



Silver Dollar Resources Inc.

Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

February 28, 2025

Notice of No Auditor Review

The accompanying unaudited condensed consolidated interim financial statements were prepared by management and approved by the Audit Committee and the Board of Directors.

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

Silver Dollar Resources Inc.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	February 28 2025	August 31 2024
ASSETS		
Current		
Cash and cash equivalents	\$ 1,370,101	\$ 2,454,191
Accounts receivable	39,250	25,522
Prepaid expenses	417,625	77,351
	1,826,976	2,557,064
Equipment	5,052	4,519
Exploration and evaluation assets (note 6)	15,517,198	13,294,119
	\$ 17,349,226	\$ 15,855,702
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 8)	\$ 267,939	\$ 216,394
SHAREHOLDERS' EQUITY		
Share capital (note 7)	22,838,992	21,385,128
Share-based payment reserve (note 7)	2,726,088	2,707,602
Accumulated other comprehensive income (loss)	87,809	(222,694)
Deficit	(8,571,602)	(8,230,728)
	17,081,287	15,639,308
	\$ 17,349,226	\$ 15,855,702

Subsequent events (note 11)

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Silver Dollar Resources Inc.

Condensed Consolidated Interim Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

Six month periods ended February 28, 2025 and February 29, 2024

	Three Months Ended		Six Months Ended	
	February 28 2025	February 29 2024	February 28 2025	February 29 2024
Expenses				
Consulting	\$ 67,873	\$ 38,746	\$ 123,988	\$ 66,793
Depreciation	278	282	504	564
Foreign exchange loss (gain)	101	35	(17)	(229)
Insurance	7,577	7,643	15,073	15,286
Interest and bank charges	1,569	958	3,683	1,748
Listing and filing fees	15,579	15,491	28,588	27,206
Management and administration fees (note 8)	25,500	24,000	50,500	48,000
Office	7,131	5,672	10,481	6,679
Professional fees	36,111	63,380	68,040	108,159
Rent	10,507	-	20,092	-
Site investigation fees	-	2,495	-	2,655
Transfer agent	1,671	1,671	3,981	3,342
Travel and promotion	19,540	7,145	26,449	9,221
Operating loss	(193,437)	(167,518)	(351,362)	(289,424)
Other income (expense)				
Interest income	5,103	34,856	5,238	73,672
Unrealized loss on securities (note 5)	-	-	-	(179,211)
	5,103	34,856	5,238	(105,539)
Loss for the period	(188,334)	(132,662)	(346,124)	(394,963)
Other comprehensive income (loss)				
Exchange difference on translating foreign operations	199,719	90,480	310,503	(45,363)
Total comprehensive income (loss)	\$ 11,385	\$ (42,182)	\$ (35,621)	\$ (440,326)
Loss per share - basic and diluted	\$ -	\$ -	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding	56,752,355	44,102,355	54,796,554	44,102,355

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Silver Dollar Resources Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

Six month periods ended February 28, 2025 and February 29, 2024

	Issued Share Capital Number	Capital Amount	Share-based Payment Reserve	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
Balances, August 31, 2023	44,102,355	\$ 19,926,114	\$ 2,709,352	\$ 658,395	\$ (7,400,109)	\$ 15,893,752
Loss for the period	-	-	-	-	(394,963)	(394,963)
Exchange difference on translating foreign operations	-	-	-	(45,363)	-	(45,363)
Balances, February 29, 2024	44,102,355	19,926,114	2,709,352	613,032	(7,795,072)	15,453,426
Shares issued for cash (note 7)	50,000	9,250	(1,750)	-	-	7,500
Shares issued for exploration and evaluation assets (note 7)	6,600,000	1,449,764	-	-	-	1,449,764
Loss for the period	-	-	-	-	(435,656)	(435,656)
Exchange difference on translating foreign operations	-	-	-	(835,726)	-	(835,726)
Balances, August 31, 2024	50,752,355	21,385,128	2,707,602	(222,694)	(8,230,728)	15,639,308
Shares and warrants issued for cash (note 7)	6,000,000	1,500,000	-	-	-	1,500,000
Share issuance costs (note 7)	-	(46,136)	23,736	-	-	(22,400)
Transfer upon option expiration	-	-	(5,250)	-	5,250	-
Loss for the period	-	-	-	-	(346,124)	(346,124)
Exchange difference on translating foreign operations	-	-	-	310,503	-	310,503
Balances, February 28, 2025	56,752,355	\$ 22,838,992	\$ 2,726,088	\$ 87,809	\$ (8,571,602)	\$ 17,081,287

