



Condensed Interim Consolidated Financial Statements

(Unaudited - expressed in Canadian Dollars)

For the three and nine months ended September 30, 2022 and 2021

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**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 of the 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 2022	December 31 2021
		\$	\$
<b>Assets</b>			
<b>Current</b>			
Cash		3,812,173	8,708,892
Short-term investments	5	263,817	261,512
Receivables and prepaid expenditures	6	1,487,716	915,230
Net investment in sublease	10	51,215	148,833
Marketable securities	7	573,807	1,478,232
		6,188,728	11,512,699
<b>Non-current</b>			
Mineral properties	8	27,701,262	19,793,175
Property and equipment		68,849	81,731
Reclamation deposit		86,480	79,988
Net investment in sublease	10	-	12,925
Long-term receivables	4	-	458,390
<b>Total Assets</b>		<b>34,045,319</b>	<b>31,938,908</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	9	171,480	446,231
Deferred rent		2,881	9,363
Lease obligations	10	51,835	163,527
		226,196	619,121
<b>Non-current</b>			
Lease obligations	10	-	13,079
<b>Total Liabilities</b>		<b>226,196</b>	<b>632,200</b>
<b>Shareholders' Equity</b>			
Share capital	11(b)	46,659,300	44,315,713
Share-based payment reserve	11(c)	4,572,385	3,738,722
Accumulated other comprehensive income		1,376,759	(662,967)
Accumulated deficit		(18,789,321)	(16,084,760)
		33,819,123	31,306,708
<b>Total Liabilities and Shareholders' Equity</b>		<b>34,045,319</b>	<b>31,938,908</b>

Nature of operations and going concern – Note 1

Commitments – Note 17

Subsequent events – Note 18

**APPROVED BY THE DIRECTORS**

\_\_\_\_\_  
*"Claudia Tornquist"* Director

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*"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, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

	Note	Three months ended September 30		Nine months ended September 30	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Expenses</b>					
Administrative and office		28,488	16,788	70,714	71,211
Consulting	13	54,415	46,795	163,939	134,146
Depreciation		5,107	9,799	26,469	28,379
Director fees	13	19,500	15,000	52,500	45,000
Exploration and evaluation		419	1,283	419	8,516
Filing and listing fees		13,332	16,340	49,957	68,899
Professional fees	13	46,318	28,599	118,312	96,076
Salaries and benefits	13	69,413	72,364	229,992	221,693
Share-based payments	11(c),13	275,961	649,020	849,028	1,322,737
Shareholder communications		88,234	126,760	268,416	320,392
Travel and related costs		22,532	34,183	133,087	36,408
<b>Loss before other items</b>		(623,719)	(1,016,931)	(1,962,833)	(2,353,457)
Foreign exchange gain (loss)		28,204	88,988	64,400	(32,955)
Finance charge on leases	10	(1,499)	(4,829)	(6,871)	(16,783)
Income from sublease of office		1,482	4,287	6,547	14,744
Interest and other income		38,930	27,949	98,621	61,528
Loss on marketable securities	7	(31,074)	(346,947)	(904,425)	(743,163)
Loss on sale of KCP Minerals Inc.	4	-	-	-	(215,349)
<b>Net loss for the period</b>		(587,676)	(1,247,483)	(2,704,561)	(3,285,435)
<b>Other comprehensive gain for the period</b>					
Currency translation adjustment		1,654,259	499,188	2,039,726	16,277
<b>Comprehensive income (loss) for the period</b>		1,066,583	(748,295)	(664,835)	(3,269,158)
<b>Loss per share</b>					
Basic and diluted		(0.00)	(0.01)	(0.01)	(0.02)
<b>Weighted average number of shares outstanding</b>					
Basic and diluted		217,469,893	207,310,081	213,417,068	204,957,482

**Silver One Resources Inc.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**For the nine months ended September 30, 2022 and 2021**  
*(Unaudited - expressed in Canadian dollars)*

