



**SILVER VALLEY METALS CORP.**

(An Exploration Stage Enterprise)

**Condensed Consolidated Interim Financial Statements  
For the Three Months Ended September 30, 2024 and 2023**

(Expressed in Canadian Dollars)

### **Responsibility for 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 consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

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

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

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### Condensed Consolidated Interim Statements of Financial Position

As at September 30, 2024 and June 30, 2024

(Expressed in Canadian Dollars)

As at	September 30, 2024	June 30, 2024
	\$	\$
<b>ASSETS</b>		
Current		
Cash and cash equivalents	115,993	14,647
Amounts receivable	4,981	4,428
Shares receivable (Note 6)	750,000	-
Assets held for sale (Note 6)	-	1,826,786
Investments (Note 5)	320,000	-
Prepaid expenses	46,133	33,805
	1,237,107	1,879,666
Equipment (Note 4)	2,965	3,206
Shares receivable (Note 6)	750,000	-
Exploration and evaluation assets (Notes 6 and 9)	2,878,255	2,864,803
	4,868,327	4,747,675
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (Note 9)	781,731	940,462
Deposit received in advance	-	25,000
	781,731	965,462
Loan payable (Note 7)	58,389	60,131
	840,120	1,025,593
<b>Shareholders' equity</b>		
Share capital (Note 8)	8,923,724	8,832,057
Reserves	9,127,821	9,126,753
Deficit	(14,023,338)	(14,236,728)
	4,028,207	3,722,082
	4,868,327	4,747,675

These consolidated financial statements were authorized for issue by the Board of Directors on November 28, 2024. They are signed on behalf of the Board of Directors by:

"Timothy Mosey"

Director

"Brandon Rook"

Director

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)

For the three months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

	Three months ended September 30,	
	2024	2023
	\$	\$
<b>EXPENSES</b>		
Advertising and promotion	11,187	40,882
Depreciation (Note 4)	198	283
General administrative	11,872	22,738
Interest (Note 7)	749	-
Professional fees (Note 9)	22,085	16,106
Salaries and wages (Note 9)	-	34,200
Share-based payments (Notes 8 and 9)	1,068	19,369
<b>LOSS BEFORE OTHER ITEMS</b>	<b>(47,159)</b>	<b>(133,578)</b>
<b>OTHER ITEMS</b>		
Foreign exchange gain	59,002	4,520
Unrealized gain on investments (Note 5)	20,000	-
Gain on disposition of Ranger-Page project (Note 6)	181,547	-
<b>NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)</b>	<b>213,390</b>	<b>(129,058)</b>
Earnings (loss) per share - basic and dilutive	0.00	(0.00)
Weighted average number of shares outstanding - basic and dilutive	56,776,292	54,031,022

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the three months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

	Common Shares			Reserves	Deficit	Total Shareholders' Equity
	Number of Shares (Note 8)	Amount \$	Amount \$			
Balance, June 30, 2023	48,721,899	8,153,183	9,063,596	(13,853,544)	3,363,235	
Private placement	6,858,741	685,874	-	-	685,874	
Share issuance costs	-	(13,600)	-	-	(13,600)	
Share-based payments	-	-	24,869	-	24,869	
Loss and comprehensive loss	-	-	-	(129,058)	(129,058)	
<b>Balance, September 30, 2023</b>	<b>55,580,640</b>	<b>8,825,457</b>	<b>9,088,465</b>	<b>(13,982,602)</b>	<b>3,931,320</b>	
Balance, June 30, 2024	55,580,640	8,832,057	9,126,753	(14,236,728)	3,722,082	
Shares issued for finder's fees	2,291,666	91,667	-	-	91,667	
Share-based payments	-	-	1,068	-	1,068	
Income and comprehensive income	-	-	-	213,390	213,390	
<b>Balance, September 30, 2024</b>	<b>57,872,306</b>	<b>8,923,724</b>	<b>9,127,821</b>	<b>(14,023,338)</b>	<b>4,028,207</b>	

# SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

## Condensed Consolidated Interim Statements of Cash Flows

For the three months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

	2024	2023
	\$	\$
<b>CASH USED IN:</b>		
<b>OPERATING ACTIVITIES</b>		
Net income (loss) and comprehensive income (loss)	213,390	(129,058)
Items not involving cash:		
Depreciation	198	283
Interest expense	250	-
Share-based payments	1,068	19,369
Gain on disposition of Ranger-Page project	(181,547)	-
Unrealized gain on investments	(20,000)	-
Changes in non-cash working capital items:		
Amounts receivable	(553)	(225)
Prepaid expenses	(12,328)	(1,175)
Accounts payable and accrued liabilities	(172,140)	(106,158)
Deposit received in advance	(25,000)	-
	(196,662)	(216,964)
<b>FINANCING ACTIVITIES</b>		
Proceeds from share issuance, net of issue costs	-	672,274
Payments on loan payable	(1,992)	-
	(1,992)	672,274
<b>INVESTING ACTIVITY</b>		
Exploration and evaluation assets expenditures	-	(290,172)
Proceeds from disposition of Ranger-Page project	300,000	-
	300,000	(290,172)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>101,346</b>	<b>165,138</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>	<b>14,647</b>	<b>17,904</b>
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	<b>115,993</b>	<b>183,042</b>
Cash and cash equivalents consist of the following:		
Cash	105,993	173,042
Guaranteed Investment Certificates	10,000	10,000
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	<b>115,993</b>	<b>183,042</b>
Supplemental cash flow information:		
Income tax paid	-	-
Interest paid	499	-
Non-cash financing and investing activities:		
E&E expenditures included within accounts payable and accrued liabilities	13,409	14,196
Depreciation included within E&E assets	43	61
Share-based payments included in E&E	-	5,500

# SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Three Months Ended September 30, 2024 and 2023

---

### 1. NATURE OF OPERATIONS AND GOING CONCERN

Silver Valley Metals Corp. (the "Company") was incorporated on July 10, 2003 under the laws of British Columbia. On April 28, 2016, the Company changed its name from Benton Capital Corp. to Alset Energy Corp. On May 3, 2017, the Company further changed its name to Alset Minerals Corp. and retained the same ticker symbol "ION" on the TSX Venture Exchange. On August 28, 2018, the Company further changed its name to OrganiMax Nutrient Corp. and ticker symbol to "KMAX" on the TSX Venture Exchange. On August 3, 2021, the Company further changed its name to Silver Valley Metals Corp. and ticker symbol to "SILV" on the TSX Venture Exchange. The Company is an exploration stage company which engages in the business of acquisition, exploration, and development of mineral properties in North America. The Company's head office is located at Suite 750 – 1095 West Pender Street, Vancouver, B.C., V6E 2M6. On February 2, 2022, the Company commenced trading on the OTCQB Venture Market in the United States under the ticker symbol "SVMFF".

The Company had a net income of \$213,390 (2023 - net loss of \$129,058) during the three months ended September 30, 2024 and a deficit of \$14,023,338 (June 30, 2024 - \$14,236,728) as at September 30, 2024, which has been funded mainly by the issuance of equity. The accompanying consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and/or generate continued financial support in the form of equity financings. These material uncertainties may cast significant doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and the financial position classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

### 2. BASIS OF PREPARATION

#### Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of the condensed consolidated interim financial statements. The accounting policies followed in these consolidated financial statements are the same as those applied in the audited annual consolidated financial statements for the Company for the year ended June 30, 2024.

These condensed consolidated interim financial statements of the Company for the three months ended September 30, 2024, were reviewed, approved and authorized for issue by the Board of Directors on November 28, 2024.

# **SILVER VALLEY METALS CORP.**

(An Exploration Stage Enterprise)

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**For the Three Months Ended September 30, 2024 and 2023**

---

### **Basis of Measurement**

These consolidated financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs except for certain financial instruments, which are measured at fair value. The consolidated financial statements are presented in Canadian dollars which is also the functional currency of the Company and its subsidiaries.

