



# **Silver Dollar Resources Inc.**

(An exploration stage company)

## **Consolidated Financial Statements**

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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## Independent Auditor's Report

To the Shareholders of Silver Dollar Resources Inc.

### Opinion

We have audited the consolidated financial statements of Silver Dollar Resources Inc. (the "Group"), which comprise the consolidated statements of financial position as at August 31, 2025 and August 31, 2024 and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at August 31, 2025 and August 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended August 31, 2025. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be a key audit matter to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Recoverability of Exploration and Evaluation Assets

As disclosed in Note 6 to the consolidated financial statements, the carrying value of Exploration and Evaluation Assets represents a significant asset of the Group. Refer to Note 2 to the consolidated financial statements for a description of the accounting policy and significant judgments applied to Exploration and Evaluation Assets.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to Exploration and Evaluation Assets. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of Exploration and Evaluation Assets is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at August 31, 2025.

#### **Why the matter was determined to be a key audit matter**

We considered this a key audit matter due to (i) the significance of the Exploration and Evaluation Assets balance and (ii) the judgments made by management in its assessment of indicators of impairment related to Exploration and Evaluation Assets, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.

#### **How the matter was addressed in our audit**

We have evaluated management's assessment of impairment indicators per IFRS 6 Exploration for and Evaluation of Mineral Resources, including but not limited to:

- Obtaining, by reference to title opinions, evidence to support (i) the right to explore the area and (ii) claim expiration dates;
- Assessing compliance with option and lease agreements by reviewing agreements, vouching cash payments, and confirming the agreement terms and status with an optionor and lessor;
- Enquiring with management and reviewing its future plans and other documentation as evidence that further exploration and evaluation activities in the area of interest will be continued in the future;
- Assessing whether any data exists to suggest that the carrying value of the Exploration and Evaluation assets is unlikely to be recovered through development or sale; and
- Assessing the adequacy of the related disclosures in Note 2 and Note 6 to the consolidated financial statements.

#### **Other Information**

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions

and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Diana Huang.

*Crowe Mackay LLP*

**Chartered Professional Accountants  
Vancouver, Canada  
December 23, 2025**

# Silver Dollar Resources Inc.

(An exploration stage company)

## Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

|                                                      | August 31<br>2025 | August 31<br>2024 |
|------------------------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                                        |                   |                   |
| <b>Current</b>                                       |                   |                   |
| Cash                                                 | \$ 526,932        | \$ 2,454,191      |
| Accounts receivable                                  | 23,157            | 25,522            |
| Prepaid expenses                                     | 47,278            | 77,351            |
|                                                      | 597,367           | 2,557,064         |
| <b>Equipment</b>                                     | 4,496             | 4,519             |
| <b>Exploration and evaluation assets</b> (note 6)    | 16,314,326        | 13,294,119        |
|                                                      | \$ 16,916,189     | \$ 15,855,702     |
| <b>LIABILITIES</b>                                   |                   |                   |
| <b>Current</b>                                       |                   |                   |
| Accounts payable and accrued liabilities             | \$ 100,590        | \$ 216,394        |
| <b>SHAREHOLDERS' EQUITY</b>                          |                   |                   |
| <b>Share capital</b> (note 7)                        | 22,838,992        | 21,385,128        |
| <b>Share-based payment reserve</b> (note 7)          | 2,894,193         | 2,707,602         |
| <b>Accumulated other comprehensive income (loss)</b> | 142,994           | (222,694)         |
| <b>Deficit</b>                                       | (9,060,580)       | (8,230,728)       |
|                                                      | 16,815,599        | 15,639,308        |
|                                                      | \$ 16,916,189     | \$ 15,855,702     |

Nature and continuance of operations (note 1)

Subsequent events (note 12)

Approved on behalf of the board on December 23, 2025

\_\_\_\_\_  
"Gregory Lytle"  
Gregory Lytle

\_\_\_\_\_  
"Jeff Smulders"  
Jeff Smulders

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

# Silver Dollar Resources Inc.

(An exploration stage company)

## Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

### Years Ended August 31, 2025 and 2024

|                                                       | 2025                | 2024                  |
|-------------------------------------------------------|---------------------|-----------------------|
| <b>Expenses</b>                                       |                     |                       |
| Consulting                                            | \$ 228,283          | \$ 179,048            |
| Depreciation                                          | 1,060               | 1,128                 |
| Foreign exchange loss (gain)                          | 1,035               | (1,546)               |
| Insurance                                             | 28,801              | 30,235                |
| Interest and bank charges                             | 6,716               | 5,896                 |
| Listing and filing fees                               | 54,385              | 52,614                |
| Management and administration fees (note 8)           | 127,952             | 96,000                |
| Office                                                | 15,479              | 13,687                |
| Professional fees                                     | 130,299             | 339,807               |
| Rent                                                  | 35,235              | 12,664                |
| Share-based compensation (notes 7 and 8)              | 362,049             | -                     |
| Site investigation fees                               | 180                 | 2,790                 |
| Transfer agent                                        | 10,642              | 12,872                |
| Travel and promotion                                  | 32,307              | 38,045                |
| <b>Operating loss</b>                                 | <b>(1,034,423)</b>  | <b>(783,240)</b>      |
| <b>Other income (expense)</b>                         |                     |                       |
| Interest income                                       | 5,377               | 131,832               |
| Unrealized loss on securities (note 5)                | -                   | (179,211)             |
|                                                       | 5,377               | (47,379)              |
| <b>Loss for the year</b>                              | <b>(1,029,046)</b>  | <b>(830,619)</b>      |
| <b>Other comprehensive income (loss)</b>              |                     |                       |
| Exchange difference on translating foreign operations | 365,688             | (881,089)             |
| <b>Total comprehensive loss</b>                       | <b>\$ (663,358)</b> | <b>\$ (1,711,708)</b> |
| <b>Loss per share - basic and diluted</b>             | <b>\$ (0.02)</b>    | <b>\$ (0.02)</b>      |
| <b>Weighted average number of shares outstanding</b>  | <b>55,782,492</b>   | <b>44,559,595</b>     |

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



# Silver Dollar Resources Inc.

(An exploration stage company)

## Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

### Years Ended August 31, 2025 and 2024

|                                                              | Issued Share Capital |                      | Share-based         |           | Accumulated<br>Other<br>Comprehensive | Deficit               | Total                |
|--------------------------------------------------------------|----------------------|----------------------|---------------------|-----------|---------------------------------------|-----------------------|----------------------|
|                                                              | Number               | Amount               | Payment Reserve     |           | Income (Loss)                         |                       |                      |
| Balances, August 31, 2023                                    | <b>44,102,355</b>    | <b>\$ 19,926,114</b> | <b>\$ 2,709,352</b> | <b>\$</b> | <b>658,395</b>                        | <b>\$ (7,400,109)</b> | <b>\$ 15,893,752</b> |
| Shares issued for cash (note 7)                              | 50,000               | 9,250                | (1,750)             |           | -                                     | -                     | 7,500                |
| Shares issued for exploration and evaluation assets (note 7) | 6,600,000            | 1,449,764            | -                   |           | -                                     | -                     | 1,449,764            |
| Loss for the year                                            | -                    | -                    | -                   |           | -                                     | (830,619)             | (830,619)            |
| Exchange difference on translating foreign operations        | -                    | -                    | -                   |           | (881,089)                             | -                     | (881,089)            |
| Balances, August 31, 2024                                    | <b>50,752,355</b>    | <b>21,385,128</b>    | <b>2,707,602</b>    |           | <b>(222,694)</b>                      | <b>(8,230,728)</b>    | <b>15,639,308</b>    |
| Shares issued for cash (note 7)                              | 6,000,000            | 1,500,000            | -                   |           | -                                     | -                     | 1,500,000            |
| Share issuance costs (note 7)                                | -                    | (46,136)             | 23,736              |           | -                                     | -                     | (22,400)             |
| Transfer upon option expiration                              | -                    | -                    | (199,194)           |           | -                                     | 199,194               | -                    |
| Share-based compensation (note 7)                            | -                    | -                    | 362,049             |           | -                                     | -                     | 362,049              |
| Loss for the year                                            | -                    | -                    | -                   |           | -                                     | (1,029,046)           | (1,029,046)          |
| Exchange difference on translating foreign operations        | -                    | -                    | -                   |           | 365,688                               | -                     | 365,688              |
| Balances, August 31, 2025                                    | <b>56,752,355</b>    | <b>\$ 22,838,992</b> | <b>\$ 2,894,193</b> | <b>\$</b> | <b>142,994</b>                        | <b>\$ (9,060,580)</b> | <b>\$ 16,815,599</b> |