	<b>Nine months ended</b>	
	<b>2022</b>	<b>September 30</b>
	<b>\$</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Cash (used in) provided by:</b>		
<b>Operating activities</b>		
Net loss for the period	(2,704,561)	(3,285,435)
Depreciation	26,469	28,379
Share-based payments	849,028	1,322,737
Unrealized foreign exchange	(86,565)	80,048
Loss on marketable securities	904,425	743,163
Loss on sale of KCP Minerals Inc.	-	215,349
Changes in working capital items		
Receivables and prepaid expenditures	(114,096)	252,196
Net investment in sublease	110,543	(184,293)
Accounts payable and accrued liabilities	(186,139)	85,997
Deferred rent	(6,482)	(6,482)
	<b>(1,207,378)</b>	<b>(748,341)</b>
<b>Investing activities</b>		
Mineral property expenditures	(5,044,033)	(5,401,338)
Property and equipment expenditures	(8,223)	(33,295)
(Purchase) cash out of short-term investments	(2,305)	2,257,319
Value-added tax incurred	-	(239)
Proceeds from sale of marketable securities	-	234,259
Proceeds from sale of KCP Minerals Inc.	-	1,250,000
	<b>(5,054,561)</b>	<b>(1,693,294)</b>
<b>Financing activities</b>		
Repayment of lease obligation	(124,771)	(124,254)
Proceeds from exercise of warrants	1,371,722	752,808
Proceeds from exercise of options	44,000	266,749
	<b>1,290,951</b>	<b>895,303</b>
<b>Effect of foreign exchange on cash</b>	<b>74,269</b>	<b>843</b>
<b>Change in cash held in assets held for sale</b>	<b>-</b>	<b>(97,998)</b>
<b>Decrease in cash</b>	<b>(4,896,719)</b>	<b>(1,643,487)</b>
<b>Cash - beginning of period</b>	<b>8,708,892</b>	<b>11,341,666</b>
<b>Cash - end of period</b>	<b>3,812,173</b>	<b>9,698,179</b>

Supplemental cash flow information – Note 14

# Silver One Resources Inc.

## Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - expressed in Canadian dollars)

	Number of common shares	Share capital	Share-based payment reserve	AOCI	Accumulated deficit	Total
		\$	\$	\$	\$	\$
<b>Balance, December 31, 2020</b>	201,331,641	42,111,498	2,195,819	(595,060)	(10,547,448)	33,164,809
Share-based payments	-	-	1,322,737	-	-	1,322,737
Shares issued on Silver Phoenix option agreement	1,000,000	780,000	-	-	-	780,000
Exercise of options	3,339,999	528,074	(261,325)	-	-	266,749
Exercise of warrants	2,220,289	752,808	-	-	-	752,808
Net loss for the period	-	-	-	-	(3,285,435)	(3,285,435)
Cumulative translation adjustment	-	-	-	16,277	-	16,277
<b>Balance, September 30, 2021</b>	207,891,929	44,172,380	3,257,231	(578,783)	(13,832,883)	33,017,945
Share-based payments	-	-	481,491	-	-	481,491
Exercise of warrants	716,667	143,333	-	-	-	143,333
Net loss for the period	-	-	-	-	(2,251,877)	(2,251,877)
Cumulative translation adjustment	-	-	-	(84,184)	-	(84,184)
<b>Balance, December 31, 2021</b>	208,608,596	44,315,713	3,738,722	(662,967)	(16,084,760)	31,306,708
Share-based payments	-	-	849,028	-	-	849,028
Shares issued on Silver Phoenix option agreement	2,500,000	912,500	-	-	-	912,500
Exercise of options	200,000	59,365	(15,365)	-	-	44,000
Exercise of warrants	6,408,611	1,371,722	-	-	-	1,371,722
Net loss for the period	-	-	-	-	(2,704,561)	(2,704,561)
Cumulative translation adjustment	-	-	-	2,039,726	-	2,039,726
<b>Balance, September 30, 2022</b>	217,717,207	46,659,300	4,572,385	1,376,759	(18,789,321)	33,819,123

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, 2022 and 2021 (Unaudited - expressed in Canadian dollars)

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### 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. The Company has an option agreement to acquire a 100% interest in the Candelaria silver project (the "Candelaria Project" or "Candelaria") located in Nevada and has claims staked in eastern Nevada, including the Cherokee project ("Cherokee Project" or "Cherokee"). The Company also has an option agreement to acquire 100% interest in the Phoenix Silver property in Arizona ("Phoenix Silver Property" or "Phoenix Silver").

