SILVER BULLET MINES CORP.

(formerly Pinehurst Capital 1 Inc.)

Condensed Interim Consolidated Financial Statements

Nine months ended March 31, 2023 and 2022

(Unaudited)

(Expressed in Canadian Dollars)

The accompanying condensed interim consolidated financial statements have been prepared by Management of Silver Bullet Mines Corp. and have not been reviewed by the Company's auditors.

SILVER BULLET MINES CORP. (formerly Pinehurst Capital 1 Inc.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
March 31, 2023
(Expressed in Canadian Dollars)
(Unaudited)

	March 31, 2023	June 30, 2022
Assets	$	$
Current assets		
Cash and equivalents	13,369	284,850
Miscellaneous receivables	32,476	78,313
Prepaid expenses and deposits (Note 5)	76,357	166,958
Total current assets	122,202	530,121
Property, mill and equipment (Note 6)	3,287,746	3,090,208
Total assets	3,409,948	3,620,329
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	491,870	264,021
Note payable (Note 8)	313,823	-
Convertible promissory note (Note 7)	573,236	-
Total current liabilities	1,377,969	264,021
Non-current liabilities		
Note payable (Note 8)	-	273,970
Convertible promissory note (Note 7)	-	-
Total liabilities	1,377,969	537,991
Shareholders' equity		
Share capital (Note 10)	12,203,654	11,396,883
Contributed surplus (Note 12)	928,096	928,096
Warrants (Note 13)	2,344,483	2,308,510
Equity component of convertible promissory note (Note 7)	57,193	-
Accumulated other comprehensive income	122,455	(1,101)
Deficit	(13,623,902)	(11,550,050)
Total shareholders’ equity	2,031,979	3,082,338
Total liabilities and shareholders’ equity	3,409,948	3,620,329

Nature of operations and going concern (Note 1)
Commitments and contingencies (Notes 18)
Subsequent events (Note 21)

Approved by the Board of Directors

“John Carter”	“John MacKenzie”
___________________________________	___________________________________
Director	Director

See accompanying notes to the condensed interim consolidated financial statements.

SILVER BULLET MINES CORP. (formerly Pinehurst Capital 1 Inc.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Three and nine months ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended March 31, 2023 $	Three months ended March 31, 2022 $	Nine months ended March 31, 2023 $	Nine months ended March 31, 2022 $
Operating Expenses				
Mineral property development expense (Notes 15,16)	457,917	64,463	1,383,543	1,262,914
Exploration expense	13,457	12,986	40,205	38,949
General and administrative (Note 16)	118,569	223,733	441,826	819,137
Depreciation expense	12,180	10,000	36,142	10,000
Professional fees	48,986	48,052	104,874	190,474
Finance expense	25,750	16,172	78,036	91,537
Share-based compensation	-	105,623	-	105,623
Listing expense (Note 5)	-	-	-	1,103,871
Net loss for the period	676,858	481,029	2,084,626	3,622,505
Other comprehensive income				
Exchange differences arising on translation of foreign operations	(27,818)	-	(123,556)	-
Comprehensive loss for the period	649,040	481,029	1,961,070	3,622,505
Basic and diluted loss per share	(0.02)	(0.01)	(0.03)	(0.07)
Weighted average shares outstanding	64,225,000	57,829,000	63,426,000	54,094,000

See accompanying notes to the condensed interim consolidated financial statements.

SILVER BULLET MINES CORP. (formerly Pinehurst Capital 1 Inc.)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
Nine months ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited)

