



Condensed Interim Consolidated Financial Statements

(Unaudited - expressed in Canadian Dollars)
For the three and nine months ended September 30, 2018 and 2017

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED 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 consolidated financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and reviewed by the Audit Committee and Board of Directors of the Company.

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

Silver One Resources Inc.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian dollars)

	Note	September 30 2018	December 31 2017
		\$	\$
Assets			
Current			
Cash		164,412	301,030
Short-term investments	4	1,000,000	3,600,000
Receivables and prepaid expenditures	5	208,532	370,010
		1,372,944	4,271,040
Non-current			
Mineral properties	6	10,579,949	7,584,159
Property and equipment		56,693	68,548
Reclamation deposit		42,041	25,662
Value-added tax receivable	7	30,284	26,846
Total Assets		12,081,911	11,976,255
Liabilities			
Current			
Accounts payable and accrued liabilities	8	147,722	539,703
Deferred rent		37,453	43,215
		185,175	582,918
Shareholders' Equity			
Share capital	9(b)	17,240,479	15,954,715
Share-based payment reserve	9(c)	1,202,527	1,010,596
Accumulated other comprehensive loss		(44,046)	(343,879)
Accumulated deficit		(6,502,224)	(5,228,095)
		11,896,736	11,393,337
Total Liabilities and Shareholders' Equity		12,081,911	11,976,255

Nature of operations and going concern – Note 1
Commitments – Note 14

APPROVED BY THE DIRECTORS

"Claudia Tornquist" Director

"Barry Girling" Director

Silver One Resources Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss For the three and nine months ended September 30, 2018 and 2017

(Unaudited - expressed in Canadian dollars)

	Note	Three months ended September 30		Nine months ended September 30	
		2018	2017	2018	2017
		\$	\$	\$	\$
Expenses					
Administrative and office		29,758	24,738	77,501	73,842
Consulting		38,455	51,946	125,950	118,527
Depreciation		3,952	1,763	11,855	2,899
Exploration and evaluation		1,849	181,367	10,160	274,883
Filing and listing fees		2,764	1,362	19,420	50,867
Professional fees		33,886	21,900	105,127	84,131
Salaries and benefits		77,389	60,000	231,939	183,536
Share-based payments	9(c)	81,946	41,176	205,351	139,535
Shareholder communications		60,577	35,691	358,053	132,623
Travel and related costs		36,322	53,510	133,270	185,590
Loss before other items		(366,898)	(473,453)	(1,278,626)	(1,246,433)
Foreign exchange loss		(4,425)	(2,511)	(17,054)	(6,283)
Interest and other income		5,575	2,416	21,551	7,660
Net loss for the period		(365,748)	(473,548)	(1,274,129)	(1,245,056)
Other comprehensive (loss) income for the period					
Currency translation adjustment		(178,535)	(247,487)	299,833	(466,282)
Comprehensive loss for the period		(544,283)	(721,035)	(974,296)	(1,711,338)
Loss per share					
Basic and diluted		(0.00)	(0.01)	(0.01)	(0.01)
Weighted average number of shares outstanding					
Basic and diluted		97,217,249	83,330,377	96,980,490	83,159,606

Silver One Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended September 30, 2018 and 2017
(Unaudited - expressed in Canadian dollars)

	Note	Nine months ended September 30	
		2018	2017
		\$	\$
Cash (used in) provided by:			
Operating activities			
Net loss for the period		(1,274,129)	(1,245,056)
Depreciation		11,855	2,899
Share-based payments	9(c)	205,351	139,535
Unrealized foreign exchange and other		(1,739)	(8,250)
Changes in non-cash working capital items			
Receivables and prepaid expenditures		161,478	(158,002)
Accounts payable and accrued liabilities		(391,981)	108,836
Deferred rent		(5,762)	-
		(1,294,927)	(1,160,038)
Investing activities			
Reclamation deposit		(15,560)	-
Mineral property expenditures		(1,440,467)	(446,965)
Acquisition of equipment		-	(25,664)
Cash out of short-term investments		2,600,000	-
Value-added tax incurred		836	-
		1,144,809	(472,629)
Financing activities			
Deferred financing costs		-	(1,234)
Proceeds from exercise of options	9(c)	13,500	6,625
		13,500	5,391
Decrease in cash		(136,618)	(1,627,276)
Cash - beginning of period		301,030	2,423,334
Cash - end of period		164,412	796,058