On March 3, 2021, the Company completed the sale of its subsidiary, KCP Minerals Inc. ("KCP"), which through its 100% interest in Minera Terra Plata S.A. de C.V. holds the Company's three Mexican silver exploration projects to Silverton Metals Corp. ("Silverton"). See note 4.

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, 2022, the Company had an accumulated deficit of \$18,789,321, and expects to incur further losses in the development of the business. 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. The Company has adequate financial resources for the next twelve months with working capital of \$5,962,532.

Should the Company be unable to continue as a going concern, asset realization values may be substantially different from their carrying values. These consolidated financial statements do not give effect to adjustments that would be necessary to carrying values and the 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 listed on the TSX Venture Exchange ("TSX-V") under the symbol "SVE", on the OTCQX Marketplace under the symbol "SLVRF", and on the Frankfurt Stock Exchange under the symbol "BRK1".

The Company's corporate office is located at Suite 200-550 Denman St, Vancouver, British Columbia, V6G 3H1.

### 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 IFRS 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 entity. The functional currency of the Company's foreign subsidiaries is US dollars. The functional currency of an entity is translated into the presentation currency using the period-end rates for assets and liabilities while the operations and cash flows are translated using average rates of exchange. Exchange adjustments arising when net assets and profit or loss are translated into the presentation currency are taken into a separate component of equity and reported in other comprehensive income or loss.

# Silver One Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021

*(Unaudited - expressed in Canadian dollars)*

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### 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. The Company's subsidiary KCP was consolidated up to the date of disposition of March 3, 2021. All intercompany transactions, balances, income and expenses are eliminated in full upon consolidation.

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 board of directors on November 16, 2022.

### 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, 2021. Accordingly, they should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2021.

#### Accounting standards issued but not yet effective

As at September 30, 2022, there are no accounting pronouncements with future effective dates that are applicable or are expected to have a material impact on the Company's financial statements.

### 4. Sale of KCP Minerals Inc.

On March 3, 2021, the Company completed the sale of its subsidiary, KCP Minerals Inc. ("KCP"), which through its 100% interest in Minera Terra Plata S.A. de C.V. holds the Company's three Mexican silver exploration projects to Silverton Metals Corp. ("Silverton") (the "KCP Purchase Agreement").

Under the terms of the KCP Purchase Agreement, the Company transferred to Silverton its 100% interest in KCP and, in consideration, Silverton will pay in cash and shares as follows: (a) \$1,250,000 in cash upon closing (received); (b) issue 4,375,000 common shares of Silverton to the Company (issued); (c) pay \$750,000 in cash 18 months after closing (amount in arrears, but the Company expects to receive); and (d) pay \$500,000 in cash 24 months after closing. The common shares received are subject to an escrow release schedule where 10% of shares will be released on April 6, 2021 and 15% will be every 6 months thereafter for a period of 36 months.

In connection with the KCP Purchase Agreement, Silverton granted the Company a 1.5% NSR on each of the Mexican silver properties. At the option of Silverton, Silverton may repurchase two-thirds of each NSR (1%) with a payment equal to US\$500,000 for each of the Mexican silver properties.



# Silver One Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited - expressed in Canadian dollars)

### 4. Sale of KCP Minerals Inc. (continued)

The major classes of assets and liabilities of KCP classified as held for sale as at December 31, 2020 were as follows:

	December 31 2020
	\$
Cash	7,551
VAT receivable	60,051
Prepaid expenditures and other	14,163
Mineral properties	6,039,388
Accounts payable	(4,969)
<b>Total assets held for sale</b>	<b>6,116,184</b>

These assets and related liabilities were measured at carrying amounts, which was the lower of their carrying amount and estimated fair value less costs to sell at December 31, 2020.

The loss on the disposal of KCP at March 3, 2021 is as follows:

	\$
Total assets held for sale at December 31, 2020	6,116,184
Change in assets held for sale	(54,148)
Net assets of KCP at March 3, 2021	6,062,036
Consideration received	(5,846,687)
<b>Loss on sale of KCP</b>	<b>215,349</b>

The consideration consists of the following:

	\$
Cash received on sale	1,250,000
Shares received (4,375,000 shares at \$0.80/share)	3,500,000
Cash to be received 18 months from sale	750,000
Cash to be received 24 months from sale	500,000
Total consideration	6,000,000
Discount of long-term consideration receivable	(153,313)
<b>Total consideration</b>	<b>5,846,687</b>

The \$750,000 to be received 18 months from the date of sale and the \$500,000 to be received 24 months from the date of sale were recorded as long-term receivables. The amounts have been discounted to their present value using a borrowing rate of 8% and at September 30, 2022 were \$1,235,139. As at September 30, 2022, the entire amount was included in current assets (December 31, 2021 - \$713,564 in current assets and \$458,390 in long-term assets).