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Silver Dollar Resources Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

Six month periods ended February 28, 2025 and February 29, 2024

	2025	2024
Operating activities		
Loss for the period	\$ (346,124)	\$ (394,963)
Adjustment for items not involving cash:		
Depreciation	504	564
Foreign exchange loss (gain)	(17)	(229)
Unrealized loss on securities	-	179,211
	(345,637)	(215,417)
Changes in non-cash working capital:		
Accounts receivable	(13,728)	13,459
Prepaid expenses	(340,274)	(589)
Accounts payable and accrued liabilities	47,617	(81,205)
	(652,022)	(283,752)
Investing activities		
Investments in exploration and evaluation assets	(1,916,077)	(539,259)
Purchase of capital assets	(1,037)	-
	(1,917,114)	(539,259)
Financing activity		
Proceeds from issuance of shares, net	1,477,600	-
Net change in cash and cash equivalents	(1,091,536)	(823,011)
Effect of foreign exchange on cash and cash equivalents	7,446	(13,875)
Cash and cash equivalents, beginning of period	2,454,191	4,502,151
Cash and cash equivalents, end of period	\$ 1,370,101	\$ 3,665,265
Supplemental cash flow information		
Interest received	\$ 5,238	\$ 11,162
Income taxes paid	-	-

Non-cash financing and investing transactions (note 9)

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

1. Nature and Continuation of Operations

The Company was incorporated on November 19, 2018 under the laws of the Province of British Columbia, Canada.

The Company is in the business of exploring its mineral exploration assets and has not yet determined whether these properties contain ore reserves that are economically recoverable. As of February 28, 2025, the Company was in the exploration stage and had interests in properties in Idaho, USA, Durango, Mexico and Ontario, Canada.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern and 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, and upon future profitable production or proceeds from the disposition thereof.

The Company has sustained losses from operations and has an ongoing requirement for capital investment to explore its exploration and evaluation assets. As of February 28, 2025, the Company had working capital of \$1,559,037 (August 31, 2024 – \$2,340,670). Based on its current plans, budgeted expenditures and cash requirements, the Company does not have sufficient cash to finance its current plans and will need to raise substantial additional capital to accomplish its plans over the next several years. The Company intends to seek additional financing through equity financing, though there can be no assurance as to the availability or terms upon which such financing might be available.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges, such as the risk of higher inflation and trade disputes, may create further uncertainty and risk with respect to the prospects of the Company's business.

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The address of the Company is 179 - 2945 Jacklin Road, Suite 416, Victoria, British Columbia, V9B 6J9, Canada.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

2. Material Accounting Policies

Basis of Presentation

These condensed consolidated interim financial statements, including comparatives, comply with IAS 34 – Interim Financial Reporting. The policies applied herein are based on IFRS issued and outstanding as of the date the Board of Directors approved these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements are presented in the Company's presentation currency – the Canadian dollar – on a historical cost basis except for certain items that are measured at fair value. The accounting policies described herein have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements incorporate the financial statements of the Company and the following subsidiaries:

Subsidiary	Country	Control	
		February 28, 2025	August 31, 2024
Meta Victoria, S.A. de C.V.	Mexico	100%	100%
SVL Minerals Ltd.	Canada	100%	100%
Silvercrest de Mexico, S.A. de C.V.	Mexico	100%	100%
Zona Victoria, S.A. de C.V.	Mexico	100%	100%
Silver Dollar Resources (Idaho), Inc.	USA	100%	100%

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. Intercompany balances, transactions, income and expenses are eliminated on consolidation.

Financial Instruments

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
- those to be measured subsequently at amortized cost.