Supplemental cash flow information – Note 12

Silver One Resources Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - expressed in Canadian dollars)

	Note	Number of common shares	Share capital \$	Share-based payment reserve \$	Share subscriptions received \$	AOCI \$	Accumulated deficit \$	Total \$
Balance, December 31, 2016		81,864,977	10,351,498	636,398	-	92,280	(2,165,449)	8,914,727
Shares issued on the Candelaria option agreement	6,9(b)	1,332,900	1,332,900	-	-	-	-	1,332,900
Share-based payments	9(c)	-	-	139,535	-	-	-	139,535
Exercise of options	9(c)	132,500	13,211	(6,586)	-	-	-	6,625
Share subscriptions received		-	-	-	262,000	-	-	262,000
Net loss for the period		-	-	-	-	-	(1,245,056)	(1,245,056)
Cumulative translation adjustment		-	-	-	-	(466,282)	-	(466,282)
Balance, September 30, 2017		83,330,377	11,697,609	769,347	262,000	(374,002)	(3,410,505)	8,944,449
Shares issued from private placement	9(b)	10,750,001	4,300,000	-	-	-	-	4,300,000
Less: Share issue costs		-	(42,894)	-	-	-	-	(42,894)
Share-based payments	9(c)	-	-	241,249	-	-	-	241,249
Share subscriptions received		-	-	-	(262,000)	-	-	(262,000)
Net loss for the year		-	-	-	-	-	(1,817,590)	(1,817,590)
Cumulative translation adjustment		-	-	-	-	30,123	-	30,123
Balance, December 31, 2017		94,080,378	15,954,715	1,010,596	-	(343,879)	(5,228,095)	11,393,337
Shares issued on the Candelaria option agreement	6,9(b)	2,828,636	1,245,900	-	-	-	-	1,245,900
Shares issued to stake eastern Nevada claims	6,9(b)	38,235	12,944	-	-	-	-	12,944
Share-based payments	9(c)	-	-	205,351	-	-	-	205,351
Exercise of options	9(c)	270,000	26,920	(13,420)	-	-	-	13,500
Net loss for the period		-	-	-	-	-	(1,274,129)	(1,274,129)
Cumulative translation adjustment		-	-	-	-	299,833	-	299,833
Balance, September 30, 2018		97,217,249	17,240,479	1,202,527	-	(44,046)	(6,502,224)	11,896,736

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

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2018 and 2017

(Unaudited - expressed in Canadian dollars)

1. Nature of operations and going concern

Silver One Resources Inc. (the "Company" or "Silver One") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 8, 2007.

The Company's principal activities include the acquisition, exploration and development of mineral properties. On September 26, 2016, the Company completed the acquisition of all issued and outstanding shares of KCP Minerals Inc. ("KCP"), and after this transaction holds three Mexican silver projects: Peñasco Quemado in the state of Sonora, La Frazada in the state of Nayarit, and Pluton in the state of Durango. The Company also entered into an option agreement to acquire a 100% interest in the Candelaria Silver project (the "Candelaria Project") located in Nevada and has also staked claims in eastern Nevada.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. As at September 30, 2018, the Company had an accumulated deficit of \$6,502,224, and expects to incur further losses in the development of the business. These factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependant on its ability to obtain necessary financing to meet its corporate and deferred exploration expenditures and discharge its liabilities in the normal course of business. Although the Company has been successful in obtaining financing in the past, there can be no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Should the Company be unable to continue as a going concern, asset realization values may be substantially different from their carrying values. These condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to carrying values, and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

Silver One is a public company which is listed on the TSX-V under the symbol "SVE", on the OTC Pink under the symbol "SLVRF", and on the Frankfurt Stock Exchange under the symbol "BRK1".

The Company's corporate office is located at Suite 410-1040 W Georgia St., Vancouver, British Columbia, V6E 4H1.

