

**SILVERSTOCK METALS INC.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**(Expressed in Canadian Dollars)**

**(Unaudited – Prepared by Management)**

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

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

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

The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

**SILVERSTOCK METALS INC.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)  
(Unaudited)  
As at

	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 894,115	\$ 499,365
Receivables	10,644	19,558
	<u>904,759</u>	<u>518,923</u>
Exploration and evaluation assets (Note 4)	247,817	209,817
	<u>\$ 1,152,576</u>	<u>\$ 728,740</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Notes 5 and 7)	\$ 14,410	\$ 30,271
	<u>14,410</u>	<u>30,271</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 6)	1,523,120	945,242
Reserves	64,672	60,000
Deficit	(449,626)	(306,773)
	<u>1,138,166</u>	<u>698,469</u>
	<u>\$ 1,152,576</u>	<u>\$ 728,740</u>

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

Approved on behalf of the Board of Directors:

/s/ "Jonathan Fruchter"  
Jonathan Fruchter, Director

/s/ "Tom Panoulias"  
Tom Panoulias, Director

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

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

	<b>Three months ended December 31, 2023</b>	<b>Three months ended December 31, 2022</b>	<b>Nine months ended December 31, 2023</b>	<b>Nine months ended December 31, 2022</b>
<b>Expenses</b>				
Administrative costs	\$ 9,000	\$ -	\$ 12,900	\$ -
Consulting fees (Note 7)	-	15,000	25,000	45,000
Filing and regulatory fees	3,096	4,252	10,308	12,344
Management fees (Note 7)	12,990	-	12,990	-
Office and miscellaneous	1,443	1,954	4,817	6,840
Professional fees (Note 7)	10,300	770	26,803	16,216
Property investigation	-	-	17,039	-
Share-based compensation (Notes 6 and 7)	11,901	-	22,250	-
Shareholder communication	880	-	1,795	-
Transfer agent	330	-	1,602	-
Travel	10,328	-	13,403	-
	(60,268)	(21,976)	(148,907)	(80,400)
Interest income	5,781	-	6,054	-
<b>Loss and comprehensive loss for the period</b>	<b>\$ (54,487)</b>	<b>\$ (21,976)</b>	<b>\$ (142,853)</b>	<b>\$ (80,400)</b>
<b>Loss per common share – basic and diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>24,171,740</b>	<b>19,100,001</b>	<b>20,892,910</b>	<b>19,100,001</b>

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

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

	Number of shares	Share capital	Reserves	Deficit	Total
<b>March 31, 2022</b>	18,950,001	\$ 923,410	\$ 60,000	\$ (178,662)	\$ 804,748
Shares issued for exploration and evaluation assets	150,000	22,500	-	-	22,500
Share issuance costs	-	(668)	-	-	(668)
Loss for the period	-	-	-	(80,400)	(80,400)
<b>December 31, 2022</b>	19,100,001	\$ 945,242	\$ 60,000	\$ (259,062)	\$ 746,180
<b>March 31, 2023</b>	19,100,001	\$ 945,242	\$ 60,000	\$ (306,773)	\$ 698,469
Shares issued for cash	5,200,000	520,000	-	-	520,000
Share issue costs	-	(24,122)	6,422	-	(17,700)
Shares issued for exploration and evaluation assets	100,000	13,000	-	-	13,000
Shares issued for warrant exercise	450,000	69,000	(24,000)	-	45,000
Share-based compensation	-	-	22,250	-	22,250
Loss for the period	-	-	-	(142,853)	(142,853)
<b>December 31, 2023</b>	24,850,001	\$ 1,523,120	\$ 64,672	\$ (449,626)	\$ 1,138,166

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

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

	<b>Nine months ended December 31, 2023</b>	<b>Nine months ended December 31, 2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (142,853)	\$ (80,400)
Adjust for item not involving cash:		
Share-based compensation	22,250	-
Changes in non-cash working capital items:		
Receivables	8,914	(4,430)
Accounts payable and accrued liabilities	(15,861)	(19,346)
Net cash used in operating activities	(127,550)	(104,176)
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Exploration and evaluation assets	(25,000)	(15,000)
Net cash used in investing activity	(25,000)	(15,000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	520,000	-
Proceeds from warrant exercise	45,000	-
Share issue costs	(17,700)	(668)
Net cash provided by (used in) investing activities	547,300	(668)
Change in cash and cash equivalents	394,750	(119,844)
<b>Cash and cash equivalents, beginning of period</b>	<b>499,365</b>	<b>640,216</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 894,115</b>	<b>\$ 520,372</b>
Cash and cash equivalents consist of:		
	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Cash	\$ 119,115	\$ 499,365
Cash equivalents	775,000	-
	<b>\$ 894,115</b>	<b>\$ 499,365</b>

**Supplemental cash flow information** (Note 8)

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

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

Silverstock Metals Inc. (the “Company”) is an exploration and evaluation stage corporation and is in the business of acquiring, exploring, and evaluating mineral properties in Canada. The Company was incorporated on September 1, 2020 under the laws of British Columbia. The Company’s shares are listed on the Canadian Securities Exchange (“CSE”) under the symbol STK. The Company’s head office is located at 330 - 890 West Pender Street, Vancouver, BC, V6C 1J9. The Company’s registered and records office is located at 40440 Thunderbird Ridge B1831, Garibaldi Highlands, BC, V0N 1T0.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. These condensed interim financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary were the going concern assumption not appropriate. These adjustments could be material.