The Company's financial assets consist of cash and cash equivalents and marketable securities which are classified and measured at FVTPL with realized and unrealized gains or losses related to changes in fair value reported in profit or loss. The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

2. Material Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers cash and cash equivalents to include amounts held in banks and cashable highly liquid investments with limited interest and credit risk. The Company places its cash and cash equivalents with institutions of high creditworthiness.

Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and pre-exploration expenses, are expensed in the period in which they occur.

The Company may occasionally enter into option arrangements whereby the Company will transfer part of a mineral interest as consideration for an agreement by the optionee to meet certain exploration and evaluation expenditures, which would otherwise be undertaken by the Company. The Company does not record any expenditures made by the optionee on its behalf. Any consideration received from the agreement is credited against the costs previously capitalized to the exploration and evaluation asset given up by the Company with any excess consideration accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation costs in excess of estimated recoveries are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment at each reporting date and when indicators and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Industry-specific indicators for an impairment review arise typically when one or more of the following circumstances applies:

- substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- title to the asset is compromised, has expired or is expected to expire;
- adverse changes in the taxation, regulatory or political environment; or
- adverse changes in variables in commodity prices and markets making the project unviable.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction." Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

2. Material Accounting Policies (continued)

Exploration and Evaluation Assets (continued)

Exploration and evaluation assets are classified as intangible assets. Cash which is subject to contractual restrictions on use is classified separately as reclamation deposits.

Loss per Share

The Company uses the treasury stock method of calculating diluted per share amounts whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. The assumed conversion of outstanding common share options and warrants had an anti-dilutive impact in 2025 and 2024. There were 5,639,600 outstanding options and warrants as of February 28, 2025 (August 31, 2024 – 2,700,000) that were not included in the calculation of diluted per share amounts.

Basic loss per share is calculated using the weighted-average number of shares outstanding during the period.

Share Capital

The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.

Commissions and finders' fees paid to underwriters, agents and finders and other related share issue costs, such as legal, auditing and printing, on the issue of the Company's shares are charged directly to share capital.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in private placements is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing trade price on the announcement date. The residual balance, if any, is allocated to attached warrants. Any fair value attributed to the warrants is recorded in share-based payment reserve.

Share-based Compensation

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are considered by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. Provided all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

2. Material Accounting Policies (continued)

Share-based Compensation (continued)

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Restricted share units are valued based on the closing share price of the underlying shares on the date of award.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid. When stock options expire or are forfeited, the applicable amounts of reserves are transferred to deficit.

Foreign Currency Translation

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's Mexican subsidiaries, Meta Victoria, S.A. de C.V., Silvercrest de Mexico, S.A. de C.V. and Zona Victoria, S.A. de C.V., is the Mexican peso, while the functional currency of SVL Minerals Ltd. is the Canadian dollar. The functional currency of Silver Dollar Resources (Idaho), Inc. is the United States dollar. The functional currency is the currency of the primary economic environment in which the component operates. The Company's condensed consolidated interim financial statements are presented in Canadian dollars.

Transactions in foreign currencies are translated to the functional currency of each entity at a rate of exchange approximating the prevailing rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate in effect at that date. Nonmonetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Realized and unrealized exchange gains and losses are recognized in profit or loss.

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their statements of income (loss) are translated at the average exchange rates for the reporting period. The exchange differences arising on consolidation are recognized in other comprehensive income or loss. On disposal of a foreign operation, the component of other comprehensive income or loss relating to that particular foreign operation is reclassified to profit or loss.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

2. Material Accounting Policies (continued)

Impairment of Long-Lived Assets

Management evaluates non-current assets at each reporting period for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit (CGU), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount.

Decommissioning Provision

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate and the liability is recognized at the time environmental disturbance occurs. The resulting costs are capitalized to the corresponding asset. The provision for closure and reclamation liabilities is estimated using expected cash flows based on internal estimates discounted at a pre-tax rate specific to the liability. The capitalized amount is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows.

Significant judgements and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows.

Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost.

Costs of reclamation projects for which a provision has been recorded are recorded directly against the provision as incurred, most of which are incurred upon cessation of exploration and evaluation or at the end of the life of a mine.

Significant Accounting Estimates and Judgements

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the financial statement date and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

2. Material Accounting Policies (continued)

Significant Accounting Estimates and Judgements (continued)

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future years if the revision affects both current and future periods.