### 5. Short-term investments

Short-term investments of \$263,817 (December 31, 2021 - \$261,512) include highly liquid money market funds and redeemable GIC investments in an active market with original maturities of one year or less.

## Silver One Resources Inc.

### Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited - expressed in Canadian dollars)

#### 6. Receivables and prepaid expenditures

	September 30 2022	December 31 2021
	\$	\$
GST receivable	5,445	8,495
Other receivables <sup>1</sup>	123,405	105,261
Short-term receivable from sale of KCP (Note 4)	1,235,139	713,564
Prepaid expenditures <sup>2</sup>	123,727	87,910
	1,487,716	915,230

<sup>1</sup> Other receivables includes amounts due from the subleasing the Company's office space.

<sup>2</sup> Prepaid expenditures primarily include amounts in connection with insurance, investor relations conferences and marketing activities.

#### 7. Marketable securities

	September 30 2022	December 31 2021
	\$	\$
Beginning balance	1,478,232	178,583
Additions	-	3,500,000
Disposals	-	(234,259)
Realized gain on marketable securities	-	213,738
Unrealized loss on marketable securities	(904,425)	(2,179,830)
	573,807	1,478,232

During the year ended December 31, 2020, 814,331 shares were received as a shares-for-debt payment of \$48,860 on receivables outstanding.

During the year ended December 31, 2021, 300,000 of these shares were sold for a realized gain of \$213,738.

On March 3, 2021, the Company completed the sale of its subsidiary KCP to Silverton. As part of the consideration, the Company received 4,375,000 common shares of Silverton at a value of \$3,500,000. See Note 4.

# Silver One Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

### 8. Mineral properties

	Balance September 30 2022 \$	Additions September 30 2022 \$	Balance December 31 2021 \$	Additions December 31 2021 \$	Balance December 31 2020 \$
<b>Candelaria</b>					
Option payments – shares	3,831,678	-	3,831,678	-	3,831,678
Acquisition costs – shares	384,572	-	384,572	-	384,572
Acquisition costs – cash	115,150	-	115,150	-	115,150
Consulting fees	3,137,515	920,453	2,217,062	780,013	1,437,049
Drilling	7,332,365	2,398,168	4,934,197	2,289,500	2,644,697
Field supplies and other costs	410,224	142,773	267,451	104,605	162,846
Laboratory and analysis fees	1,539,139	405,768	1,133,371	632,720	500,651
Land payments	1,406,495	390,197	1,016,298	199,139	817,159
Staking and survey costs	211,474	83,751	127,723	3,683	124,040
Travel and accommodation	870,236	300,678	569,558	322,720	246,838
Currency translation	1,296,065	1,510,789	(214,724)	(3,167)	(211,557)
	20,534,913	6,152,577	14,382,336	4,329,213	10,053,123
<b>Phoenix Silver</b>					
Acquisition costs - cash	487,609	-	487,609	-	487,609
Acquisition costs - shares	2,082,500	912,500	1,170,000	780,000	390,000
Consulting fees	415,283	2,809	412,474	69,675	342,799
Field supplies and other costs	6,163	4,403	1,760	95	1,665
Laboratory and analysis fees	11,021	-	11,021	985	10,036
Land payments	303,037	80,784	222,253	132,733	89,520
Staking and survey costs	99,864	-	99,864	51,584	48,280
Travel and accommodation	11,800	776	11,024	2,963	8,061
Currency translation	211,054	269,407	(58,353)	(1,320)	(57,033)
	3,628,331	1,270,679	2,357,652	1,036,715	1,320,937
<b>Cherokee</b>					
Consulting fees	760,251	28,208	732,043	169,130	562,913
Drilling	439,312	-	439,312	439,312	-
Field supplies and other costs	72,577	4,367	68,210	49,057	19,153
Laboratory and analysis fees	133,917	-	133,917	36,538	97,379
Land payments	1,091,860	125,496	966,364	145,089	821,275
Staking and survey costs	125,450	-	125,450	71	125,379
Travel and accommodation	185,408	1,487	183,921	37,111	146,810
Currency translation	178,441	220,165	(41,724)	(1,493)	(40,231)
	2,987,216	379,723	2,607,493	874,815	1,732,678
<b>Eastern Nevada</b>					
Consulting fees	221,614	20,538	201,076	32,246	168,830
Field supplies and other costs	6,469	389	6,080	131	5,949
Laboratory and analysis fees	7,161	-	7,161	-	7,161
Land payments	246,129	44,377	201,752	42,827	158,925
Staking and survey costs	8,970	-	8,970	-	8,970
Travel and accommodation	27,849	-	27,849	-	27,849
Currency translation	32,610	39,804	(7,194)	(898)	(6,296)
	550,802	105,108	445,694	74,306	371,388
<b>Total</b>	<b>27,701,262</b>	<b>7,908,087</b>	<b>19,793,175</b>	<b>6,315,049</b>	<b>13,478,126</b>