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

# Silver Dollar Resources Inc.

(An exploration stage company)

## Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

### Years Ended August 31, 2025 and 2024

|                                                  | 2025           | 2024         |
|--------------------------------------------------|----------------|--------------|
| <b>Operating activities</b>                      |                |              |
| Loss for the year                                | \$ (1,029,046) | \$ (830,619) |
| Adjustment for items not involving cash:         |                |              |
| Depreciation                                     | 1,060          | 1,128        |
| Foreign exchange loss (gain)                     | 1,035          | (1,546)      |
| Share-based compensation                         | 362,049        | -            |
| Unrealized loss on securities                    | -              | 179,211      |
|                                                  | (664,902)      | (651,826)    |
| Changes in non-cash working capital:             |                |              |
| Accounts receivable                              | 2,365          | 15,863       |
| Prepaid expenses                                 | 30,073         | (40,010)     |
| Accounts payable and accrued liabilities         | (126,969)      | 47,903       |
|                                                  | (759,433)      | (628,070)    |
| <b>Investing activities</b>                      |                |              |
| Investments in exploration and evaluation assets | (2,652,937)    | (1,339,964)  |
| Purchase of capital assets                       | (1,037)        | -            |
|                                                  | (2,653,974)    | (1,339,964)  |
| <b>Financing activity</b>                        |                |              |
| Proceeds from issuance of shares, net            | 1,477,600      | 7,500        |
| <b>Net change in cash</b>                        | (1,935,807)    | (1,960,534)  |
| <b>Effect of foreign exchange on cash</b>        | 8,548          | (87,426)     |
| <b>Cash, beginning of year</b>                   | 2,454,191      | 4,502,151    |
| <b>Cash, end of year</b>                         | \$ 526,932     | \$ 2,454,191 |
| <b>Supplemental cash flow information</b>        |                |              |
| Interest received                                | \$ 5,377       | \$ 138,407   |
| Income taxes paid                                | -              | -            |

Non-cash financing and investing transactions (note 10)

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

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 1. Nature and Continuance of Operations

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

The Company is in the business of exploring its mineral exploration assets and has not yet determined whether these properties contain ore reserves that are economically recoverable. As of August 31, 2025, the Company was in the exploration stage and had interests in properties in Idaho, USA, Durango, Mexico and Ontario, Canada.

These consolidated financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern and the recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition thereof.

The Company has sustained losses from operations and has an ongoing requirement for capital investment to explore its exploration and evaluation assets. As of August 31, 2025, the Company had working capital of \$496,777 (2024 – \$2,340,670). Based on its current plans, budgeted expenditures and cash requirements, the Company does not have sufficient cash to finance its current plans and will need to raise substantial additional capital to accomplish its plans over the next several years. The Company intends to seek additional financing through equity financing, though there can be no assurance as to the availability or terms upon which such financing might be available.

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

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

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

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 2. Material Accounting Policies

#### *Basis of Presentation*

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of the date the Board of Directors approved these consolidated financial statements.

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

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

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

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

#### *Financial Instruments*

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

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

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

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 2. Material Accounting Policies (continued)

#### *Cash and Cash Equivalents*

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

#### *Exploration and Evaluation Assets*

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

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

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

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

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

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

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

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 2. Material Accounting Policies (continued)

#### *Exploration and Evaluation Assets (continued)*

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

#### *Loss per Share*

The Company uses the treasury stock method of calculating diluted per share amounts whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the year. The assumed conversion of outstanding common share options and warrants had an anti-dilutive impact in 2025 and 2024. There were 7,864,600 outstanding options, warrants and restricted share units as of August 31, 2025 (2024 – 2,700,000) that were not included in the calculation of diluted per share amounts.

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

#### *Share Capital*

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

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

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

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

#### *Share-based Compensation*

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

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 2. Material Accounting Policies (continued)

#### *Share-based Compensation (continued)*

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

Restricted share units are valued based on the closing share price of the underlying shares on the date of award. The value determined at the grant date is expensed on a graded vesting basis over the vesting period based on the Company's estimate of restricted share units that will eventually vest.

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

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

#### *Foreign Currency Translation*

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

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

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

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 2. Material Accounting Policies (continued)

#### *Impairment of Long-Lived Assets*

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

#### *Decommissioning Provision*

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

Significant judgements and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost.