	Number of Shares	Share Capital	Contributed Surplus	Warrants	Equity Component of Convertible Promissory Note	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
Balance, June 30, 2021	51,031,372	$8,404,108	$ 337,000	$1,275,476	$ -	$ -	$ (5,490,565)	$ 4,526,019
					-	-		
Shares issued for cash	7,250,591	1,862,903	-	992,000	-	-	-	2,854,903
Shares issued on RTO	2,473,333	742,000	44,784	-	-	-	-	786,784
Shares issued for services	1,500,000	450,000	-	-	-	-	-	450,000
Shares issued on exercise of options	166,666	35,715	-	-	-	-	-	35,715
Share issue costs-cash		(88,797)						(88,797)
Share issue costs-finders' warrants		(41,034)		41,034				
Share-based compensation			105,623					105,623
Transfer from contributed surplus on exercise of options and expiration of options		31,988	(44,784)				12,796	
Loss for the period	-	-	-	-	-	-	(3,622,505)	(3,622,505)
Balance, March 31, 2022	62,421,962	$ 11,396,883	$ 442,623	$2,308,510	-	-	$ (9,100,274)	$ 5,047,742
Share-based compensation	-	-	485,473	-	-	-	-	485,473
Loss for the period	-	-	-	-	-	-	(2,449,776)	(2,449,776)
Other comprehensive loss	-				-	(1,101)	-	(1,101)
Balance, June 30, 2022	62,421,962	$11,396,883	$ 928,096	$2,308,510	$ -	$ (1,101)	$(11,550,050)	$ 3,082,338
Shares issued for cash	4,039,560	548,000	-	259,912	-	-	-	807,912
Share issue costs-cash	-	(24,340)	-	-	-	-	-	(24,340)
Share issue costs-finders' warrants	-	(6,569)	-	6,569	-	-	-	-
Shares issued for debt	236,000	70,800	-	-	-	-	-	70,800
Share issue costs-cash	-	(854)	-	-	-	-	-	(854)
Equity component of convertible								-
promissory note	-	-	-	-	57,193	-	-	57,193
Warrants expired		219,734		(230,508)			10,774	
Loss for the period	-	-	-	-	-		(2,084,626)	(2,084,626)
Other comprehensive income	-	-	-	-	-	123,556	-	122,556
Balance, March 31, 2023	66,697,522	$11,907,960	$ 928,096	$2,344,483	$ 57,193	$ 122,455	$(13,623,902)	$ 2,030,979

See accompanying notes to the condensed interim consolidated financial statements.

SILVER BULLET MINES CORP. (formerly Pinehurst Capital 1 Inc.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine months ended March 31
(Expressed in Canadian Dollars)
(Unaudited)

	2023	2022
Operating activities	$	$
Net loss	(2,084,626)	(3,622,505)
Items not affecting cash:		
Accretion	35,936	21,870
Depreciation	36,142	10,000
Share-based compensation	-	105,623
Unrealized foreign exchange	8,620	(4,015)
Listing expense	-	1,103,871
Change in non-cash working capital:		
Miscellaneous receivables	45,837	(317,940)
Prepaid expenses	90,601	(143,839)
Accounts payable and accrued liabilities	227,849	(140,217)
Net cash used in operating activities	(1,639,641)	(2,987,152)
Investing activities		
Cash received on acquisition of Mining	-	135,725
Additions of property, mill and equipment	(78,919)	(2,021,611)
Net cash used in investing activities	(78,919)	(1,885,886)
Financing activities		
Issuance of promissory note-net	619,357	-
Issuance of common shares	688,912	2,890,618
Share issue costs	(25,194)	(88,797)
Net cash provided by financing activities	1,285,570	2,801,821
Foreign exchange effect on cash and cash equivalents	161,509	-
Net change in cash and cash equivalents	(271,481)	(2,071,217)
Cash and cash equivalents, beginning of period	284,850	3,505,402
Cash and cash equivalents, end of period	13,369	1,434,185

See accompanying notes to the condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Silver Bullet Mines Corp. (formerly Pinehurst Capital 1 Inc.) ("Silver Bullet" or the "Company") was incorporated on July 13, 2018, pursuant to the provisions of the Ontario Business Corporations Act. The registered address of Silver Bullet is 200-3310 South Service Road, Burlington Ontario L7N 3M6. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "SBMI". The Company trades on the OTCQB under the symbol "SBMCF".

The Company is engaged in the acquisition, exploration, development and extraction of natural resources, specifically precious metals in Arizona, Idaho, and Nevada. The Company's primary focus is the development and operation of its Buckeye Silver Mine located near Globe, Arizona.

On November 12, 2020, Silver Bullet and Silver Bullet Mining Inc. ("Mining" and originally Pinehurst Capital 1 Inc.) entered into an agreement pursuant to which Silver Bullet, contemporaneously with a consolidation of Silver Bullet's shares, acquired all of the issued and outstanding shares of Mining on a one for one basis resulting in Mining becoming a wholly owned subsidiary of Silver Bullet (the "Transaction"). As a result of the Transaction, Silver Bullet, as the "Resulting Issuer," continued on with the business of Mining under the name "Silver Bullet Mines Corp." The Transaction was deemed to be a reverse takeover ("RTO") as the shareholders of Mining acquired control of the combined entity. The Transaction was completed effective October 15, 2021.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities and commitments in the normal course of business for the foreseeable future, which is at least, but not limited to one year from the reporting date. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. These financial statements do not reflect adjustments or classifications which might be necessary if the Company was not able to continue as a going concern.