# Silver One Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

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### 8. 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"), to acquire a 100% interest in the Candelaria silver project (the "Candelaria Project or "Candelaria") located in Nevada, USA.

In order to exercise the option, the Company is required to:

- issue US\$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 US\$1,000,000 in shares on each of the three anniversaries of the Effective Date (first and second year anniversary payments paid); and
- assume the US\$2,000,000 reclamation bond on the property immediately prior to exercise of the option. A bi-annual reassessment of the reclamation bond completed in September 2022 now estimates the bond at US\$2,491,757.

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.

The Company issued 1,332,900 common shares at a fair value price of \$1.00 per share to satisfy the initial option payment of US\$1,000,000, the Company issued 2,828,636 common shares at a fair value of \$0.44 per share in order to satisfy the first anniversary payment of US\$1,000,000, and the Company issued 5,827,338 common shares at a fair value of \$0.215 to satisfy the second anniversary payment of US\$1,000,000.

On July 25, 2019, the Company amended the Candelaria Option Agreement ("Amended Agreement"). The Amended Agreement deferred the assumption of the bond obligation by the Company until January 2023.

On April 14, 2020, the Company further amended the Candelaria Option (the "Amended Candelaria Option Agreement"). The Company agreed with each of SSR and Maverix Metals Inc. ("Maverix") whereby the Company will reduce its payment obligation with SSR and, in consideration of which, assume a future production payment due to Maverix.

Under the Amended Candelaria Option Agreement:

- The Company agreed to assume the obligation to pay Maverix US\$1,000,000 upon Candelaria achieving commercial production (the "Production Payment");
- In consideration of the Company assuming the Production Payment, SSR agreed to relinquish the third anniversary option payment of US\$1,000,000 in shares of Silver One and instead agreed to receive US\$100,000 in units of Silver One (issued);
- In consideration of Maverix agreeing to the Company's assumption of the Production Payment, Maverix received US\$100,000 in units of Silver One (issued); and
- Maverix agreed to amend the Production Payment so that the Company may satisfy it with US\$500,000 cash and \$500,000 in shares of the Company on the first anniversary after commencement of commercial production at Candelaria.

# Silver One Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited - expressed in Canadian dollars)

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### 8. Mineral properties (continued)

#### **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 US\$10,000 plus the issuance of 38,235 common shares at a fair value of \$0.34 per share (total of US\$10,000).

In November 2019, the Company acquired an additional three patented claims, located within the company's claims. Consideration for these patents consisted of US\$75,000 cash (paid) and US\$5,000 in shares (issued), subject to a 2% NSR that can be purchased for US\$50,000 plus US\$5,000 in Silver One's shares issued at market price on the date of the issuance.

#### **Phoenix Silver Acquisition**

On February 4, 2020, the Company entered into an agreement (the "Phoenix Silver Agreement") with Granite-Solid LLC (the "Optionor") whereby the Company has the option to acquire a 100% interest in the Phoenix Silver Property. The Phoenix Silver Property consists of 86 unpatented lode claims and 2 unpatented placer claims, located in Gila County, Arizona.