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

#### *Significant Accounting Estimates and Judgements*

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

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

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



# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 2. Material Accounting Policies (continued)

#### *Significant Accounting Estimates and Judgements (continued)*

##### Critical Accounting Estimates

There were no significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made.

##### Critical Accounting Judgements

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

##### Going concern

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

##### Exploration and evaluation expenditures

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

#### *New Accounting Standards and Interpretations Recently Adopted*

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

##### Amendment to IAS 1: Presentation of Financial Statements

Amendments to IAS 1 clarify the requirements for classifying liabilities as current or noncurrent. The amendments provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. The adoption of these amendments had no material impact on these consolidated financial statements.

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 2. Material Accounting Policies (continued)

#### *New Accounting Standards and Interpretations Not Yet Adopted*

##### IFRS 18: Presentation and Disclosure in Financial Statements

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

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

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

### 3. Capital Management

The Company manages its capital to continue as a going concern largely through issuances of shares. These share issues depend on several factors, including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management. The capital structure of the Company consists of shareholders' equity, comprising share capital, share-based payment reserve and deficit. The Company is not subject to any external capital requirements. There were no changes to the Company's approach to capital management during the year ended August 31, 2025.

### 4. Financial Instruments

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

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

#### *Credit risk*

Credit risk refers to the risk that another entity will default on its contractual obligations resulting in financial loss to the Company. As of August 31, 2025, such contractual obligations comprised cash held with high creditworthy financial institutions in the amount of \$526,932 (2024 – \$2,454,191). Management considers this risk to be negligible.

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 4. Financial Instruments (continued)

#### *Liquidity risk*

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due or can only do so at excessive cost. As of August 31, 2025, the Company had working capital of \$496,777 (2024 – \$2,340,670). Management anticipates that the Company will be able to meet its obligations as they become due.

#### *Market risk*

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

#### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada, Mexico and United States and incurs expenditures in Canadian dollars, Mexican pesos and United States dollars. The fluctuation of the foreign exchange rates will have an impact upon the results of the Company. The Company does not hold substantial financial assets and liabilities in currencies other than the functional currency of each individual entity. A fluctuation in the exchange rates between Canadian dollars, Mexican pesos and United States dollars of 10% would result in a \$14,125 change in the Company's cash and a nominal change in profit or loss. The Company does not use any techniques to mitigate currency risk.

#### *Interest rate risk*

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

#### *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. Management considers this risk to be negligible.

#### *Fair Value Hierarchy*

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

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

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 4. Financial Instruments (continued)

#### *Fair Value Hierarchy (continued)*

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

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

| Assets as at August 31, 2025     | Level 1   | Level 2 | Level 3 |
|----------------------------------|-----------|---------|---------|
| Cash                             | \$526,932 | \$ -    | \$ -    |
| Marketable securities – shares   | -         | -       | -       |
| Marketable securities – warrants | -         | -       | -       |

  

| Assets as at August 31, 2024     | Level 1     | Level 2 | Level 3 |
|----------------------------------|-------------|---------|---------|
| Cash                             | \$2,454,191 | \$ -    | \$ -    |
| Marketable securities – shares   | -           | -       | -       |
| Marketable securities – warrants | -           | -       | -       |

### 5. Marketable Securities

Marketable securities comprised the following:

|                                 | Number of Securities | Cost             | Cumulative Change in Fair Value | August 31 2025 | Fair Value August 31 2024 |
|---------------------------------|----------------------|------------------|---------------------------------|----------------|---------------------------|
| Canasil Resources Inc. shares   | 6,666,667            | \$100,000        | \$(100,000)                     | \$ -           | \$ -                      |
| Canasil Resources Inc. warrants | 6,666,667            | 27,459           | (27,459)                        | -              | -                         |
| <b>Total</b>                    |                      | <b>\$127,459</b> | <b>\$(127,459)</b>              | <b>\$ -</b>    | <b>\$ -</b>               |

The warrants entitled the Company to acquire up to 6,666,667 shares in the capital of Canasil Resources Inc. ("Canasil") at a price of \$0.05 per share which expired unexercised on August 14, 2025.