The Company does not generate cash flows from operations to fund its activities and therefore relies principally upon the issuance of securities for financing. The Company anticipates having sufficient funds to meet its development and administrative expenses for at least the next twelve months. The business of mining and exploration involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations. The Company will require cash to meet its requirements for administrative overhead, to construct mineral processing facilities, and to conduct exploration of its mineral properties and mineral properties that may be acquired. The Company has historically relied on equity placements to fund its operations and repay its liabilities. Management is actively pursuing financing and alternative funding options and is minimizing discretionary expenditures where prudent. While the Company has been successful in the past, there can be no assurance that it will be able to raise sufficient funds in the future. The Company had continuing losses for the period ended March 31, 2023 and has an accumulated deficit of $13,623,902 as at March 31, 2023 (June 30, 2022-$11,550,050). These conditions and events indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

1. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed interim consolidated financial statements for the period ended March 31, 2023 have been prepared in accordance with International Financial Reporting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), and should be read together with the Company's audited consolidated financial statements for the year ended June 30, 2022.

The Board of Directors approved the condensed interim consolidated financial statements on May 29, 2023.

Basis of Presentation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified at fair value through profit or loss ("FVTPL"). In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and Presentation Currency

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The unaudited condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency for Silver Bullet Mines Corp. and Silver Bullet Mining Inc. The functional currency of the Company's subsidiaries in the United States, is the United States Dollar.

Basis of Consolidation

These unaudited condensed interim consolidated financial statements incorporate the accounts of the Company and entities controlled by the Company. Control is achieved when the Company is exposed to variable returns and has the ability affect those returns through power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date at which control is transferred to the Company. Subsidiaries will be de-consolidated from the date that control ceases.

2. BASIS OF PRESENTATION – continued

Basis of Consolidation - continued

Subsidiary	Percentage of ownership	Jurisdiction	Principal activity
Silver Bullet Mining Inc.	100%	Canada	Management activities
Black Diamond Exploration Inc.	100%	United States	Exploration and development
Silver Bullet Holdings Inc	100%	United States	Holding
Silver Bullet Arizona Inc.	100%	United States	Milling and processing
Silver Bullet Idaho Inc.	100%	United States	Exploration and development

Adoption of new accounting standards

At the date of the authorization of these financial statements, several new, but not effective Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact to the Company's financial statements.

Accounting standards issued but not yet effective

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date and clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The amendments are effective for annual periods beginning on January 1, 2023. The extent of the impact of the adoption of this amendment has not yet been determined.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Functional currency

The determination of an entity's functional currency is a key judgment based on the primary economy environment in which each entity of the Company operates. In determining the functional currency, management considers the currency that most faithfully represents the economic effects of events, conditions, future direction and investment

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – continued

opportunities. The Company made a determination that its functional currency of its subsidiaries is the United States dollar. Management considered all of the relevant primary and secondary factors in making this determination.

Share-based compensation and warrants

The compensation cost associated with stock options and warrants granted under the terms of the instrument is measured at the grant date by using the Black-Scholes option pricing model to determine fair value. The Black-Scholes model requires the use of subjective estimates, in particular for the estimated life of options and warrants and the expected rate of volatility in the Company's share price over the life of the instrument, which can materially affect the fair value estimate. The key assumptions used to derive the fair value of options granted in 2022 and 2021, are detailed in Note 11 to the condensed interim unaudited consolidated financial statements.

Commercial production

The determination of when a mine is in the condition necessary for it to be capable of operating in the manner intended by management (referred to as "commercial production") is a matter of significant judgement. In making this determination, management considers specific facts and circumstances. These factors include, but are not limited to, whether the major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management have been completed, completion of a reasonable period of commissioning and consistent operating results being achieved at pre-determined levels of design capacity for a reasonable period of time. The Company determined commercial production has not yet been achieved as the Company has not produced commercial grade silver dore bars.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

A deferred tax asset is recognized to the extent that it is probable that taxable earnings will be available against which deductible temporary differences can be utilized.

Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates the higher of fair value less costs to sell and value in use. Determining the recoverable amount of an asset

(Expressed in Canadian Dollars)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – continued

requires management to make assumptions about future events and circumstances and cash flows. The actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

Provisions and contingencies

Provisions and contingencies arising in the course of operations, including provisions for restoration, rehabilitation and environmental obligations, income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary and may cause significant adjustments to the Company's assets when the amounts are determined, or additional information is acquired.

4. REVERSE ACQUISITION

As described in Note 1, effective October 15, 2021, the Company and Mining completed a Transaction which constituted a reverse acquisition. The Company issued 51,484,705 common shares to the shareholders of Mining on a one-to-one basis.

As a result of the Transaction, the shareholders of Mining obtained control of the combined entity by obtaining control of the voting power of the combined entity and the resulting power to govern the financial and operating policies of the combined entities.

For accounting purposes, Mining, the legal subsidiary, was treated as the accounting parent company and Silver Bullet Mines Corp., the legal parent, has been treated as the accounting subsidiary in these consolidated financial statements. As Mining was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying value. Silver Bullet Mines Corp. results of operations have been included since October 15, 2021.

Consideration paid:	$
Fair value of 2,473,333 common shares of the Company at $0.30 per share	742,000
Fair value of 233,333 replacement stock options issued	44,784
Fair value of 1,500,000 common shares of the Company issued as finder's fee at $0.30 per share	450,000
	1,236,784

Net tangible assets (estimated fair value) acquired:	
Cash	80,544
	80,544

At the time of the Transaction, Silver Bullet's assets consisted primarily of cash and it did not have any processes capable of generating outputs: therefore Silver Bullet did not meet the definition of a business. Accordingly, as Silver Bullet did not qualify as a business in accordance with IFRS 3 *Business Combinations,* the Transaction did not constitute a business combination. The Transaction constituted a reverse acquisition of Silver Bullet by Mining and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2 *Share-based payments* and IFRS 3 *Business combinations*.

(Expressed in Canadian Dollars)

4. REVERSE ACQUISITION - continued

As the acquisition was not considered a business combination, the excess value of consideration paid over the net assets acquired together with the fair value of options issued to Silver Bullet shareholders, and additional transaction costs are expensed as a listing expense.

The fair value of the common shares amounted to $742,000, based on the shares issued in a concurrent financing of Mining's units at the time of the Transaction of $0.30 per unit. The fair values of the stock options were determined using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 120% based on historical volatility of comparable entities, estimated forfeiture rate, risk free interest rate of 0.27%, and an expected life of 1 years at a share price of $0.30.

	$
Consideration paid	1,236,784
Net tangible assets acquired	(80,544)
	1,156,240

5. PREPAID EXPENSES AND DEPOSITS

	March 31, 2023	**June 30, 2022**
	$	$
Prepaid taxes on mineral property	22,436	8,657
Prepaid mineral property leasing fees	14,526	-
Prepaid marketing costs	24,450	117,244
Prepaid liability insurance	14,045	26,849
Other	1,000	14,208
	76,457	**166,958**

(Expressed in Canadian Dollars)

6. PROPERTY, MILL AND EQUIPMENT

	Land	Mill and infrastructure	Equipment	Deposit on equipment	Total
Cost	**$**	**$**	**$**	**$**	**$**
Balance, June 30, 2021	752,695	63,467	78,692	246,384	1,141,238
Additions	-	1,165,164	392,233	-	1,557,397
Transfers	-	246,384	-	(246,384)	-
Translation adjustments	-	-	-	-	-
Balance, March 31, 2022	**752,695**	**1,475,015**	**470,925**	**-**	**2,698,635**
Additions	-	383,566	-	-	383,566
Transfers	-		-	-	-
Translation adjustments	13,641	33,683	8,535	-	55,859
Balance, June 30, 2022	**766,336**	**1,892,264**	**479,460**	**-**	**3,138,060**
Additions	-	24,787	54,132	-	78,919
Translation adjustments	38,478	135,187	(16,105)	-	157,560
Balance, March 31, 2023	**804,814**	**2,052,238**	**517,487**	-	**3,374,539**
Accumulated depreciation					
Balance, June 30, 2021	**-**	**-**	**-**	**-**	**-**
Additions	-	-	10,000	-	10,000
Translation adjustments	-	-	-	-	-
Balance, March 31, 2022	**-**	**-**	**10,000**	**-**	**10,000**
Additions	-	**-**	37,000	-	37,000
Translation adjustments	-	-	852	-	852
Balance, June 30, 2022	**-**	**-**	**47,852**	**-**	**47,852**
Additions	-	-	36,142	-	36,142
Translation adjustments	-	-	2,855	-	2,855
Balance, March 31, 2023	-	-	**86,793**	-	**86,793**
Carrying amounts					
Balance, March 31, 2022	**752,695**	**1,475,015**	**460,925**	**-**	**2,688,635**
Balance, March 31, 2023	**804,814**	**2,052,238**	**430,694**	**-**	**3,387,746**

Depreciation has been recorded for certain equipment only as mill and infrastructure assets are not yet available for use.