The Company may exercise the option by making the following cash payments and share issuances:

- paying the Optionor US\$350,000 within five days of TSX-V acceptance of the Phoenix Silver Agreement (the "Effective Date") (paid); and
- issuing the Optionor: (i) 500,000 shares on the date that is six (6) months from the Effective Date (issued); (ii) 1,000,000 shares on the date that is twelve months from the Effective Date (issued); (iii) 2,500,000 shares on the date that is twenty-four months from the Effective Date (issued); (iv) 3,000,000 shares on the date that is thirty-six months from the Effective Date; and (v) 3,000,000 shares on the date that is forty-eight months from the Effective Date.

The Phoenix Silver Agreement is subject to a five-mile area of interest. Further, after two years of the Effective Date, Silver One has the right to require the Optionor to include other unpatented placer claims under this Phoenix Silver Agreement for no additional consideration.

The Phoenix Silver Property is subject to an underlying 2% Net Smelter Royalty ("NSR") to the original prospectors of the project. Each 1% NSR may be purchased for US\$500,000 resulting in a total of US\$1,000,000 for the entire underlying NSR.

#### **Signing of lease/purchase agreement on five patented claims at the Cherokee Project in eastern Nevada**

In July 2018, the Company entered into a lease/purchase agreement with Castelton Park LLC ("Castelton") of Sparks, Nevada to acquire five patented claims at its Cherokee Project. These patents lie within the Company's 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 (paid) and US\$24,687 on the second anniversary (paid). This provides Silver One with a 100% interest in all patented claims. Castelton 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.

# Silver One Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited - expressed in Canadian dollars)

### 9. Accounts payable and accrued liabilities

	September 30 2022	December 31 2021
	\$	\$
Accounts payable	147,105	413,731
Accrued liabilities	24,375	32,500
	171,480	446,231

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

### 10. Lease obligations

The Company entered into office leases on February 2018 and June 2020. The terms and the outstanding balances as at September 30, 2022 and December 31, 2021 are as follows:

	September 30 2022	December 31 2021
	\$	\$
Right-of-use asset from office lease repayable in monthly instalments between \$10,676 and \$14,878, an interest rate of 7.71% per annum and an end date of January 2023.	51,835	163,735
Right-of-use asset from office lease repayable in monthly instalments of \$2,500, an interest rate of 7.72% per annum and an end date of May 2022.	-	12,871
Total lease obligations	51,835	176,606
Less: current portion	(51,835)	(163,527)
Non-current portion	-	13,079

The following is a schedule of the Company's future minimum lease payments related to the office lease obligations:

	\$
2022	39,506
2023	13,169
Total minimum lease payments	52,675
Less: imputed interest	(840)
Total present value of minimum lease payments	51,835
Less: Current portion	(51,835)
Non-current portion	-

#### Sublease of office space

The Company entered into a new agreement to sublease one of its office spaces beginning on December 1, 2020 through January 31, 2023 for approximately \$157,000 per annum including the base rent, property tax and operating expenses. The right-of-use asset related to the office was derecognized and a net investment in sublease was set up.

The Company also subleases part of their office space on a month-to-month basis to other companies. The total lease income from the subleasing of the office for the three and nine months ended September 30, 2022 was \$1,482 and \$6,547 (2021 - \$4,287 and \$14,744).

During the three and nine months ended September 30, 2022, the Company recorded \$1,499 and \$6,871 (2021 - \$4,829 and \$16,783) of interest expense related to the leases.

# Silver One Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited - expressed in Canadian dollars)

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### 10. Lease obligations (continued)

As at September 30, 2022 and December 31, 2021 the net investment in sublease was made up of the following:

	September 30 2022	December 31 2021
<b>Net investment in sublease</b>	<b>\$</b>	<b>\$</b>
Short-term	51,215	148,833
Long-term	-	12,925
<b>Total receivables</b>	<b>51,215</b>	<b>161,758</b>

### 11. Share capital

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

#### b) Shares issued

Common shares: 217,717,207 (December 31, 2021 – 208,608,596).

During the nine months ended September 30, 2022, the Company:

- Issued 2,500,000 common shares valued at \$912,500 pursuant to the Phoenix Silver Agreement (see Note 8);
- Issued 200,000 common shares for the exercise of options in the amount of \$44,000. A value of \$15,365 was transferred from the share-based payment reserve to share capital as a result; and
- Issued 6,408,611 common shares for the exercise of warrants in the amount of \$1,371,722.

