, net of share issuance costs	-		(668)
Net cash (used in) from financing activities	-		(668)
<b>Increase (decrease) in cash during the period</b>	(14,171)		(140,851)
<b>Cash, Beginning of Period</b>	499,365		640,216
<b>Cash, End of the Period</b>	\$ 485,194	\$	499,365
<b>Supplemental Cash Flow Information</b>			
Fair value of shares issued for exploration and evaluation assets	\$	-	\$ 22,500

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

**SILVERSTOCK METALS INC.**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Expressed in Canadian Dollars)

	<b>Number of Outstanding Shares</b>	<b>Share Capital</b>	<b>Subscriptions received in advance</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total Shareholders' Equity</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance, March 31, 2021</b>	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	900,000	90,000	-	-	-	90,000
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	-	-	270,000	-	-	270,000
Share-based payments	-	-	-	6,000	-	6,000
Net loss for the period	-	-	-	-	(108,280)	(108,280)
<b>Balance, March 31, 2022</b>	16,250,001	653,410	270,000	60,000	(178,662)	804,748
Shares issued for property acquisition	150,000	22,500	-	-	-	22,500
Shares issued from the exercise of warrants	2,700,000	270,000	(270,000)	-	-	-
Share issuance costs	-	(668)	-	-	-	(668)
Net loss for the period	-	-	-	-	(128,111)	(128,111)
<b>Balance, March 31, 2023</b>	19,100,001	945,242	-	60,000	(306,773)	698,469
Net loss for the period	-	-	-	-	(19,264)	(19,264)
<b>Balance June 30, 2023</b>	19,100,001	945,242	-	60,000	(326,037)	679,205

The accompanying notes are an integral part of these financial statements

**SILVERSTOCK METALS INC.**  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED JUNE 30, 2023 AND 2022  
(Expressed in Canadian Dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

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 710 – 1030 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 June 30, 2023, the Company has generated negative cash flows from operating activities and has an accumulated deficit of \$326,037 (March 31, 2023 - \$306,773). 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.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Statement of compliance**

These 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 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, 2023, 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 three-month period ended June 30, 2023 are not necessarily indicative of the results that may be expected for the year ended March 31, 2024.

These financial statements were authorized for issue by the Board of Directors on August 16, 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 INTERIM FINANCIAL STATEMENTS  
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**3. EXPLORATION AND EVALUATION OF ASSETS**

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

	Gold Cutter
<b>Balance at March 31, 2021</b>	<b>\$ 101,932</b>
Acquisition costs:	
Cash & Shares	35,500
Deferred exploration costs:	
Consulting	18,777
Report preparation	4,900
Assay	5,657
Field & Travel	5,551
<b>Total expenditures for the year</b>	<b>70,385</b>
<b>Balance March 31, 2022</b>	<b>\$ 172,317</b>
Acquisition costs:	
Cash	15,000
Shares	22,500
<b>Total expenditures for the period</b>	<b>37,500</b>
<b>Balance at March 31, 2023 and June 30, 2023</b>	<b>\$ 209,817</b>

**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	-
<b>Total</b>	<b>\$ 445,000</b>	<b>500,000</b>

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



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**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 June 30, 2023 the liabilities of the Company include the following amounts due to a director and officer:

		<u>2023</u>	<u>2022</u>
Due to related parties	\$	2,100	2,100

- b) During the three months ended June 30, 2023, the Company incurred consulting fees with an officer and director, which compromise key management compensation as follows:

		<u>2023</u>	<u>2022</u>
Consulting fees	\$	6,000	6,000

**5. SHARE CAPITAL AND RESERVES**

**a) Common shares**

Authorized – Unlimited common shares without par value.

During the three months ended June 30, 2023, the Company had the following share capital transactions:

Nil

During the year ended March 31, 2023, the Company had the following share capital transactions:

- (1) Issued 150,000 common shares with a fair value of \$22,500 pursuant to the Gold Cutter option agreement.
- (2) Issued 2,700,000 common shares pursuant to the exercise of share purchase warrants. Proceeds of \$270,000 were received during the year ended March 31, 2022.

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 fair valued at \$0.10 per share, and incurred additional issuance costs of \$82,591

The fair value of the agent's warrants was estimated as \$24,000 using Black-Scholes option pricing model. The weighted average assumptions used in the pricing model were as follows: share price – \$0.10; exercise price \$0.10; expected life – 2 years; risk-free rate – 0.45%; expected volatility – 100%; expected forfeitures – nil; and expected dividends – nil. The significant estimated assumptions are the expected life which is based on the contractual maturity of the warrants and the expected volatility which is based on a comparable public company's historical volatility. Share price is the share price on date of issuance.

- (2) Issued 150,000 common shares with a fair value of \$25,500 pursuant to the Gold Cutter option agreement.
- (3) Issued 900,000 common shares for proceeds of \$90,000 pursuant to the exercise of share purchase warrants.

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

**a) Share purchase warrants**

The following is a summary of changes in share purchase warrants from April 1, 2023 to June 30, 2023.

	Number of warrants	Weighted Average Exercise Price
Balance, April 1, 2023	450,000	\$0.10
Issued	-	-
Exercised	-	-
<b>Balance, June 30, 2023</b>	<b>450,000</b>	<b>\$0.10</b>

As at June 30, 2023, the following share purchase warrants were outstanding and exercisable:

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

As at June 30, 2023, the weighted average remaining contractual life of warrants outstanding is 0.17 years (2022 – 1.17 years).

**b) Share purchase options**

On April 1, 2021, the Company adopted a stock option plan for directors, officers, employees and consultants, under which the Company may grant stock options to purchase common shares of the Company provided that the amount of incentive stock options which may be granted and outstanding under the Plan at any time shall not exceed 10% of the then issued and outstanding common shares of the Company.

On April 12, 2021, the Company granted 200,000 options to a director and officer. Each option enables the holder to purchase one common share of the Company at an exercise price of \$0.10 per common share and expires on April 12, 2026.

The following is a summary of changes in share purchase options from April 1, 2023 to June 30, 2023.

	Number of Options	Weighted Average Exercise Price
Balance April 1, 2023	200,000	\$0.10
Exercised	-	-
Granted	-	-
<b>Balance, June 30, 2023</b>	<b>200,000</b>	<b>\$0.10</b>

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

As at June 30, 2023, the following share purchase options were outstanding and exercisable:

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

As at June 30, 2023, the weighted average remaining contractual life of options outstanding is 2.7 years (2022 – 4.04 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.

**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 March 31, 2023, the Company had a cash balance of \$485,194 to settle current liabilities of \$22,549 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.

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

*Foreign currency risk*

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

*Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

**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.

**8. SEGMENTED INFORMATION**

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

**9. SUBSEQUENT EVENTS**

Subsequent to June 30, 2023, 450,000 share purchase warrants were exercised and 450,000 common shares were issued for gross proceeds of \$45,000.