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to:

Valuation of escrow discount

In estimating the fair value of the escrow discount related to shares issued pursuant to the purchase of the Ranger-Page project using the Black-Scholes option pricing model, management was required to make certain assumptions and estimates. Changes in assumptions used to estimate fair value could result in materially different results.

Critical Accounting Judgements

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments. The Company made the following critical accounting judgements:

Going concern

The preparation of these condensed consolidated interim financial statements requires management to make judgements regarding the ability of the Company to continue as a going concern as discussed in Note 1.

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

February 28, 2025 and February 29, 2024

2. Material Accounting Policies (continued)

New Accounting Standards and Interpretations Recently Adopted

The following standards were adopted by the Company effective September 1, 2024:

Amendment to IAS 1: Presentation of Financial Statements

Amendments to IAS 1 clarify the requirements for classifying liabilities as current or noncurrent. The amendments provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments were effective for reporting periods beginning on or after January 1, 2024. The adoption of these amendments had no material impact on these condensed consolidated interim financial statements.

New Accounting Standards and Interpretations Not Yet Adopted

IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions:

- a) three defined categories for income and expenses – operating, investing and financing – to improve the structure of the income statement and require all companies to provide new defined subtotals, including operating profit;
- b) requirement for companies to disclose explanations of management-defined performance measures that are related to the income statement; and
- c) enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact on future financial statements.

3. Capital Management

The Company manages its capital to continue as a going concern largely through issuances of shares. These share issues depend on several factors, including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management. The capital structure of the Company consists of shareholders' equity, comprising share capital, share-based payment reserve and deficit. The Company is not subject to any external capital requirements. There were no changes to the Company's approach to capital management during the six-month period ended February 28, 2025.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

4. Financial Instruments

The fair value of the Company's accounts payable and accrued liabilities approximates their carrying value due to the short-term nature of these instruments unless otherwise noted. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Company monitors and manages the risks relating to its financial instruments through analysis of exposures by degree and magnitude of risks. These risks include credit risk, liquidity risk and market risk.

Credit risk

Credit risk refers to the risk that another entity will default on its contractual obligations resulting in financial loss to the Company. As of February 28, 2025, such contractual obligations comprised cash held with high creditworthy financial institutions in the amount of \$1,370,101 (August 31, 2024 – \$2,454,191). Management considers this risk to be negligible.

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due or can only do so at excessive cost. As of February 28, 2025, the Company had working capital of \$1,559,037 (August 31, 2024 – \$2,340,670). Management anticipates that the Company will be able to meet its obligations as they become due.

Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada, Mexico and United States and incurs expenditures in Canadian dollars, Mexican pesos and United States dollars. The fluctuation of the foreign exchange rates will have an impact upon the results of the Company. The Company does not hold substantial financial assets and liabilities in currencies other than the functional currency of each individual entity. A fluctuation in the exchange rates between Canadian dollars, Mexican pesos and United States dollars of 10% would result in a \$34,200 change in the Company's cash and a nominal change in profit or loss. The Company does not use any techniques to mitigate currency risk.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

4. Financial Instruments (continued)

Market risk (continued)

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 market prices, other than those arising from interest rate risk. Management considers this risk to be negligible.

Fair Value Hierarchy

Financial instruments recorded at fair value in the Condensed Consolidated Interim Statements of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following tables present the financial instruments recorded at fair value in the Condensed Consolidated Interim Statements of Financial Position, classified using the fair value hierarchy described above:

Assets as at February 28, 2025	Level 1	Level 2	Level 3
Cash and cash equivalents	\$1,370,101	\$ -	\$ -
Marketable securities – shares	-	-	-
Marketable securities – warrants	-	-	-
Assets as at August 31, 2024	Level 1	Level 2	Level 3
Cash and cash equivalents	\$2,454,191	\$ -	\$ -
Marketable securities – shares	-	-	-
Marketable securities – warrants	-	-	-

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

5. Marketable Securities

Marketable securities comprised the following:

	Number of Securities	Cost	Accumulated Unrealized Loss	February 28 2025	Fair Value August 31 2024
Canasil Resources Inc. shares	6,666,667	\$100,000	\$(100,000)	\$ -	\$ -
Canasil Resources Inc. warrants	6,666,667	27,459	(27,459)	-	-
Total		\$127,459	\$(127,459)	\$ -	\$ -

The warrants entitle the Company to acquire up to 6,666,667 additional shares in the capital of Canasil at a price of \$0.05 per share until August 14, 2025. The cost and fair value of the warrants was estimated using the Black-Scholes option valuation model.