### **Basis of Consolidation**

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Grupo Minero Alset, S.A. de. C.V. ("Grupo") in Mexico and North Idaho Metals Corporation ("North Idaho") in Delaware, United States. Grupo and North Idaho were incorporated on June 7, 2016, and May 11, 2021, respectively. All inter-company balances and transactions have been eliminated on consolidation.

### **Use of Accounting Judgments, Estimates and Assumptions**

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited, to:

a) **Exploration and Evaluation Expenditures**

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment 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. Estimates and assumptions made may change if new information becomes available. Cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

b) **Going Concern**

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.



## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**For the Three Months Ended September 30, 2024 and 2023**

---

- c) Valuation of Share-based Payments  
The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.
- d) Determination of functional currency  
The determination of the functional currency for the Company and its subsidiaries was based on management's judgment of the underlying transactions, events, and conditions relevant to each entity.
- e) Assets held for sale  
Judgment is required in determining whether an asset meets the criteria for classification as "assets held for sale" in the consolidated statements of financial position. Criteria considered by management include the existence of and commitment to a plan to dispose of the assets, the expected selling price of the assets, the expected timeframe of the completion of the anticipated sale and the period of time any amounts have been classified within assets held for sale. The Company reviews the criteria for assets held for sale each quarter and reclassifies such assets to or from this financial position category as appropriate. In addition, there is a requirement to periodically evaluate and record assets held for sale at the lower of their carrying value and fair value less costs to sell. Management has evaluated the expected fair value less costs to sell and determined that it is higher than the carrying value, based on an offer to purchase the asset.

### 3. MATERIAL ACCOUNTING POLICIES

#### Adoption of New Pronouncements

There were no new accounting standards, amendments, and updates that would either be applicable or have a material effect upon adoption.

#### Accounting Standards Issued But Not Yet Applied

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB or IFRS Interpretations Committee that are mandatory for fiscal periods beginning on or after January 1, 2024.

##### Amendments to IAS 1, Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Three Months Ended September 30, 2024 and 2023

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The amendments to IAS 1 do not have a significant impact on the Company's consolidated financial statements.

#### 4. EQUIPMENT

	Computer Hardware and Software	Drilling and Exploration Equipment	Total
	\$	\$	\$
<b>COST</b>			
Balance on June 30, 2023 and 2024 and September 30, 2024	19,780	5,187	24,967
<b>DEPRECIATION</b>			
Balance at June 30, 2023	16,013	4,374	20,387
Depreciation	1,130	244	1,374
Balance at June 30, 2024	17,143	4,618	21,761
Depreciation	198	43	241
Balance at September 30, 2024	17,341	4,661	22,002
<b>NET CARRYING AMOUNT AS AT</b>			
June 30, 2024	2,637	569	3,206
September 30, 2024	2,439	526	2,965

#### 5. INVESTMENTS

On August 6, 2024, the Company received 1,000,000 common shares of Silver Dollar Resources Incorporated ("Silver Dollar") valued at \$300,000 in relation to the disposition of assets held for sale (Note 6). As at September 30, 2024, the fair value of 1,000,000 common shares of Silver Dollar was \$320,000 (June 30, 2024 - \$Nil), resulting in an unrealized gain of \$20,000 (2023 - \$Nil) for the three months ended September 30, 2024.

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Three Months Ended September 30, 2024 and 2023

---

#### 6. EXPLORATION AND EVALUATION ASSETS

Mineral property acquisition, exploration, and development expenditures are deferred until the properties are placed into production, sold, impaired, or abandoned. The deferred costs associated with each property as at September 30, 2024 and June 30, 2024 are summarized in the tables below:

	Lithium Salars
	\$
<b>Acquisition costs</b>	
Balance, June 30, 2024 and September 30, 2024	1,656,217
<b>Exploration and evaluation costs</b>	
Balance, June 30, 2024	1,208,586
Depreciation (Note 4)	43
Taxes and duties	13,409
Balance, September 30, 2024	1,222,038
Balance, September 30, 2024	2,878,255