7. CONVERTIBLE PROMISSORY NOTE

During the period, the Company issued a convertible promissory note with a face value of $650,000. The unsecured promissory note bears interest at 8% per annum and matures February 9, 2024. The promissory note is convertible into 2,166,667 units of the Company with a unit consisting of one common share and one-half of one common share purchase warrant with a whole warrant exercisable at $0.35 for a period of forty-eight months from the date of issue.

7. CONVERTIBLE PROMISSORY NOTE - continued

Values were allocated between the promissory note and the conversion feature. The valuation approach involved estimating the fair value for the promissory notes in the absence of a conversion feature. The Company estimated a market rate of interest rate of 15% for a promissory note without additional features attached. The difference between the face value and the liability component was allocated to the conversion feature. The present value of principal payments of the promissory note plus accrued interest resulted in an allocation of $589,977 for the promissory note and $60,023 to the conversion feature. Direct costs in the amount of $30,643, were allocated between the promissory note and the conversion feature on a relative fair value basis. The liability component is being accreted over the term to maturity using the effective interest method. Accretion in the amount of $11,112 was recorded during the period.

8. NOTE PAYABLE

During fiscal 2021, the Company issued a note payable with a face amount of $319,575 denominated in United States dollars (“USD”) ($250,000 USD) as partial consideration for the purchase of land in Arizona. The note is non-interest bearing, is unsecured, and is due February 2, 2024. A gain on discounting debt in the amount of $92,038 was recognized as a reduction in the carrying value the property at the date of acquisition resulting from applying the effective interest method with an estimated market rate of interest of 12%. Accretion in the amount of $24,824 was recorded during the period (2022-$21,870).

9. FINANCE EXPENSE

	March 31, 2023	**June 30, 2022**
	$	**$**
Foreign exchange	8,620	(8,286)
Accretion expense	35,936	29,303
Interest	33,480	-
	78,036	**21,017**

10. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares.

Transactions 2023

On July 12, 2022, the Company issued 236,000 common shares at $0.30 per share in exchange for a reduction in accounts payable of $70,800.

On November 3, 2022, and December 19, 2022, the Company issued 2,235,000 and 1,209,650 units respectively at $0.20 per unit for gross proceeds of $688,812. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share for $0.30 for a period of twenty-four months from the date of issue. The value of these warrants was estimated to be $221,912 using the Black-Scholes option pricing model under the assumptions detailed in Note 12. The Company incurred cash costs of $19,300 and issued 84,000 broker warrants

10. SHARE CAPITAL - continued

with an estimated fair value of $6,569 using the Black-Scholes option pricing model under the assumptions detailed in Note 13.

On March 17, 2023, the Company issued 595,000 units at $0.20 per unit for gross proceeds of $119,000. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share for $0.30 for a period of twenty-four months from the date of issue. The value of these warrants was estimated to be $38,000 using the Black-Scholes option pricing model under the assumptions detailed in Note 12. The Company incurred cash costs of $5,040.

Transactions 2022

On July 8, 2021, the Company issued 453,333 units at a price of $0.30 per unit, with each unit consisting of one common share and one-half common share purchase warrant with one whole share purchase warrant entitling the holder to purchase one common share for $0.50 for a period of twenty-four months. The value of these warrants was estimated to be $30,000 using the Black-Scholes option pricing model under the assumptions detailed in Note 14.

On February 18, 2022, March 11, 2022, and March 30, 2022, the Company issued 1,910,000, 2,025,188, and 2,862,070 units respectively at $0.40 per unit for gross proceeds of $2,718,903. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share for $0.60 for a period of twenty-four months from the date of issue. The value of these warrants was estimated to be $962,000 using the Black-Scholes option pricing model under the assumptions detailed in Note 15. The Company incurred cash costs of $88,797 and issued 179,130 broker warrants with an estimated fair value of $41,034 using the Black-Scholes option pricing model under the assumptions detailed in Note 15.