The Company’s continuation as a going concern is dependent upon the successful results from its business activities, its ability to obtain profitable operations and generate funds, and/or complete financings sufficient to meet current and future obligations, which in turn is dependent upon the existence of economically recoverable reserves and market prices for the underlying minerals. The Company has not yet determined whether its exploration and evaluation assets 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. These material uncertainties may cast significant doubt as to the ability of the Company to continue as a going concern.

While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company. The Company raised capital in the prior and current reporting periods through private placements of its common shares, with the result that the current working capital balance is an amount that management estimates is sufficient to further operations for the upcoming 12 months.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of the adverse results of these factors and their effects on the Company’s business or results of operations or its ability to raise funds.

## **2. BASIS OF PRESENTATION**

### **Statement of compliance**

These condensed interim financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the International Financial Reporting Interpretations Committee. They do not include all disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements, and, therefore, should be read in conjunction with the Company’s audited financial statements for the year ended March 31, 2023, prepared in accordance with IFRS as issued by the IASB.

## **2. BASIS OF PRESENTATION (cont'd...)**

### **Approval of the financial statements**

These condensed interim financial statements were authorized by the Board of Directors of the Company on February 29, 2024.

### **Basis of measurement**

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments which are carried at fair value through profit and loss. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### **Functional and presentation currency**

These condensed interim financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

### **Significant estimates and judgments**

The preparation of these condensed interim financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Areas of significant judgment and estimates affecting the amounts recognized in these condensed interim financial statements include, but are not limited to, the following:

#### Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the next 12 months, and to fund planned and contractual exploration programs involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

#### Impairment of exploration and evaluation assets

At the end of each reporting period, the Company assesses each of its mineral properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as: the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of mineral properties are budgeted or planned, and results of exploration and evaluation activities on the exploration and evaluation assets.

#### Valuation of share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.



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**3. SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim financial statements were prepared using the same accounting policies and methods of computation as in the Company’s financial statements for the year ended March 31, 2023, except as noted below.

**Cash and cash equivalents**

Cash and cash equivalents are comprised of cash in bank accounts and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents have maturities at the time of acquisition of less than three months.

**New standards, interpretations and amendments to existing standards not yet effective**

A number of new standards and amendments to standards and interpretations have been issued by the IASB and are effective for annual periods beginning on or after April 1, 2023 which have not been applied in preparing these condensed interim financial statements as they are not yet effective. The standards and amendments to standards that would be applicable to the financial statements of the Company are the following:

*IAS 1, Presentation of Financial Statements*

The amendments clarify the requirements for classifying liabilities as current or non-current. The amendments provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. This amendment is effective for financial statements beginning on or after January 1, 2024, with early adoption permitted.

The Company is assessing the potential impact of the application of this standard.

**4. EXPLORATION AND EVALUATION ASSETS**

<b>Property</b>	<b>Gold Cutter</b>
March 31, 2022	\$ 172,317
Acquisition costs	
Cash	15,000
Shares	22,500
	37,500
March 31, 2023	209,817
Acquisition costs	
Cash	25,000
Shares	13,000
	38,000
December 31, 2023	\$ 247,817

**SILVERSTOCK METALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

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**4. EXPLORATION AND EVALUATION ASSETS (cont'd...)**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 "Gold Cutter") in the Kamloops Mining Division of British Columbia, Canada. To exercise the option the Company must pay \$445,000 and issue 500,000 common share as follows:

	<b>Acquisition in cash</b>	<b>Acquisition in shares</b>
Upon signing of the agreement (completed)	\$ 5,000	-
On or before the Company's common shares listed on the CSE (the "Listing") (completed)	10,000	-
Within 15 days of the Listing (completed)	-	150,000
On or before August 27, 2022 (completed)	15,000	150,000
On or before August 27, 2023 (completed)	25,000	100,000
On or before August 27, 2024	25,000	100,000
On or before August 27, 2025	40,000	-
On or before August 27, 2026	100,000	-
On or before August 27, 2027	225,000	-
<b>Total</b>	<b>\$ 445,000</b>	<b>500,000</b>

Upon commencement of commercial production, the optionors will receive a 1.8% gross smelter returns royalty.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Accounts payable	\$ 14,410	\$ 6,672
Accrued liabilities	-	23,599
	<b>\$ 14,410</b>	<b>\$ 30,271</b>

**6. SHARE CAPITAL****Authorized share capital**

Unlimited number of shares without par value.