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Three Months Ended September 30, 2024 and 2023

	Lithium Salars	Ranger- Page	Total
	\$	\$	\$
<b>Acquisition costs</b>			
Balance, June 30, 2023	1,656,217	512,828	2,169,045
Acquisition	-	175,012	175,012
Transferred to assets held for sale	-	(687,840)	(687,840)
Balance, June 30, 2024	1,656,217	-	1,656,217
<b>Exploration and evaluation costs</b>			
Balance, June 30, 2023	960,807	878,523	1,839,330
Assays and analysis	-	15,197	15,197
Depreciation (Note 4)	244	-	244
Field supplies and miscellaneous	-	81,878	81,878
Geological consultants	1,771	25,823	27,594
Geophysics	-	1,341	1,341
Legal and administration (Note 9)	-	102,600	102,600
Taxes and duties	245,764	-	245,764
Travel and accommodation	-	458	458
Share-based payments (Note 8)	-	33,126	33,126
Transferred to assets held for sale	-	(1,138,946)	(1,138,946)
Balance, June 30, 2024	1,208,586	-	1,208,586
Balance, June 30, 2024	2,864,803	-	2,864,803

#### (a) Lithium - Potassium Salars, Mexico

Pursuant to an agreement dated July 28, 2016 and amended on April 7, 2017 with MKG Mining Mexico, S.A. de C. V. ("MKG"), the Company acquired a 100% interest in lithium, potassium, boron soils, and brine salar assets located in Zacatecas and San Luis Potosi, Mexico.

The property is subject to a 2% net smelter royalty ("NSR") of which 1% can be purchased by the Company for US\$250,000. The property is also subject to a 0.25% NSR in favour of the finder mentioned above.

Pursuant to an agreement dated June 15, 2017, the Company entered into an assignment of mining rights and obligations agreement with Hot Spring Mining, S.A. de C.V. ("Hot Spring Mining") to acquire two concessions located in Zacatecas and San Luis Potosi, Mexico. The properties are subject to a 2.5% NSR of which the Company has the right to purchase up to 1.5% for \$1,500,000.

In November 2017, the Company completed the staking and filing of additional mineral claims for this property.

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**For the Three Months Ended September 30, 2024 and 2023**

---

Included in exploration and evaluation costs is VAT receivable of \$35,470 (June 30, 2024 - \$35,462) on September 30, 2024.

#### **(b) Ranger-Page, USA**

On July 20, 2021, and subsequently amended on July 20, 2022, the Company entered into a definitive agreement with Blackhawk Exploration LLC ("Blackhawk") providing the Company with the option to acquire a 100% interest in the past producing Government Gulch Silver project in the Silver Valley, Coeur d'Alene Mining District, Idaho, USA (the "Option"). The Company may exercise the Option by paying US\$650,000 and incurring US\$3,000,000 of exploration expenditures on the property to earn a 75% interest in the property as follows:

- Pay a non-refundable deposit of US\$20,000 upon execution of the binding letter of intent (paid);
- Pay US\$230,000 on or before July 20, 2021 (the "Effective Date") (paid);
- Pay US\$50,000 on or before the second anniversary of the Effective Date plus fourteen days (paid), pay an additional US\$100,000 on or before the second anniversary of the Effective Date not to exceed 130 days (paid), grant surface rights to Blackhawk related to certain mining claims and completing an additional US\$600,000 (completed) of expenditures on the property on or before the first anniversary of the Effective Date;
- Completing an additional US\$600,000 (completed) of expenditures on the property on or before the second anniversary of the Effective Date;
- Pay US\$250,000 on or before the second anniversary of the Effective Date (re-negotiated on or before the third anniversary);
- Completing an additional US\$1,200,000 of expenditures on the property on or before the third anniversary of the Effective Date; and
- Completing an additional US\$600,000 of expenditures on the property on or before the third anniversary of the Effective Date.