The Company issued 1,500,000 common shares at $0.30 in exchange for services.

During the 2022 fiscal year, the Company issued 166,666 shares on the exercise of stock options at $0.21429 per share for gross proceeds of $35,715.

11. SHARE-BASED COMPENSATION

The Company has a formal stock option plan under which it is authorized to grant options to directors, officers, employees, and consultants to purchase common shares of the Company. The stock option plan is a rolling plan and the maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding common shares. Each stock option granted is for a term not exceeding five years unless otherwise specified.

Vesting terms and conditions are determined by the Board of Directors of the Company at the time of the grant at the market price of the common shares, subject to all regulatory requirements.

On September 27, 2020, the Company granted 3,000,000 options exercisable at $0.30 for a five-year term. The options vested immediately. An amount of $262,000 was recognized in share-based payment expense.

During fiscal 2021, the CEO of the Company granted 500,000 stock options, on shares owned by him, to certain officers of the Company exercisable at $0.16 for a period of five years in exchange for services provided to the Company. The

(Expressed in Canadian Dollars)

11. SHARE-BASED COMPENSATION - continued

CEO will settle the options by transferring shares of the Company held by him to the optionees. An amount of $75,000 was recognized in share-based payment expense.

On October 15, 2021, the date of the reverse acquisition, the stock options were considered to be cancelled and re-issued for shares of the resulting issuer. This is a modification of a share-based payment under IFRS 2. The fair value of the options is determined on the date of the transaction, and compared to the fair value on the date immediately prior to the transaction. If there is excess fair value, the excess must be immediately recognized in share-based payment expense in accordance to the remaining vesting period. For instruments that have already vested, the additional expense is recognized immediately. An amount of $485,473 was recognized in share-based payment expense.

On October 15, 2021, outstanding stock options acquired were consolidated in conjunction with the reverse acquisition on a 2.1429:1 basis resulting in 233,333 stock options exercisable at $0.21429, of which 166,666 options were exercised and 66,667 options expired, during the year.

On January 5, 2022, the Company granted 428,571 options exercisable at $0.30 for a five-year term. The options vested immediately resulting in a charge of $105,623 as share-based payment expense.

There are no unvested stock options at March 31, 2023.

The following is a continuity of the changes in the number of stock options outstanding:

	Number of options	**Weighted average exercise price $**
At June 30, 2021	3,000,000	0.30
Granted	661,571	0.21
Exercised	(166.666)	0.21
Expired	(66,667)	
At March 31, 2022	**3,428,571**	**0.30**
Granted	-	-
Exercised	-	0.00
Expired	-	0.00
At June 30, 2022 and March 31, 2023	**3,428,571**	**0.30**

Stock options outstanding and exercisable as at March 31, 2023:

Exercise price	**Number of options**	**Weighted average exercise price $**	**Weighted average remaining contractual life (years)**
$0.30	3,000,000	0.30	2.74
$0.30	478,571	0.30	4.02
Total	**3,428,571**	**0.30**	**2.90**

The weighted average time to expiry for the options outstanding as at March 31, 2023, is 2.66 years (2022-3.66 years). The weighted average trading price of options exercised is $nil (2021 – nil).

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12. WARRANTS

The following warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price $
Balance June 30, 2021	10,503,189	0.46
Issued during the period	226,671	0.50
Balance December 31, 2021	**10,729,860**	**0.46**
Issued during the period	6,797,258	0.60
Balance June 30, 2022	17,527,118	0.51
Issued during the period	4,039,560	0.30
Expired during the period	(2,201,778)	0.30
Balance March 31, 2023	**19,364,900**	**0.49**

The fair value of warrants is estimated at the date of grant using the Black-Scholes option-pricing model using the following assumptions:

	2023	2022
Expected volatility based on comparable companies	120%	120%
Risk free rate	3.35%	0.26%
Expected dividend yield	Nil	Nil
Expected lives	2 years	2 years
Expected forfeiture rate	Nil	Nil

The following warrants are outstanding at March 31, 2023:

Number of warrants	Exercise price per warrant	Expiry date
700,638	$0.50	February 6, 2024
931,629	$0.50	February 26, 2024
100,000	$0.50	March 5, 2024
768,691	$0.50	March 25, 2024
1,884,824	$0.50	April 5, 2024
1,306,000	$0.50	April 19, 2024
425,000	$0.50	May 6, 2024
578,334	$0.50	May 28, 2024
442,501	$0.50	June 14, 2024
1,163,794	$0.50	June 19, 2024
226,671	$0.50	July 8, 2024
1,910,000	$0.60	February 18, 2024
2,025,188	$0.60	March 11, 2024
2,862,070	$0.60	March 30, 2024
2,235,000	$0.30	November 3, 2024
1,209,560	$0.30	December 19, 2024
595,000	$0.30	March 17, 2025
19,364,900		