In December 2023, the British Columbia Securities Commission issued a cease-trade order in respect of Canasil's securities. Accordingly, the Company recorded a \$179,211 loss on the securities during the year ended August 31, 2024.

6. Exploration and Evaluation Assets

La Joya Project, Durango, Mexico

In August 2020, the Company acquired an option to purchase an initial 80% interest in SVL Minerals Ltd. and, if exercised, a second option to acquire the remaining 20% interest. SVL Minerals Ltd. indirectly owns the La Joya Project, a group of 15 mineral concessions located approximately 75 kilometres southeast of Durango in the State of Durango, Mexico.

The Company exercised the first option in May 2023 and acquired an 80% interest in SVL Minerals Ltd. by: (i) paying \$700,000 plus annual holding costs over the preceding three years, (ii) issuing 5,146,401 shares of the Company in August 2020 with a fair value of \$0.99 per share, and (iii) incurring exploration expenditures on the property over the preceding three years of not less than \$1,000,000.

Concurrently, the Company exercised the second option and acquired the remaining 20% interest in SVL Minerals Ltd. by issuing an additional 2,205,118 shares of the Company in May 2023 with a fair value of \$0.345 per share. The optionor reserved for itself a 2% net smelter returns royalty.

Upon closing the transaction, SVL Minerals Ltd. and its subsidiary, Silvercrest de Mexico, S.A. de C.V., became wholly owned subsidiaries of the Company.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

6. Exploration and Evaluation Assets (continued)

Nora Project, Durango, Mexico

In April 2023, the Company entered into an agreement to purchase the Nora Project comprising four mineral concessions located approximately 200 kilometres northwest of Durango in the State of Durango, Mexico. The original agreement provided that the Company may earn a 100% interest in the project by paying the optionor \$375,000 and incurring exploration expenditures of \$3,000,000 over five years, and granting to the optionor a 3% net smelter returns royalty, of which the Company could buy back one-third for \$3,000,000. In addition, after granting the royalty, the Company would pay an annual royalty of \$25,000 which would be offset against the royalty buyback.

In February 2024, the parties amended the option agreement to waive all option payments and instead transfer the property to the Company as consideration for its \$134,779 of exploration expenditures incurred to date and the grant of a 2% net smelter returns royalty, of which the Company may buy back half for \$1,000,000.

In August 2023, management determined that the asset was impaired after analyzing the vendor's historical data and the Company wrote down the carrying amount to zero. After further analysis, management recommenced fieldwork in 2024 based on historical data it considered reliable.

Ranger-Page Project, Idaho, USA

In July 2024, the Company and its wholly owned subsidiary, Silver Dollar Resources (Idaho), Inc. ("Silver Dollar Idaho") entered into an agreement to acquire the Ranger-Page Project located in Shoshone County, Idaho, USA, which includes the option rights under the Government Gulch Option and Joint Venture Agreement (the "Government Gulch Agreement") and the Page Mine Mineral Rights Lease and Option Agreement (the "Page Mine Agreement").

Under the terms of the agreement, the vendor assigned the options to Silver Dollar Idaho for cash consideration of \$300,000 and the issuance of 6,000,000 common shares of the Company (the "Payment Shares"). The Payment Shares are subject to a contractual escrow whereby 1,000,000 shares were released on the closing date and 1,250,000 shares will be released on each of the six-, twelve-, eighteen- and twenty-four-month anniversaries of the closing date. The Payment Shares were valued at \$1,800,000 less a discount of \$530,236 in respect of escrow conditions (Note 7). The Company also paid finders' fees totalling \$30,000 and 600,000 shares with a value of \$0.30 per share in respect of the transaction.