Upon the Company acquiring a 75% interest in the property, the Company shall have the right to either:

- Cause the parties to form a joint venture with terms consistent with the usual industry practice including a provision for a participant's interest to be converted to a 2% NSR if its interest is diluted to less than a 10% interest. The Company has the right, at any time after the NSR takes effect, to purchase one half of the NSR by making a payment of US\$1,000,000 and has the right of first refusal to purchase the remainder of the NSR; or
- Purchase Blackhawk's 25% interest at a price to be negotiated between Blackhawk and the Company with both parties acting diligently and in good faith to arrive at a mutually acceptable purchase price. If the parties do not come to agreement on the purchase price, the Company, at its option, can either pay US\$2,250,000, pay US\$1,000,000 and issue US\$1,250,000 worth of shares of the Company to Blackhawk priced at the 20 day volume weighted average price following the date that the Company elects to purchase Blackhawk's 25% interest or by Blackhawk's request, issue US\$2,250,000 worth of shares of the Company to Blackhawk priced at the 20 day volume weighted average price following the date that the Company elects to purchase Blackhawk's 25% interest.

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**For the Three Months Ended September 30, 2024 and 2023**

---

On November 17, 2021, the Company signed an option agreement with Deadwood Land LLC to acquire the Page Mine and a surrounding exploration land package which comprise of 49 patented mining claims. For consideration of the rental and option to acquire 100% of the mineral rights of Page Mine and surrounding project area, the Company will make a payment of US\$60,000 in Year 1 (paid) and US\$30,000 per annum in Year 2 to Year 10. Year 2 and Year 3 payments have been completed. The Company can purchase 100% of the patented mineral rights for a payment of US\$1,500,000 and all rental payments will be credited towards the option purchase price.

On July 14, 2024, the Company signed an asset purchase agreement with Silver Dollar whereby Silver Dollar acquired the right, title, and interest in the Ranger-Page Project. The transaction closed on August 6, 2024, and as a result, the Company presented the carrying value of the Ranger-Page Project of \$1,826,786 as assets held for sale as at June 30, 2024. Pursuant to the asset purchase agreement, the Company received cash consideration of \$300,000 and will receive 6,000,000 Silver Dollar common shares ("Payment Shares") in accordance with the following release schedule.

- 1,000,000 Payment Shares on closing date (received);
- 1,250,000 Payment Shares on 6-month anniversary of closing date;
- 1,250,000 Payment Shares on 12-month anniversary of closing date;
- 1,250,000 Payment Shares on 18-month anniversary of closing date; and
- 1,250,000 Payment Shares on 24-month anniversary of closing date.

The Payment Shares will be subject to a statutory four-month hold period and contractual escrow over a period of 24 months from the closing date.

In connection with the closing of this transaction, the Company issued 2,291,666 common shares valued at \$91,667 for finder's fees.

As at September 30, 2024, the Company has a shares receivable balance of \$1,500,000 (June 30, 2024 - \$Nil), of which \$750,000 (June 30, 2024 - \$Nil) is due within one year.

## 7. LOAN PAYABLE

On April 28, 2020 and August 9, 2021, the Company received a total of \$60,000 under the Canada Emergency Business Account ("CEBA"). The loan is non-interest bearing and no principal repayments are required up to December 31, 2023. If the principal balance of \$40,000 is repaid by December 31, 2023, then the remaining \$20,000 of the principal balance will be forgiven. Any remaining balance after January 1, 2024, will be converted into a three-year term loan with a fixed interest of 5% per annum; monthly interest-only payments and the outstanding balance must be repaid in full by December 31, 2025. On September 14, 2023, the repayment deadline for CEBA loan to qualify for partial loan forgiveness was extended to January 18, 2024, and the repayment date of the CEBA loan was extended to December 31, 2026.

During the three months ended September 30, 2024, interest accrued on the CEBA loan was \$749 (2023 - \$Nil), and the Company made a principal payment of \$1,992 (2023 - \$Nil) and an interest payment of \$499 (2023 - \$Nil) for the CEBA loan payable.