2. Basis of preparation

Statement of compliance and functional currency

These condensed interim consolidated financial statements have been presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.

These condensed interim consolidated financial statements have been prepared on a historical cost basis. These condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company's Canadian entities. The functional currency of the Company's foreign subsidiaries is US dollars. The currency translation adjustment resulting from the translation of the foreign subsidiaries' US dollar functional currency to the Company's Canadian dollar presentation currency is charged to other comprehensive income or loss, and included in accumulated other comprehensive income or loss within the shareholders' equity section of the statement of financial position.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2018 and 2017

(Unaudited - expressed in Canadian dollars)

2. Basis of preparation (continued)

Statement of compliance and functional currency (continued)

The accounts of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

These condensed interim consolidated financial statements were approved by the audit committee on behalf of the board of directors on November 15, 2018.

3. Accounting policies

These condensed interim consolidated financial statements have been prepared on a basis consistent with the significant accounting policies disclosed in the annual financial statements for the year ended December 31, 2017, except for the adoption of IFRS 9 and 15 for the 2018 fiscal year that became effective January 1, 2018. Accordingly, they should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2017. The adoption of these IFRS and their impact on these Financial Statements are discussed below.

Changes in accounting policies – IFRS 9

The Company adopted all of the requirements of IFRS 9 *Financial Instruments* (“IFRS 9”) as of January 1, 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* (“IAS 39”). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking “expected loss” impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company’s accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company’s new accounting policy for financial instruments under IFRS 9:

a) Classification

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 the 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 as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2018 and 2017

(Unaudited - expressed in Canadian dollars)

3. Accounting policies (continued)

Changes in accounting policies – IFRS 9 (continued)

a) Classification (continued)

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification IAS 39	New classification IFRS 9
Cash	amortized cost	amortized cost
Short-term investments	amortized cost	amortized cost
Accounts receivable	amortized cost	amortized cost
Reclamation deposit	amortized cost	amortized cost
Accounts payable and accrued liabilities	amortized cost	amortized cost

The Company did not restate prior periods as there was no impact at the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on January 1, 2018.

b) Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

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) income. 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) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

c) Impairment of financial assets at amortized cost

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 net (loss) income, 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.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2018 and 2017 (Unaudited - expressed in Canadian dollars)

3. Accounting policies (continued)

Changes in accounting policies – IFRS 9 (continued)

d) Derecognition

Financial assets

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 net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets.

Changes in accounting policies – IFRS 15

The adoption of IFRS 15 *Revenue from contracts with customers* did not have an impact on the Company's consolidated financial statements.

Accounting standards issued but not yet effective

The following new standard has been issued but not yet applied:

a) IFRS 16 – Leases. IFRS 16 Leases will replace IAS 17 Leases

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard will be effective for annual periods beginning on or after January 1, 2019. This standard will affect the way in which the Company accounts for its operating leases and will increase the related disclosures.

Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's consolidated financial statements.

4. Short-term investments

Short-term investments include highly liquid, redeemable GIC investments in an active market with original maturities of one year or less.

5. Receivables and prepaid expenditures

	September 30 2018	December 31 2017
	\$	\$
GST receivable	5,004	2,645
Other receivables	117,344	122,066
Prepaid expenditures	86,184	245,299
	208,532	370,010

Other receivables include amounts due from subleasing the Company's office space. Prepaid expenditures primarily include amounts in connection with insurance, investor relations conferences and marketing activities.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2018 and 2017 (Unaudited - expressed in Canadian dollars)