If Silver Dollar Idaho exercises its option under the acquired Government Gulch Agreement, as described below, it will grant to the vendor a royalty equal to 0.5% of net smelter returns from the Government Gulch property. Further, if Silver Dollar Idaho exercises its option under the acquired Page Mine Agreement, it will grant to the vendor a royalty equal to 1% of net smelter returns from the Page Mine property; however, Silver Dollar Idaho may repurchase half of such royalty at any time for \$500,000.

Silver Dollar Resources Inc.

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6. Exploration and Evaluation Assets (continued)

Ranger-Page Project, Idaho, USA (continued)

The Government Gulch Agreement

To exercise its option to acquire a 75% interest in the Government Gulch property under the Government Gulch Agreement (the "First Option"), Silver Dollar Idaho must pay the optionor US\$250,000 and incur approximately US\$1,210,000 in exploration expenditures on the property on or before October 18, 2025.

Within 60 days of exercising the First Option, Silver Dollar Idaho has the option to acquire the remaining 25% interest in the Government Gulch property (the "Second Option") through good faith negotiations with the optionor. In the event the optionor and Silver Dollar Idaho cannot agree on a purchase price for the Second Option, Silver Dollar Idaho can elect the purchase price of the Second Option to be: (a) US\$2,250,000, (b) US\$1,000,000 and issue US\$1,250,000 of the Company's shares valued at the 20-day volume-weighted average price ("VWAP"), or (c) if the optionor so requests, US\$2,250,000 of the Company's shares valued at the 20-day VWAP.

If Silver Dollar Idaho does not exercise the Second Option within 60 days of exercising the First Option, a joint venture will be formed among the parties and Silver Dollar Idaho will serve as operator. If Silver Dollar Idaho spends more than 90% of the exploration expenditures of such joint venture, under the Government Gulch Agreement, it will automatically acquire the remaining 25% interest in the Government Gulch property and the optionor will receive a 2.0% net smelter returns royalty on the Government Gulch property. Silver Dollar Idaho will have the ability to repurchase half of such royalty for US\$1,000,000.

The Page Mine Agreement

The Page Mine Agreement is a lease and option expiring November 17, 2031 requiring Silver Dollar Idaho to pay rental payments of US\$30,000 per year. During the term of the lease, Silver Dollar Idaho may elect to acquire the Page Mine property for US\$1,500,000 less amounts previously paid under the lease. To date, Silver Dollar Idaho and the vendor have paid US\$180,000 pursuant to the lease and option agreement.

Longlegged Lake Property, Red Lake, Ontario, Canada

In April 2022, the Company exercised its option to purchase 100% of the Longlegged Lake Property comprising eight cell claims located in the Red Lake Mining Division of northwestern Ontario, Canada. To exercise the option, the Company paid the optionor \$85,000 and granted a 1.5% net smelter returns royalty. The Company may repurchase half of the royalty for \$500,000.

As the Company had budgeted no exploration work for the project, in August 2023 management determined that the asset was impaired and wrote down the carrying amount to zero.

Silver Dollar Resources Inc.

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6. Exploration and Evaluation Assets (continued)

Pakwash Lake Property, Red Lake, Ontario, Canada

In April 2022, the Company exercised its option to purchase a 100% interest in the Pakwash Lake Property comprising 18 cell claims located in the Red Lake Mining Division of northwestern Ontario, Canada. To exercise the option, the Company paid the optionor \$131,000 and granted a 1.5% net smelter returns royalty. The Company may repurchase half of the royalty for \$500,000.

As the Company had budgeted no exploration work for the project, in August 2023 management determined that the asset was impaired and wrote down the carrying amount to zero.

7. Share Capital

Authorized

An unlimited number of common shares without par value.

Escrow Shares

The Company is party to an agreement dated July 12, 2024 pursuant to which 5,000,000 shares are subject to a contractual escrow. The shares were, and will be, released on the following dates:

Release Date	Number of Shares
February 6, 2025	1,250,000
August 6, 2025	1,250,000
February 6, 2026	1,250,000
August 6, 2026	1,250,000

Common Shares

In July 2024, the Company issued 50,000 common shares at a price of \$0.15 per share upon the exercise of incentive stock options. The Company's common shares were trading at a price of \$0.34 per share when the stock options were exercised.