In addition, there are 449,049 broker warrants outstanding exercisable at $0.50 per share and expire between April 5, 2023 and June 29, 2023, 179,130 broker warrants outstanding exercisable at $0.60 per share and expire between

(Expressed in Canadian Dollars)

12. WARRANTS – continued

February 18, 2024 and March 30, 2024, and 84,000 broker warrants outstanding exercisable at $0.30 per share and expire November 3, 2024.

During the period, the Company extended 8,528,081 warrants for one year. The extended expiry dates range from February 6, 2024 to July 8, 2024.

13. MINES UNDER DEVELOPMENT

Buckeye Silver Mine

Silver Bullet holds a lease on the Buckeye Silver Mine which is on patented land located within but separate from, the Black Diamond Property. The lease, which includes two additional non-contiguous claims, is in good standing and is subject to escalating lease payments over the next 14 years (Note 18). In addition, the lease on the Buckeye Silver Mine is subject to a 5% gross royalty return on metal production.

Expenses incurred during the periods ended March 31 with respect to the Silver Bullet Silver Mine include:

	2023	**2022**
	$	**$**
Lease expenses	43,578	38,307
Development activities	1,339,965	1,224,607
	1,383,543	**1,262,914**

Washington Mine Property

Silver Bullet owns a 100% interest in the Washington Mine Property which consists of 48 ha and is located in Boise County Idaho, USA. The Washington Mine Property was purchased by Silver Bullet in December 2020.

14. EXPLORATION AND EVALUATION PROPERTIES

Black Diamond Property

Silver Bullet holds a 100% interest in the Black Diamond Property which consists of 232 unpatented mineral claims and is located in Gila County near Globe Arizona, USA. The Black Diamond Property was acquired in May 2020 through the acquisition of the shares of Black Diamond Exploration Inc.

Annual payments to the Bureau of Land Management in the amount of $165 USD per claim are required to maintain the claims in good standing. Exploration and evaluation expenses incurred during the year include only land taxes in the amount of $38,227 (2022-$37,033).

Nevada Property

Silver Bullet holds a 100% interest in 12 unpatented mineral claims located in Esmeralda County and Nye County, Nevada, USA. The Nevada Property is subject to annual payments to the Bureau of Land Management of $165 USD per claim to maintain the claims in good standing. Exploration and evaluation expenses incurred on the Nevada Property during the year include only land taxes in the amount of $1,977 (2022-$1,916).

15. RELATED PARTY TRANSACTIONS

Key Management

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors of the Company and/or their holding companies.

Key management had the following transactions with the Company:

- Compensation that was paid or payable to key management in the amount of $245,000 (March 31, 2022-$485,000)

During the periods ended March 31, 2023 and 2022, Silver Sevens Exploration LLC, an entity controlled by the Company's Vice President Mining, provided administrative services to facilitate payments along with providing sub-contract labour to the Company. For the period ended March 31, 2023, development costs paid to Silver Sevens Exploration LLC in connection with the Company's mineral properties totalled $1,339,965 (March 31, 2022-$1,224,607).

Included in accounts payable and accrued liabilities is an amount of $229,325 (June 30, 2022-$41,497) owing to officers of the Company. The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

16. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, market risk, foreign currency risk, commodity price risk, interest rate risk and fair value.

(a) Credit risk

Cash consists of bank balances and short-term deposits maturing in one year or less. The Company manages the credit risk related to short-term investments by selecting counterparties based on credit ratings and monitors all investments to ensure a stable return, avoiding investment vehicles with higher risks.

The carrying amount of miscellaneous receivables and cash represents the maximum credit exposure. The credit risk associated with miscellaneous receivables is minimized as they are receivable substantially from a government agency.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they fall due. The Company manages liquidity risk through the management of it capital structure.

16. FINANCIAL RISK MANAGEMENT - continued

The following table summarizes the Company's contractual maturities and the timing of cashflows as at December 31, 2022. The amounts presented are undiscounted contractual cash flows and may not agree with the carrying amounts in the consolidated financial statements.