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Three Months Ended September 30, 2024 and 2023

---

#### 8. SHARE CAPITAL

Authorized:

Class A common - unlimited  
Class B common - unlimited  
Common shares - unlimited

Issued:

Class A common - Nil  
Class B common - Nil  
Common shares - 57,872,306 shares

##### (a) Shares issued

On November 17, 2022, the Company closed the first tranche of a non-brokered private placement and raised aggregate gross proceeds of \$697,284 through issuance of an aggregate of 9,297,114 units of the Company at a price of \$0.075 per unit. Each unit is comprised of one common share of the Company and one purchase warrant. Each warrant is exercisable to acquire an additional common share at a price of \$0.15 per share for 24 months from the date of issue. In connection with closing, the Company paid finder's fees of \$42,461 and issued 598,147 broker warrants at a fair value of \$26,618, each entitling the holder thereof to purchase one common share at an exercise price of \$0.15 per share for 24 months from the date of issue. The fair value of the broker warrants was calculated using the Black-Scholes Option Pricing Model with a share price at issue date of \$0.085; exercise price of \$0.15; expected life of 2 years; expected volatility of 124%; risk free interest rate of 3.88%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

On January 3, 2023, the Company closed its final tranche of a non-brokered private placement and raised aggregate gross proceeds of \$270,000 through issuance of an aggregate of 3,600,000 units of the Company at a price of \$0.075 per unit. Each unit is comprised of one common share of the Company and one purchase warrant. Each warrant is exercisable to acquire an additional common share at a price of \$0.15 per share for 24 months from the date of issue. In connection with closing, the Company paid finder's fees of \$26,400 and issued 232,000 broker warrants at a fair value of \$18,052, each entitling the holder thereof to purchase one common share at an exercise price of \$0.15 per share for 24 months from the date of issue. The fair value of the broker warrants was calculated using the Black-Scholes Option Pricing Model with a share price at issue date of \$0.13; exercise price of \$0.15; expected life of 2 years; expected volatility of 122%; risk free interest rate of 3.92%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

During the year ended June 30, 2024, the Company closed its first and second tranche of non-brokered private placements and raised aggregate gross proceeds of \$685,874 through issuance of an aggregate of 6,858,741 common shares of the Company at a price of \$0.10 per share. In connection with closing, the Company paid finder's fees of \$7,000.

During the three months ended September 30, 2024, the Company issued 2,291,666 common shares valued at \$91,667 for finder's fees in relation to the disposition of the Ranger-Page project (Note 6).

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Three Months Ended September 30, 2024 and 2023

#### (b) Stock options

The Company has adopted an incentive stock option plan for granting options to directors, employees, and consultants. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the TSX Venture Exchange's policies. Options granted may not exceed a term of five years. All options vest upon grant unless otherwise specified by the Board of Directors.

Details of stock option transactions for the three months ended September 30, 2024 and the year ended June 30, 2024 are detailed below.

	Number of Options	Weighted Average Exercise Price
		\$
Balance, June 30, 2023	4,840,000	0.18
Cancelled	(500,000)	0.20
Balance, June 30, 2024 and September 30, 2024	4,340,000	0.18

During the year ended June 30, 2023, the Company granted 1,900,000 stock options. These options vest 25% on grant date, then 25% every six months after grant date. The total stock option expense for these options granted is \$183,350, of which \$124,000 is recognized as share-based payments during the year ended June 30, 2023, \$58,282 is recognized as share-based payments during the year ended June 30, 2024, and \$1,068 is recognized as share-based payments during the three months ended September 30, 2024.

Share-based payments of \$33,126 were allocated to exploration and evaluation assets during the year ended June 30, 2024, and \$Nil were allocated to exploration and evaluation assets during the three months ended September 30, 2024 (Note 6).