6. Mineral properties

	Balance September 30, 2018	9 months ended September 30, 2018	Balance December 31, 2017
	\$	\$	\$
USA			
Candelaria			
Option payments - shares	2,578,800	1,245,900	1,332,900
Acquisition costs - shares	12,944	12,944	-
Acquisition costs - cash	13,088	13,088	-
Consulting fees	317,022	198,879	118,143
Drilling	228,911	9,169	219,742
Field supplies and other costs	56,822	13,433	43,389
Laboratory and analysis fees	192,209	173,249	18,960
Land payments	374,566	242,726	131,840
Staking and survey costs	100,779	63,697	37,082
Travel and accommodation fees	83,563	31,743	51,820
Currency translation adjustment	114,746	114,746	-
	4,073,450	2,119,574	1,953,876
Eastern Nevada			
Consulting fees	193,065	138,673	54,392
Field supplies and other costs	6,634	5,963	671
Laboratory and analysis fees	8,008	8,008	-
Land payments	491,124	364,741	126,383
Staking and survey costs	134,349	44,526	89,823
Travel and accommodation fees	33,555	23,564	9,991
Currency translation adjustment	10,301	10,301	-
	877,036	595,776	281,260
USA total	4,950,486	2,715,350	2,235,136
Mexico			
La Frazada			
Acquisition costs	2,086,202	-	2,086,202
Consulting fees	19,660	2,295	17,365
Laboratory and analysis fees	8,150	-	8,150
Land payments	9,739	6,414	3,325
Travel and accommodation fees	6,174	-	6,174
Field supplies and other costs	3,440	-	3,440
Currency translation adjustment	(46,341)	64,269	(110,610)
	2,087,024	72,978	2,014,046
Peñasco Quemado			
Acquisition costs	3,194,966	-	3,194,966
Consulting fees	64,795	9,205	55,590
Field supplies and other costs	8,906	-	8,906
Laboratory and analysis fees	14,978	-	14,978
Land payments	153,620	80,328	73,292
Geophysics	112,416	7,923	104,493
Travel and accommodation fees	25,306	1,599	23,707
Currency translation adjustment	(65,774)	106,181	(171,955)
	3,509,213	205,236	3,303,977
Pluton			
Acquisition costs	1,091,245	-	1,091,245
Consulting fees	1,824	316	1,508
Land payments	65,290	-	65,290
Warehouse and storage costs	2,365	928	1,437
Impairment	(1,069,799)	-	(1,069,799)
Currency translation adjustment	(57,699)	982	(58,681)
	33,226	2,226	31,000
Mexico total	5,629,463	280,440	5,349,023
Mineral properties total	10,579,949	2,995,790	7,584,159

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2018 and 2017 (Unaudited - expressed in Canadian dollars)

6. Mineral properties (continued)

Candelaria Option Agreement

On January 16, 2017, the Company entered into an option agreement (the "Option Agreement") with a subsidiary of SSR Mining Inc. ("SSR") (formerly Silver Standard Resources Inc.), to acquire a 100% interest in the Candelaria silver project (the "Candelaria Project") located in Nevada, USA.

In order to exercise the option, the Company will be required to:

- issue USD \$1,000,000 in shares to SSR on the date that the parties satisfy the conditions to the Agreement, including obtaining final approval of the TSX-V (the "Effective Date") (paid);
- issue an additional USD \$1,000,000 in shares on each of the three anniversaries of the Effective Date (first year anniversary payment paid); and
- assume the reclamation bond on the property immediately prior to exercise of the option.

In order to satisfy the initial option payment of USD \$1,000,000, the Company issued 1,332,900 common shares at a fair value price of \$1.00 per share, and in order to satisfy the first anniversary payment of USD \$1,000,000, the Company issued 2,866,871 common shares at a fair value price of \$0.44 per share. Upon satisfying the terms set forth above, the Company will have earned a 100% interest in the property subject to a 3% net smelter returns royalty payable to Teck Resources USA on production from a certain claims group of the property and a charge of \$0.01 per ton payable for waste rock dumped on certain claims.

Additional Candelaria claims acquired

In March 2018, the Company entered into an agreement to acquire 10 non-patented mineral claims located along the eastern structural projection of the Candelaria mineralized system. These claims are located immediately east of the former producing Mount Diablo open pit. Silver One has acquired these claims for the consideration of USD \$10,000 plus the issuance of USD \$10,000 in Silver One shares.

Signing of Lease/Purchase Agreement on Five Patented Claims at the Cherokee Project

In July 2018, the Company entered into a Lease/Purchase Agreement with Castleton Park LLC ("Castleton") of Sparks, Nevada to acquire five patented claims constituting 83.5 acres (34 hectares) at its Cherokee project. These patents lie within the Company's recently announced Cherokee claim holdings in Lincoln County located in eastern Nevada.