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**6. SHARE CAPITAL (cont'd...)**

**Issued share capital**

During the nine months ended December 31, 2023, the Company issued:

- i. 5,200,000 units at a price of \$0.10 per unit by way of a non-brokered private placement for total proceeds of \$520,000, with each unit consisting of one common share and one-half of one common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire an additional common share at a price of \$0.20 per common share, for a period of two years from the date of issue. The Company paid finders' fees of \$17,700 and issued 162,000 finder warrants. Each finder warrant entitles the holder to acquire an additional common share at a price of \$0.20 per common share, for a period of two years from the date of issue. The warrants were valued at \$6,422, calculated using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk-free interest rate of 4.85%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 104%;
- ii. 100,000 common shares, with a fair value of \$13,000, pursuant to the Gold Cutter option agreement (Note 4); and
- iii. 450,000 common shares pursuant to the exercise of warrants, for proceeds of \$45,000.

During the nine months ended December 31, 2022, the Company issued:

- i. 150,000 common shares, with a fair value of \$22,500, pursuant to the Gold Cutter option agreement (Note 4).

**Warrants**

During the nine months ended December 31, 2023, 450,000 (2022 - nil) warrants were exercised; accordingly, fair value associated with the warrants of \$24,000 (2022 - \$nil) was reclassified from reserves to share capital.

Warrant transactions are summarized as follows:

	Number of warrants		Weighted average exercise price
Balance as at March 31, 2022	3,150,000	\$	0.10
Exercised	(2,700,000)		0.10
Balance as at March 31, 2023	450,000		0.10
Issued	2,762,000		0.20
Exercised	(450,000)		0.10
Balance as at December 31, 2023	2,762,000	\$	0.20

As at December 31, 2023, the Company had outstanding warrants enabling the holders to acquire common shares as follows:

Number of warrants	Exercise price	Weighted average remaining life (years)	Expiry date
2,762,000	\$ 0.20	1.81	October 13, 2025
2,762,000		1.81	

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**6. SHARE CAPITAL (cont'd...)**

**Stock options**

On April 1, 2021, the Company adopted a stock option plan (the “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.

During the nine months ended December 31, 2023, the Company granted 500,000 options (2022 - nil) and recorded share-based compensation of \$22,250 (2022 - \$nil). The options were valued at \$38,865 calculated using the Black-Scholes option pricing model assuming a life expectancy of five years, a risk-free interest rate of 3.81%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 104%.

Option transactions are summarized as follows:

	Number of options		Weighted average exercise price
Balance as at March 31, 2022 and 2023	200,000	\$	0.10
Granted	500,000		0.10
Balance as at December 31, 2023	700,000	\$	0.10
Exercisable as at December 31, 2023	200,000	\$	0.10

As at December 31, 2023, the Company had outstanding options enabling the holders to acquire common shares as follows:

Number of options	Number of exercisable options		Exercise price	Weighted average remaining life (years)	Expiry date
200,000	200,000	\$	0.10	2.28	April 12, 2026
500,000	-	\$	0.10	4.53	July 12, 2028
700,000	200,000			3.89	

The weighted average remaining life of exercisable options is 2.28.

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**7. 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. The following expenses were incurred in transactions with key management personnel:

	<b>Nine months ended December 31, 2023</b>	<b>Nine months ended December 31, 2022</b>
Consulting fees	\$ 10,000	\$ 18,000
Management fees	12,990	-
Professional fees	12,000	-
Share-based compensation	22,250	-
	<b>\$ 57,240</b>	<b>\$ 18,000</b>

As at December 31, 2023, included in accounts payable and accrued liabilities was \$14,279 (March 31, 2023 - \$2,100) owing to a director and an officer.

**8. SUPPLEMENTAL CASH FLOW INFORMATION**

The significant non-cash financing and investing activities are as follows:

	<b>Nine months ended December 31, 2023</b>	<b>Nine months ended December 31, 2022</b>
Common shares issued for exploration and evaluation assets	\$ 13,000	\$ 22,500
Reclassification of reserves to share capital on exercise of warrants	\$ 24,000	\$ -
Fair value of warrants issued as share issue costs	\$ 6,422	\$ -

**9. 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.

**10. 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.

## **10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**

### **Fair value hierarchy**

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 Company's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values.

### **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 and cash equivalents. Management believes that the credit risk concentration with respect to cash and cash equivalents is remote as cash and cash equivalents are 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, 2023, the Company had a cash and cash equivalents balance of \$894,115 to settle current liabilities of \$14,410 which are all due within three months.

#### Interest rate risk

The Company has cash and cash equivalents 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.

#### 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.

## **11. 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 has been no significant change in the Company's objectives, policies, and processes for managing its capital during the nine months ended December 31, 2023.