As at September 30, 2024, the following stock options were outstanding:

Expiry Date	Exercise Price	Number of Options	Number of Options Exercisable
	\$		
February 10, 2026	0.20	1,520,000	1,520,000
April 6, 2026	0.25	300,000	300,000
July 20, 2026	0.20	120,000	120,000
June 21, 2027	0.20	500,000	500,000
January 13, 2028	0.15	1,900,000	1,900,000
		4,340,000	4,340,000

The weighted average life of the options outstanding and exercisable on September 30, 2024 is 2.39 years (June 30, 2024 - 2.64 years) with the weighted average exercise price of \$0.18 (June 30, 2024 - \$0.18).



## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Three Months Ended September 30, 2024 and 2023

The fair value of the stock options granted was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2024	2023
Risk-free interest rate	-	2.90%
Expected dividend yield	-	0%
Expected forfeiture rate	-	0%
Expected stock price volatility	-	142%
Expected life in years	-	5.00

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture, and employee termination within the valuation model. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option and warrant grants.

#### (c) Warrants

There were no changes in warrants during the three months ended September 30, 2024 and the year ended June 30, 2024.

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, June 30, 2023 and 2024 and September 30, 2024	16,477,261	0.175

Warrants outstanding at September 30, 2024 were as follows:

Expiry Date	Number of Warrants	Exercise Price
		\$
November 17, 2024	9,895,261	0.15
January 3, 2025	3,832,000	0.15
March 1, 2025*	2,750,000	0.30
	16,477,261	

\* During the year ended June 30, 2023, the Company extended the expiry date of 2,750,000 warrants at an exercise price of \$0.30 per share from March 1, 2023 to March 1, 2025. All other terms of the warrants remain unchanged.

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Three Months Ended September 30, 2024 and 2023

#### 9. RELATED PARTY TRANSACTIONS

Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described as follows.

##### (a) Compensation of Key Management Personnel

The compensation paid or payable to directors and key management personnel, including fees for administrative, management, accounting, and legal services provided by these related parties, during the three months ended September 30, 2024 and 2023, are as follows:

	2024	2023
	\$	\$
Professional fees	12,000	16,106
Rent expense in general and administrative	1,000	3,000
Salaries and wages	-	34,200
Salaries and wages in exploration and evaluation expenditures	-	34,200
Share-based payments	478	9,978
	13,478	97,484

All related party transactions were in the ordinary course of business and were measured at their exchange amount as agreed between the related parties.

##### (b) Related Party Balances

As of September 30, 2024 and June 30, 2024, the Company has the following amounts owed to related parties that are noninterest-bearing, unsecured, and have no specified terms of repayment.

Payee	September 30, 2024	June 30, 2024
	\$	\$
Due to the CEO	60,828	102,600
Due to a company controlled by the CFO for accounting fees	3,150	20,200
Due to an accounting firm controlled by the CFO for accounting fees	1,050	8,400
Due to a company controlled by the Corporate Secretary	-	5,106
Due to former officers and former directors	4,656	4,656
	69,684	140,962

No post-employment benefits, other long-terms benefits, and termination benefits were made during the three months ended September 30, 2024 and 2023.

## **SILVER VALLEY METALS CORP.**

(An Exploration Stage Enterprise)

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**For the Three Months Ended September 30, 2024 and 2023**

---

#### **10. CAPITAL DISCLOSURES**

The Company's objectives when managing capital are as follows:

- To safeguard the Company's ability to continue as a going concern;
- To raise sufficient capital to finance its exploration activities on its mineral exploration properties; and
- To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions, its short-term working capital requirements, and its planned exploration and development program expenditure requirement. The capital structure of the Company is composed of working capital (deficiency) and shareholders' equity. The Company may manage its capital by issuing flow through or common shares, or by obtaining additional financing.

The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Company's approach to managing capital during the current year. In order to maintain or adjust the capital structure, the Company considers the following:

- i) Incremental investment and acquisition opportunities;
- ii) Equity and debt capital available from capital markets;
- iii) Sale of assets; and
- iv) New share issuances if available on favorable terms.

The Company is not subject to any external financial covenants at September 30, 2024 and June 30, 2024.