In August 2024, the Company issued a total of 6,000,000 common shares at a deemed price of \$0.30 per share for the acquisition of the Ranger-Page Project (Note 6). Of this total, 5,000,000 shares are subject to contractual escrow. The shares were valued at \$1,800,000 less a discount of \$530,236 in respect of the escrow conditions. The escrow discount was determined using the Black-Scholes option pricing model with the following inputs: a share price of \$0.30, a weighted average escrow term of 1.25 years, weighted average volatility of 95.25%, and a weighted average 3.72% risk-free rate. Expected volatility was estimated based on historical share price volatility. The Company also paid finders' fees of \$30,000 and 600,000 common shares valued at \$0.30 per share in respect of the acquisition.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

7. Share Capital (continued)

Common Shares (continued)

In October 2024, the Company completed a private placement of 6,000,000 units at a price of \$0.25 per unit for gross proceeds totaling \$1,500,000. Each unit comprised one common share and one-half of one share purchase warrant. Each full warrant entitles the holder to purchase an additional common share at a price of \$0.40 until October 29, 2026. The Company paid finders' fees in respect of the offering of \$22,400 cash and 89,600 warrants exercisable at \$0.40 per share until October 29, 2026 and with a fair value of \$23,736.

Warrants

As of February 28, 2025, the Company had outstanding warrants to purchase 3,089,600 common shares exercisable at \$0.40 per share until October 29, 2026 (August 31, 2024 – nil).

Long-Term Incentive Securities

The Company adopted a long-term incentive plan whereby up to a maximum of: (i) 10% of the outstanding shares of the Company as of the date of grant are reserved for the grant and issuance of incentive stock options ("Stock Options"); and (ii) 10% of the outstanding shares of the Company as of the date of award are reserved for the settlement of deferred share units, restricted share units and performance share units (which, with the Stock Options, are collectively referred to as "Incentive Securities").

Under the plan, the exercise price of a Stock Option may not be set at less than the market price of the Company's common shares on the grant date and the Stock Options may be exercisable for up to 10 years. The aggregate number of Incentive Securities granted to any one related person during any twelve-month period may not exceed 5% of the issued shares of the Company. Furthermore, the aggregate number of Stock Options granted to all investor relations representatives during any twelve-month period may not exceed 2% of the issued shares of the Company.

The Company granted no Incentive Securities during the six-month periods ended February 28, 2025 or February 29, 2024.

A summary of the Company's Stock Options as of February 28, 2025 and August 31, 2024, and the changes for the periods ending on those dates is as follows:

	Number Outstanding and Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
Balances, August 31, 2023	2,750,000	\$ 1.46	2.2
Stock options exercised	(50,000)	0.15	
Balances, August 31, 2024	2,700,000	1.49	1.2
Stock options expired	(150,000)	0.15	
Balances, February 28, 2025	2,550,000	\$ 1.57	0.8

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

7. Share Capital (continued)

Long-Term Incentive Securities (continued)

A summary of Stock Options outstanding as of February 28, 2025 and August 31, 2024 is as follows:

Exercise Price Per Share	Expiry Date	Number of Stock Options Outstanding and Exercisable	
		February 28, 2025	August 31, 2024
\$0.15	October 23, 2024	-	150,000
\$0.59	June 26, 2025	400,000	400,000
\$1.75	December 14, 2025	1,850,000	1,850,000
\$1.75	March 9, 2026	300,000	300,000
		2,550,000	2,700,000

Incentive Securities are subject to such restrictions, performance criteria and vesting criteria as the Company's board may establish in the applicable award agreement. Incentive Securities will vest and become payable by the issuance of common shares at the end of the restriction period if all applicable restrictions have lapsed, upon satisfaction of the performance criteria or upon satisfaction of the vesting criteria, as the case may be.

8. Related Party Transactions

The following transactions with related parties have been valued in these condensed consolidated interim financial statements at the exchange amount, which is the amount of consideration established and agreed to by the parties:

Key Management Compensation

During the six-month period ended February 28, 2025, the Company paid management and administration fees of \$30,000 (2024 – \$30,000) to a corporation controlled by the Company's Chief Executive Officer.