	Up to 1 year $	1 to 5 years $	Total $
Accounts payable and accrued liabilities	491,870	-	491,870
Note payable	338,600	-	338,600
Convertible promissory note	650,000	-	650,000
	1,480,470	**-**	**1,480,470**

(c) Market risk

Market risk is the risk that changes in market factors, such as foreign exchange rates, commodity prices, and interest rates and liquidity will affect the Company's value of financial instruments. The objective of market risk management is to mitigate risk exposures within acceptable limits, while maximizing returns.

i. 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. The Company's interest rate risk is minimal as there are no variable rate interest-bearing outstanding debt. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

ii. Commodity price risk

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. Based on management's knowledge and expertise of the financial markets, the Company believes that commodity price risk is low as the Company is not yet a producing entity

iii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain transactions are denominated in United States dollars.

Should the Canadian dollar strengthen or weaken 10% vis-à-vis the United States currency, then a translation gain or loss of approximately $29,000 (2022-$6,000) would arise and would be recorded as a current expense.

16. FINANCIAL RISK MANAGEMENT - continued

The table shows the balances held in US dollars:

March 31, 2023	USD $	CAD $
Cash and cash equivalents	88	119
Prepaids and deposits	31,380	42,467
Accounts payable	15,306	20,714
Note payable	231,895	313,823
Net exposure	(215,733)	(291,951)

March 31, 2022	USD $	CAD $
Cash and cash equivalents	130,093	164,547
Prepaids and deposits	30,130	34,412
Accounts payable and accrued liabilities	5,933	7,414
Note payable	203,004	253,674
Net exposure	(48,714)	(62,129)

(d) Fair value

The fair value of cash and cash equivalents, receivables and payables approximate their carrying amounts due to their short-term nature. The fair value of the note payable approximates its carrying amount.

17. CAPITAL MANAGEMENT

The Company manages its shareholders' equity as capital, making adjustments based on available funds, to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties to which the Company currently has an interest are in the exploration and development stage and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and development as well as satisfy administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties should sufficient geological or economic potential be demonstrated and if the Company has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the current size of the Company. The Company is not subject to externally imposed capital requirements. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company considers its capital to be equity, which comprises share capital, contributed surplus and deficit, which at March 31, 2023, totaled $2,030,979 (June 30, 2022 - $3,082,338).

(Expressed in Canadian Dollars)

17. CAPITAL MANAGEMENT – continued

There were no changes in the Company's approach to managing capital during the periods ended March 31, 2023 and the year ended June 30, 2022.

18. COMMITMENTS AND CONTINGENCIES

The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Buckeye Lease Agreement

The Buckeye Silver Mine is situated on patented land and is subject to a lease agreement under which the Company is obligated to make lease payments on July 9th each year through 2036 as follows:

Payment Date	**USD $**	**CAD $**
2023	50,000	67,665
2024	55,000	74,432
2025	60,000	81,198
2026	65,000	87,965
Thereafter	785,000	1,062,341
	1,015,000	**1,373,601**

Lease payments from July 9, 2030 onward are payable at market rates to be negotiated which have been estimated at $80,000 USD ($108,264) per annum based on the immediately preceding period.

(Expressed in Canadian Dollars)

19. SEGMENTED INFORMATION

The Company operates in one segment being the acquisition, exploration and development of exploration and evaluation properties in the United States of America. The Company is listed in Canada.

As at March 31, 2023	Canada $	United States $	Total $
Current assets	122,202	-	122,202
Property, mill and equipment	-	3,287,746	3,287,746
Total assets	122,202	$ 3,302,607	3,409,948
Total liabilities	1,065,196	313,823	1,379,019

As at March 31, 2022	Canada	United States	Total
Current assets	2,374,405	-	2,374,405
Property, mill and equipment	-	3,143,729	3,143,729
Total assets	2,374,405	3,143,729	5,518,134
Total liabilities	216,718	253,674	470,392

20. COMPARATIVE FIGURES

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of the Company. The reclassification relates to exploration and development expenditures in the Condensed Interim Consolidated Statements of Loss and Comprehensive Loss.

21. SUBSEQUENT EVENT

Subsequent to the period end, the Company received a cash advance of $225,000 USD from a purchaser of silver products. The advance is secured by the issue of a conditional convertible debenture, convertible at $0.22 per share in the event the Company has not delivered an amount of silver equal to the advance within sixty days from the date of receipt of the advance.