The terms of the Lease/Purchase Agreement include three payments over a 2-year lease, consisting of a payment for US\$23,125 upon execution of the agreement (paid), US\$34,688 on the first anniversary and US\$34,687 on the second anniversary. This will provide Silver One with a 100% interest in all patented claims. The Mill Claim, comprising 3.5 acres (1.4 hectares) and located 2.4 kilometres to the north of the Cherokee project, requires title verification before the final transfer to Silver One. The sum of US\$10,000 will be withheld from the second anniversary payment until title transfer to Silver One is finalized. Castleton will also receive a payment of US\$100,000 for every 7.5 million silver equivalent ounces of mineral resources calculated on the property, subject to a maximum of US\$1,000,000.

2017 Impairment of mineral properties

Non-financial assets, including mineral properties are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down to its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash generating units" or "CGU"s). These are typically the individual properties or projects.

Each asset or CGU is evaluated every reporting period to determine whether there are any indicators of impairment. If any such indicators exist, which is often judgment-based, a formal estimate of the recoverable amount is performed and an impairment charge is recognized to the extent that the carrying amount exceeds the recoverable amount.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2018 and 2017

(Unaudited - expressed in Canadian dollars)

6. Mineral properties (continued)

2017 Impairment of mineral properties (continued)

At December 31, 2017, an impairment indicator test was performed by reviewing the individual properties' CGUs for impairment indicators. It was identified that there were indicators of impairment and thus that an impairment test was required on both the La Frazada and Pluton properties, primarily as a result of low historical exploration expenditures and lack of budgeted or planned expenditures on either of these properties. The impairment tests resulted in the carrying value of the CGU at December 31, 2017 exceeding the recoverable amount by \$1,069,799 for Pluton. The recoverable amount of Pluton was calculated based on the cost approach, using historical value-added costs to the property.

The recoverable amount of La Frazada was calculated based on the market approach by considering negotiations with potential purchasers at the measurement date. Significant assumptions were applied in determining the recoverable amount of La Frazada. Management's impairment test calculation did not result in the identification of an impairment loss on the La Frazada property as at December 31, 2017 as the recoverable amount of the property was estimated to exceed its carrying amount.

Although management believes the estimates applied in these impairment assessments are reasonable, such estimates are subject to significant uncertainties and judgments. The Company recorded an impairment of \$1,069,799 for Pluton against the carrying value of the property for the year ended December 31, 2017.

7. Value-added tax receivable

The Company, through its Mexican subsidiary, MTP, pays value-added tax on the purchases of goods and services at a rate of 16%. The amount paid or payable is recoverable and MTP has been successful in applying for and receiving refunds in the past from the local tax authorities. However, there is no guarantee that this will continue and, as such, the value-added tax receivable has been recorded as a non-current asset.

8. Accounts payable and accrued liabilities

	September 30 2018	December 31 2017
	\$	\$
Accounts payable	113,972	514,703
Accrued liabilities	33,750	25,000
	147,722	539,703

Accounts payable include amounts owing for consulting, exploration, and general corporate expenditures. Accrued liabilities include an accrual of audit fees for the 2018 year and other administrative expenses.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2018 and 2017

(Unaudited - expressed in Canadian dollars)

9. Share capital

a) **Authorized:** Unlimited common shares without par value.

b) Shares issued

Common shares: 97,217,249 (December 31, 2017 – 94,080,378).

During the nine months ended September 30, 2018, the Company:

- issued 2,828,636 common shares valued at \$1,245,900 pursuant to the Option Agreement for the Candelaria Project (see Note 6);
- issued 38,235 common shares valued at \$12,944 pursuant to the acquisition of new Candelaria claims (see Note 6);
- issued 270,000 common shares for the exercise of options in the amount of \$13,500. A value of \$13,420 was transferred from the share-based payment reserve to share capital as a result.