As of February 28, 2025 and August 31, 2024, the Company owed no amounts to directors and officers of the Company in the ordinary course of business. Amounts due to related parties are without interest, unsecured and without stated terms of repayment.

Silver Dollar Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited)

February 28, 2025 and February 29, 2024

9. Non-Cash Financing and Investing Transactions

During the six-month period ended February 28, 2025, the Company issued 89,600 warrants exercisable at \$0.40 per share until October 29, 2026 and with a fair value of \$23,736 as finders' fees in respect of a private placement.

As of February 28, 2025, there was \$11,172 of accounts payable and accrued liabilities related to the Company's exploration and evaluation assets (August 31, 2024 – \$15,100).

10. Segmented Disclosure

The Company has one operating segment: mineral exploration and development. The Company's reportable segments are summarized as follows:

Geographical Information

Non-current assets	Canada	Mexico	United States	Total
February 28, 2025	\$ 5,052	\$ 11,791,373	\$ 3,725,825	\$ 15,522,250
August 31, 2024	\$ 4,519	\$ 11,403,261	\$ 1,890,858	\$ 13,298,638

11. Subsequent Events

In March 2025, the Company granted stock options to purchase up to 2,050,000 shares of the Company at a price of \$0.30 per share until March 28, 2030, and awarded restricted share units to receive up to 575,000 shares of the Company. The restricted share units will vest March 28, 2026.

Silver Dollar Resources Inc.

Condensed Consolidated Interim Schedule of Exploration and Evaluation Assets

(Expressed in Canadian Dollars)

(Unaudited)

Six month period ended February 28, 2025

	La Joya	Nora	Ranger-Page	Totals
Acquisition costs				
Option payments, cash	\$ -	\$ -	\$ 42,099	\$ 42,099
Staking, renewal and other	71,821	-	-	71,821
Foreign exchange	38,698	-	133,360	172,058
	110,519	-	175,459	285,978
Opening balance	7,064,555	-	1,882,548	8,947,103
	7,175,074	-	2,058,007	9,233,081
Deferred exploration expenditures				
Access rights	-	9,398	-	9,398
Assays	5,538	-	-	5,538
Camp costs	720	5,029	-	5,749
Drilling, drill planning and due diligence	89,675	-	1,612,389	1,702,064
Geological consulting	37,289	-	-	37,289
Meals and lodging	9,185	9,092	-	18,277
Reporting and analysis	19,051	-	-	19,051
Transport	2,944	5,775	-	8,719
Foreign exchange	82,110	1,787	47,119	131,016
	246,512	31,081	1,659,508	1,937,101
Opening balance	4,179,383	159,323	8,310	4,347,016
	4,425,895	190,404	1,667,818	6,284,117
Balance, February 28, 2025	\$11,600,969	\$ 190,404	\$ 3,725,825	\$15,517,198

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements

Silver Dollar Resources Inc.

Condensed Consolidated Interim Schedule of Exploration and Evaluation Assets

(Expressed in Canadian Dollars)

(Unaudited)

Six month period ended February 29, 2024

	La Joya		Nora	Totals
Acquisition costs				
Staking, renewal and other	\$ 77,522	\$ -	\$ 77,522	
Foreign exchange	(11,599)	-	(11,599)	
	65,923	-	65,923	
Opening balance	7,148,478	-	7,148,478	
	7,214,401	-	7,214,401	
Deferred exploration expenditures				
Assays	17,254	-	17,254	
Camp costs	1,507	-	1,507	
Drill planning and due diligence	170,836	14,524	185,360	
Field costs	11,356	-	11,356	
Geological consulting	50,205	46,742	96,947	
Geology	-	4,133	4,133	
Meals and lodging	39,266	-	39,266	
Prospecting and mapping	-	8,230	8,230	
Reporting and analysis	59,069	-	59,069	
Transport	38,615	-	38,615	
Foreign exchange	(19,848)	188	(19,660)	
	368,260	73,817	442,077	
Opening balance	4,117,590	-	4,117,590	
	4,485,850	73,817	4,559,667	
Balance, February 29, 2024	\$ 11,700,251	\$ 73,817	\$ 11,774,068	

The accompanying Notes to the Condensed Consolidated Interim Financial Statements are an integral part of these financial statements