During the year ended December 31, 2021, the Company:

- Issued 1,000,000 common shares valued at \$780,000 pursuant to the Phoenix Silver Agreement (see Note 8);
- Issued 3,339,999 common shares for the exercise of options in the amount of \$266,749. A value of \$261,325 was transferred from the share-based payment reserve to share capital as a result; and
- Issued 2,936,956 common shares for the exercise of warrants in the amount of \$896,141.

#### 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.

# Silver One Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited - expressed in Canadian dollars)

### 11. Share capital (continued)

#### c) Options (continued)

The Company's share options outstanding as at September 30, 2022 and December 31, 2021 and the changes for the periods then ended are as follows:

	Number	Weighted average exercise price \$
<b>Balance as at December 31, 2020</b>	10,793,499	0.35
Granted – January 28, 2021	100,000	0.65
Granted – March 9, 2021	100,000	0.67
Granted – April 23, 2021	50,000	0.75
Granted – June 6, 2021	2,950,000	0.75
Exercised	(3,339,999)	0.08
Expired	(360,000)	0.33
<b>Balance as at December 31, 2021</b>	10,293,500	0.56
Granted – January 20, 2022	100,000	0.45
Granted – April 26, 2022	300,000	0.45
Granted – August 25, 2022	2,590,000	0.33
Exercised	(200,000)	0.22
Expired	(775,000)	0.58
<b>Balance as at September 30, 2022</b>	12,308,500	0.52

The total share-based payment expense recorded during the three and nine months ended September 30, 2022 was \$275,961 and \$849,028 (2021: \$649,020 and \$1,322,737).

The following table summarizes information about the share options as at September 30, 2022:

Exercise price per share of options outstanding	Number of options outstanding	Weighted average remaining life (years)	Number of options exercisable	Expiry date
\$0.45	200,000	0.07	200,000	October 24, 2022
\$0.45	150,000	0.27	150,000	January 8, 2023
\$0.40	1,085,500	0.63	1,085,500	May 17, 2023
\$0.26	2,048,000	1.80	2,048,000	July 19, 2024
\$0.30	60,000	2.04	60,000	October 15, 2024
\$0.70	2,575,000	3.00	2,575,000	September 28, 2025
\$0.65	100,000	3.33	100,000	January 28, 2026
\$0.67	100,000	3.44	100,000	March 9, 2026
\$0.75	50,000	3.56	30,000	April 23, 2026
\$0.75	2,950,000	3.68	1,770,000	June 6, 2026
\$0.45	100,000	4.31	25,000	January 20, 2027
\$0.45	300,000	4.57	-	April 26, 2027
\$0.33	2,590,000	4.90	-	August 25, 2027



# Silver One Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited - expressed in Canadian dollars)

### 11. Share capital (continued)

#### c) 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 <sup>1</sup>	Weighted average fair value
January 28, 2021	5.00	0.33%	nil	94%	\$0.46
March 9, 2021	5.00	0.69%	nil	95%	\$0.48
April 23, 2021	5.00	0.76%	nil	94%	\$0.52
June 6, 2021	5.00	0.74%	nil	102%	\$0.53
January 20, 2022	5.00	1.59%	nil	87%	\$0.29
April 26, 2022	5.00	2.92%	nil	87%	\$0.27
August 25, 2022	5.00	3.32%	nil	88%	\$0.22

Note 1: The volatility used is the Company's own share volatility for a period equal to the life of the options.

#### d) Warrants

The Company's warrants outstanding as at September 30, 2022 and December 31, 2021 and the changes for the periods then ended are as follows:

	Number	Weighted average exercise price
		\$
<b>Balance as at December 31, 2020</b>	37,239,396	0.38
Exercised	(2,936,956)	0.31
<b>Balance as at December 31, 2021</b>	34,302,440	0.39
Exercised	(6,408,611)	0.20
Expired	(8,730,000)	0.20
<b>Balance as at September 30, 2022</b>	19,163,829	0.53

The balance of warrants outstanding as at September 30, 2022 is as follows:

Expiry Date	Exercise Price \$	Remaining Life (Years)	Warrants Outstanding
January 13, 2023	0.40	0.29	4,576,000
January 17, 2023	0.40	0.30	3,835,000
April 14, 2023	0.40	0.54	435,500
July 14, 2023	0.65	0.79	10,317,329

# Silver One Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021 (Unaudited - expressed in Canadian dollars)

### 12. 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, 2022 and December 31, 2021 is as follows:

<b>Non-current assets</b>	<b>September 30 2022</b>	<b>December 31 2021</b>
	<b>\$</b>	<b>\$</b>
Canada	318	1,197,401
USA	27,856,273	19,942,372
<b>Total</b>	<b>27,856,591</b>	<b>21,139,773</b>

### 13. 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, 2022 and 2021:

	<b>Three months ended September 30</b>		<b>Nine months ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Consulting fees	52,500	52,500	157,515	157,500
Director fees	19,500	15,000	52,500	45,000
Professional fees	17,020	13,463	53,844	39,132
Salaries and benefits	69,413	72,364	212,798	221,693
Share-based payments	140,980	318,901	418,107	667,186

Consulting fees include amounts paid to Raul Diaz, a director of the Company, for geological consulting services. Included in the amounts above is \$33,655 and \$105,345 in consulting fees for the three and nine months ended September 30, 2022 that was capitalized to mineral properties (2021 - \$40,097 and \$117,746).

Director fees were paid to the directors of the Company.

Professional fees include amounts paid to Malaspina Consultants Inc., a company in which the CFO, Carmen Amezcua, is an associate as well as to Amezcua Management Inc., a company of which the CFO is President.

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

Share-based payments include options granted to officers and directors.

During the three and nine months ended September 30, 2022, the Company received lease income from a related company with common directors in the amount of \$489 and \$2,161 (2021 - \$624 and \$2,147).

As at September 30, 2022, directors, officers or their related companies owed the Company \$121,942 (December 31, 2021 - \$119,199) and were owed \$3,675 (December 31, 2021 - \$43,946) 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.

# Silver One Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

### For the three and nine months ended September 30, 2022 and 2021

(Unaudited - expressed in Canadian dollars)

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#### 14. 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, 2022:

- The issuance of 2,500,000 common shares valued at \$912,500 pursuant to the Phoenix Silver Agreement (see Note 8); and
- Movement of \$88,611 in mineral property exploration expenditures in accounts payable and accrued liabilities.

During the nine months ended September 30, 2021:

- The issuance of 1,000,000 common shares valued at \$780,000 pursuant to the Phoenix Silver Agreement (see Note 9(a)); and-
- Movement of \$359,507 in mineral property exploration expenditures in accounts payable and accrued liabilities.

The Company paid or accrued \$nil for income taxes during the nine months ended September 30, 2022 (2021 - \$nil).

#### 15. Financial instruments

##### Classification of financial instruments

The Company's financial instruments consist of cash, short-term investments, marketable securities, receivables, net investment in sublease, accounts payable and accrued liabilities and lease obligations. The Company classifies its cash, short-term investments, receivables, marketable securities and net investment in sublease as financial assets at amortized cost. The Company classifies its accounts payable and accrued liabilities and lease obligations as financial liabilities at amortized cost. The Company classifies its marketable securities as FVTPL. There have been no changes to the classification of financial instruments since December 31, 2021.

##### Financial instruments risk management

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

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, 2021.

#### 16. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of and retention of its mineral properties. In the management of capital, the Company includes its components of shareholders' equity.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves and deficit.

# Silver One Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021

*(Unaudited - expressed in Canadian dollars)*

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### 16. Management of capital (continued)

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and controlling the capital expenditures program. The Company is not subject to externally imposed capital requirements.

The Company does not have a source of revenue. As such, the Company is dependent on external financing to fund its activities. In order to pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management policies on an ongoing basis. There were no changes in the Company's approach to capital management since December 31, 2021.

### 17. Commitments

The President, CEO and director has a long-term employment agreement with the Company. The agreement has a termination clause whereby he is entitled to the equivalent of sixteen times his then current monthly salary plus two additional months for each year of working. As at September 30, 2022, this equated to \$598,000 (December 31, 2021 - \$552,000).

### 18. Subsequent events

Subsequent to period end, 200,000 warrants expired unexercised.