#### **11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

IFRS establishes 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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - 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 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Three Months Ended September 30, 2024 and 2023

#### Fair Value of Financial Instruments

The Company's financial assets include cash and cash equivalents, amounts receivable excluding sales taxes receivable, investments at fair value, and shares receivable which are classified as Level 1. The Company's financial liabilities include accounts payable and accrued liabilities, deposit received in advance and loan payable, which are classified as Level 1.

Assets measured at fair value on a recurring basis were presented on the Company's consolidated statements of financial position as at September 30, 2024 and June 30, 2024 are as follows:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	\$	\$	\$	\$
Cash and cash equivalents				
September 30, 2024	115,993	-	-	115,993
June 30, 2024	14,647	-	-	14,647
Investments				
September 30, 2024	320,000	-	-	320,000
June 30, 2024	-	-	-	-

#### Fair value

The fair value of the Company's financial instruments approximates their carrying value as at September 30, 2024 and June 30, 2024 because of the demand nature, short-term maturity, or future expected cash flows of these instruments.

The following table summarizes the carrying value of the Company's financial instruments:

	September 30, 2024	June 30, 2024
	\$	\$
<b>Financial assets</b>		
Fair value through profit and loss (i)	435,993	14,647
Amortized cost (ii)	1,501,649	1,796
<b>Financial liabilities</b>		
Amortized cost (iii)	840,120	1,025,593

- (i) Cash and cash equivalents and investments
- (ii) Amounts receivable, excluding sales taxes receivable, and shares receivable
- (iii) Accounts payable, deposit received in advance and loan payable

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**For the Three Months Ended September 30, 2024 and 2023**

---

The Company's financial instruments are exposed to certain risks, including credit risk, interest rate risk, liquidity risk, currency risk, and market risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalent and amounts receivable, excluding sales taxes receivable. The Company's cash and cash equivalent are held through a large Canadian financial institution. Collectability for amounts receivable is assessed on an ongoing basis and a provision for impairment is recorded as necessary.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In management's opinion, the Company is not exposed to significant interest rate risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. This is generally accomplished by ensuring that cash is always available to settle financial liabilities. As of September 30, 2024, the Company had cash and cash equivalent on hand of \$115,993 (June 30, 2024 - \$14,647) available to settle current liabilities of \$781,731 (June 30, 2024 - \$965,462). Accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Loan payables have contractual maturities of greater than 12 months.

(d) Currency risk

The Company's functional currency is the Canadian dollar. The Company is primarily exposed to currency fluctuations related to accounts payable and accrued liabilities and payment obligations for exploration and evaluation that are denominated in Mexican Pesos and US dollars. As of September 30, 2024, the Company had net current liabilities of \$646,454 (June 30, 2024 - \$726,821) denominated in Mexican Pesos and net current liabilities of \$4,985 (June 30, 2024 - \$2,580) denominated in US dollars, translated at 0.06869 pesos to \$1 (June 30, 2024 - 0.07484) and 1.3499 US to \$1 (June 30, 2024 - \$1.3687), respectively. The Company does not actively manage this risk.

(e) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as market prices, foreign exchange rates and interest rates. In management's opinion, the Company is not exposed to significant market risk.

## SILVER VALLEY METALS CORP.

(An Exploration Stage Enterprise)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Three Months Ended September 30, 2024 and 2023

---

#### 12. SEGMENTED INFORMATION

The Company currently operates in two geographical operating segments, the exploration of mineral properties in Canada and Mexico. Management of the Company makes decisions about allocating resources based on the operating segments. A geographic summary of identifiable long-term assets by country is as follows:

<b>As at September 30, 2024</b>			
	Canada	Mexico	Total
	\$	\$	\$
Equipment	2,439	526	2,965
Exploration and evaluation assets	-	2,878,255	2,878,255
Shares receivable	750,000	-	750,000

  

<b>As at June 30, 2024</b>			
	Canada	Mexico	Total
	\$	\$	\$
Equipment	2,637	569	3,206
Exploration and evaluation assets	-	2,864,803	2,864,803