During the twelve months ended December 31, 2017, the Company:

- completed a non-brokered private placement by issuing 10,750,001 units (“Units”) at a price of \$0.40 per Unit for gross proceeds of \$4,300,000. Each Unit is comprised of one common share of the Company and one-half of one transferable common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will entitle the holder to purchase one additional common share of the Company at C\$0.60 per share for a period of three years from the date of issue;
- issued 1,332,900 common shares valued at \$1,332,900 pursuant to the Option Agreement for the Candelaria Project (see Note 6);
- issued 132,500 common shares for the exercise of options in the amount of \$6,625. A value of \$6,586 was transferred from the share-based payment reserve to share capital as a result.

Escrow shares

Pursuant to the regulatory requirements as at September 30, 2018, 652,500 issued and outstanding common shares were held in escrow under the CPC Escrow Agreement (December 31, 2017 - 1,305,000). Under the CPC Escrow Agreement, 2,175,000 shares were to be held in escrow, with 10% of the shares released on the issuance of the Final Exchange Bulletin on August 4, 2016 (the “Initial Release”), and an additional 15% to be released every 6 months following the Initial Release.

c) Options

The Company has adopted a share option plan that allows for the issuance of up to 10% of the issued and outstanding shares as incentive share options to directors, officers, employees and consultants to the Company. Share options granted under the plan may be subject to vesting provisions as determined by the Board of Directors.

The vesting provisions of all options are the following: 25% - 6 months from the grant date, 35% - 1 year from the grant date, and 40% - 1.5 years from the grant date.

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Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2018 and 2017 (Unaudited - expressed in Canadian dollars)

9. Share capital (continued)

c) Options (continued)

The Company's share options outstanding as at December 31, 2017 and September 30, 2018 and the changes for the periods then ended are as follows:

	Number	Weighted average exercise price
		\$
Balance as at December 31, 2016	5,649,996	0.11
Granted – April 27, 2017	575,000	0.58
Granted – June 6, 2017	200,000	0.65
Granted – June 15, 2017	200,000	0.57
Granted – October 4, 2017	200,000	0.45
Granted – October 24, 2017	200,000	0.45
Forfeited	(200,000)	0.65
Exercised	(132,500)	0.05
Balance as at December 31, 2017	6,692,496	0.19
Exercised	(270,000)	0.05
Granted – January 8, 2018	150,000	0.45
Granted – May 17, 2018	1,390,000	0.40
Forfeited – January 15, 2018	(415,000)	0.59
Balance as at September 30, 2018	7,547,496	0.22

The total share-based payment expense recorded during the three and nine months ended September 30, 2018 was \$81,946 and \$205,351 (2017: \$41,176 and \$139,535).

The following table summarizes information about the share options as at September 30, 2018:

Exercise price per share of options outstanding	Number of options outstanding	Weighted average remaining life (years) options outstanding	Number of options exercisable	Expiry date
\$0.05	4,217,496	2.85	4,217,496	August 5, 2021
\$0.33	615,000	2.92	615,000	August 31, 2021
\$0.58	575,000	3.58	345,000	April 27, 2022
\$0.57	200,000	3.71	120,000	June 15, 2022
\$0.45	200,000	4.01	50,000	October 4, 2022
\$0.45	200,000	4.07	50,000	October 24, 2022
\$0.45	150,000	4.28	37,500	January 8, 2023
\$0.40	1,390,000	4.63	-	May 17, 2023

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2018 and 2017 (Unaudited - expressed in Canadian dollars)

9. Share capital (continued)

d) Options (continued)

The fair value of options recognized in the period has been estimated using the Black-Scholes Pricing Model with the following assumptions on the grant date of the options:

Issue date	Expected Option life (years)	Risk free interest rate	Dividend yield	Expected volatility	Weighted average fair value
April 27, 2017	5.00	1.13%	nil	118%	\$0.45
June 6, 2017	5.00	1.13%	nil	118%	\$0.49
June 15, 2017	5.00	1.13%	nil	118%	\$0.31
October 4, 2017	5.00	1.60%	nil	117%	\$0.32
October 24, 2017	5.00	1.60%	nil	117%	\$0.38
January 8, 2018	5.00	1.60%	nil	116%	\$0.35
May 17, 2018	5.00	1.60%	nil	116%	\$0.19

d) Warrants

The Company's warrants outstanding as at December 31, 2017 and September 30, 2018 and the changes for the periods then ended are as follows:

	Number	Weighted average exercise price
		\$
Balance as at December 31, 2016	-	-
Granted – October 23, 2017	5,375,000	0.60
Balance as at December 31, 2017 and September 30, 2018	5,375,000	0.60

The balance of warrants outstanding as at September 30, 2018 is as follows:

Expiry Date	Exercise Price \$	Remaining Life (Years)	Warrants Outstanding
October 23, 2020	0.60	2.07	5,375,000

10. Segment information

The Company operates in a single reportable operating segment, being the acquisition, exploration and retention of mineral property assets. Geographic segment information of the Company's non-current assets as at September 30, 2018 and December 31, 2017 is as follows:

Non-current assets	September 30 2018	December 31 2017
	\$	\$
Canada	67,694	68,548
USA	4,981,527	2,260,798
Mexico	5,659,746	5,375,869
Total	10,708,967	7,705,215

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2018 and 2017

(Unaudited - expressed in Canadian dollars)

11. Related party transactions

The Company's related parties consist of the Company's directors and officers, and any companies associated with them. The Company incurred the following charges during the three and nine months ended September 30, 2018 and 2017:

Service or item	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
	\$	\$	\$	\$
Consulting fees	44,816	45,000	134,354	96,813
Professional fees	8,696	13,273	36,304	35,501
Salaries and benefits	60,000	60,000	183,795	183,735
Share-based payments	28,511	-	49,286	-

Consulting fees include amounts paid to Raul Diaz, a director of the Company, for geological consulting services.

Professional fees include amounts paid to Malaspina Consultants Inc., a company in which the CFO, Carmen Amezcua Hernandez, is an associate.

Salaries and benefits include amounts paid to Greg Crowe, President and Chief Executive Officer of the Company.

As at September 30, 2018, directors, officers or their related companies were owed \$23,593 (December 31, 2017 - \$31,818) in respect of services. The amounts due to related parties are unsecured, non-interest-bearing and due on demand.

Key management includes directors and executive officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

12. Supplemental cash flow information

Investing and financing activities that do not have a direct impact on the current cash flows are excluded from the cash flow statements. The following transactions were excluded from the consolidated statement of cash flows:

During the nine months ended September 30, 2018:

- The issuance of 2,828,636 common shares valued at \$1,245,900 pursuant to the Option Agreement for the Candelaria Project (see Note 6); and
- The issuance of 38,235 common shares valued at \$12,944 pursuant to the acquisition of new Candelaria claims (see Note 6);

During the nine months ended September 30, 2017:

- The issuance of 1,332,900 common shares valued at \$1,332,900 pursuant to the Option Agreement for the Candelaria Project (see Note 6).

The Company paid or accrued \$nil for income taxes during the nine months ended September 30, 2018 (2017 - \$nil).

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2018 and 2017

(Unaudited - expressed in Canadian dollars)

13. Financial instruments

Classification of financial instruments and capital risk management

The Company's financial instruments consist of cash, short-term investments, reclamation deposit, accounts receivable, accounts payable and accrued liabilities. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include foreign currency risk, interest rate risk, credit risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

There have been no changes in any risk management policies since December 31, 2017.

14. Commitments

The Company entered into an office lease agreement for office space beginning February 1, 2018 and expiring January 31, 2023. The payments are \$12,556 per month in years 1-3, and \$13,039 per month in years 4-5. The amount of the total lease payments committed is \$37,668 for the fiscal year ended December 31, 2018, \$150,672 for each of the fiscal years ended December 31, 2019, and 2020, \$155,985 for the year ended December 31, 2021, \$156,468 for the year ended December 31, 2022, and \$13,039 for the year ended December 31, 2023.

The Company is subletting a portion of the office space discussed above to three other entities. The total rent to be collected each month from these companies is \$8,375 per month in years 1-3, and \$8,697 per month in years 4-5. The amount of the total sublet rent to be collected is \$25,125 for the fiscal year ended December 31, 2018, \$100,501 for each of the fiscal years ended December 31, 2019, and 2020, \$104,042 for the year ended December 31, 2021, and \$104,364 for the year ended December 31, 2022, and \$8,697 for the year ended December 31, 2023.