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

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 6. Exploration and Evaluation Assets

#### *La Joya Project, Durango, Mexico*

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

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

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

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

#### *Nora Project, Durango, Mexico*

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

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

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

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 6. Exploration and Evaluation Assets (continued)

#### *Ranger-Page Project, Idaho, USA*

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

Under the terms of the agreement, the vendor assigned the options to Silver Dollar Idaho for cash consideration of \$300,000 and the issuance of 6,000,000 common shares of the Company (the "Payment Shares"). The Payment Shares are subject to a contractual escrow whereby 1,000,000 shares were released on the closing date and 1,250,000 shares will be released on each of the six-, twelve-, eighteen- and twenty-four-month anniversaries of the closing date. The Payment Shares were valued at \$1,269,764 (Note 7). The Company also paid finders' fees totalling \$30,000 and 600,000 shares in respect of the transaction.

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

#### The Government Gulch Agreement

To exercise its option to acquire a 75% interest in the Government Gulch property under the Government Gulch Agreement (the "First Option"), Silver Dollar Idaho must pay the optionor US\$250,000 and incur approximately US\$1,210,000 in exploration expenditures on the property on or before October 18, 2025. During the year ended August 31, 2025, the Company exercised the First Option and earned 75% interest in the Government Gulch property.

Until December 31, 2025, Silver Dollar Idaho has the option to acquire the remaining 25% interest in the Government Gulch property (the "Second Option") through good faith negotiations with the optionor. In the event the optionor and Silver Dollar Idaho cannot agree on a purchase price for the Second Option, Silver Dollar Idaho can elect the purchase price of the Second Option to be: (a) US\$2,250,000, (b) US\$1,000,000 and issue US\$1,250,000 of the Company's shares valued at the 20-day volume-weighted average price ("VWAP"), or (c) if the optionor so requests, US\$2,250,000 of the Company's shares valued at the 20-day VWAP.

If Silver Dollar Idaho does not exercise the Second Option by December 31, 2025, a joint venture will be formed among the parties and Silver Dollar Idaho will serve as operator. If Silver Dollar Idaho spends more than 90% of the exploration expenditures of such joint venture, under the Government Gulch Agreement, it will automatically acquire the remaining 25% interest in the Government Gulch property and the optionor will receive a 2.0% net smelter returns royalty on the Government Gulch property. Silver Dollar Idaho will have the ability to repurchase half of such royalty for US\$1,000,000.

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 6. Exploration and Evaluation Assets (continued)

#### *Ranger-Page Project, Idaho, USA (continued)*

##### *The Page Mine Agreement*

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

##### *The Bunker Hill Agreement*

Subsequent to August 31, 2025 (Note 12), the Company entered into an asset purchase agreement with Bunker Hill Mining Corp. ("Bunker Hill"). The Company will sell to Bunker Hill its right, title, and interest in the assets related to the Ranger-Page Project in exchange for 23,333,334 Bunker Hill common shares, with 10% of the total cost payable in respect of finders' fees.

### 7. Share Capital

#### *Authorized*

An unlimited number of common shares without par value.

#### *Escrow Shares*

The Company is party to an agreement dated July 12, 2024 pursuant to which 2,500,000 shares are subject to a contractual escrow. The shares will be released on the following dates:

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

#### *Common Shares*

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

In August 2024, the Company issued a total of 6,000,000 common shares at a deemed price of \$0.30 per share for the acquisition of the Ranger-Page Project (Note 6). Of this total, 2,500,000 shares are subject to contractual escrow. The Company also paid finders' fees of \$30,000 and 600,000 common shares in respect of the acquisition. The 6,600,000 common shares issued in total were valued at \$1,449,764.

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 7. Share Capital (continued)

#### *Common Shares (continued)*

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

#### *Warrants*

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

#### *Long-Term Incentive Securities*

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

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

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

In March 2025, the Company granted Stock Options to purchase up to 2,050,000 shares of the Company at a price of \$0.30 per share until March 28, 2030 and awarded 575,000 restricted share units to its directors, officers and consultants. The restricted share units vest on March 28, 2026 and the Company recorded share-based compensation of \$362,049 during the year ended August 31, 2025. No Incentive Securities were granted during the year ended August 31, 2024.



# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

### August 31, 2025 and 2024

#### 7. Share Capital (continued)

##### *Long-Term Incentive Securities (continued)*

The fair value of Stock Options issued during the years ended August 31, 2025 and 2024 was estimated using the Black-Scholes option valuation model with the following assumptions:

|                                                              | Total or Weighted Average |      |
|--------------------------------------------------------------|---------------------------|------|
|                                                              | 2025                      | 2024 |
| Number of options                                            | 2,050,000                 | -    |
| Number of options vested                                     | 2,050,000                 | -    |
| Estimated life                                               | 5 years                   | -    |
| Share price at date of vesting                               | \$ 0.24                   | -    |
| Option exercise price                                        | \$ 0.30                   | -    |
| Risk-free interest rate                                      | 2.66%                     | -    |
| Estimated annual volatility (based on historical volatility) | 80.64%                    | -    |
| Expected dividends                                           | \$ -                      | -    |
| Option fair value                                            | \$ 0.148                  | -    |
| Compensation cost                                            | \$ 303,068                | -    |

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

|                                  | Number Outstanding<br>and Exercisable | Weighted Average<br>Exercise Price | Weighted Average<br>Remaining Life<br>(Years) |
|----------------------------------|---------------------------------------|------------------------------------|-----------------------------------------------|
| <b>Balances, August 31, 2023</b> | 2,750,000                             | \$ 1.46                            | 2.2                                           |
| Stock options exercised          | (50,000)                              | 0.15                               |                                               |
| <b>Balances, August 31, 2024</b> | 2,700,000                             | 1.49                               | 1.2                                           |
| Stock options granted            | 2,050,000                             | 0.30                               |                                               |
| Stock options expired            | (550,000)                             | 0.47                               |                                               |
| <b>Balances, August 31, 2025</b> | 4,200,000                             | \$ 1.04                            | 2.4                                           |

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

| Exercise Price Per Share | Expiry Date       | Number of Stock Options<br>Outstanding and Exercisable |                 |
|--------------------------|-------------------|--------------------------------------------------------|-----------------|
|                          |                   | August 31, 2025                                        | August 31, 2024 |
| \$0.15                   | October 23, 2024  | -                                                      | 150,000         |
| \$0.59                   | June 26, 2025     | -                                                      | 400,000         |
| \$1.75                   | November 13, 2025 | 300,000                                                | 300,000         |
| \$1.75                   | December 14, 2025 | 1,550,000                                              | 1,550,000       |
| \$1.75                   | March 9, 2026     | 300,000                                                | 300,000         |
| \$0.30                   | March 28, 2030    | 2,050,000                                              | -               |
|                          |                   | 4,200,000                                              | 2,700,000       |

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

### 8. Related Party Transactions

The following transactions with related parties have been valued in these consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the parties. As of August 31, 2025 and 2024, the Company owed no amounts to directors and officers of the Company in the ordinary course of business. Amounts due to related parties are without interest, unsecured and without stated terms of repayment.

#### *Key Management Compensation*

During the year ended August 31, 2025, the Company paid management and administration fees of \$56,452 (2024 – nil) to a proprietorship owned by the Company's Chief Executive Officer and \$30,000 (2024 – \$60,000) to a corporation controlled by the Company's former Chief Executive Officer. During the year ended August 31, 2025, the Company granted Stock Options with a fair value of \$147,838 to three directors and officers to purchase up to a total of 1,000,000 shares at \$0.30 per share until March 28, 2030, and awarded restricted share units with a fair value of \$72,000 to three directors and officers in respect of 300,000 shares of the Company.

### 9. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

|                                                                    | 2025           | 2024         |
|--------------------------------------------------------------------|----------------|--------------|
| Net loss                                                           | \$ (1,029,046) | \$ (830,619) |
| Income tax recovery at statutory rates of 27% (2024 – 27%)         | (277,842)      | (224,267)    |
| Adjustments to benefit resulting from:                             |                |              |
| Non-deductible items for tax purposes                              | 97,823         | 24,420       |
| Difference in tax rate in other jurisdictions and tax rate changes | 1,546          | (8,658)      |
| Tax benefits not recognized                                        | 178,473        | 208,505      |
| Deferred income tax recovery                                       | \$ -           | \$ -         |

The Company's unrecognized deductible temporary differences consist of the following amounts for the years ended August 31:

|                             | 2025         |                             | 2024         |                             |
|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|
|                             | Amount       | Expiry                      | Amount       | Expiry                      |
| Canadian non-capital losses | \$ 5,681,000 | 2039 - 2045                 | \$ 5,112,000 | 2039 - 2044                 |
| Canadian capital losses     | 50,000       | No expiry                   | 50,000       | No expiry                   |
| Foreign operating losses    | 403,000      | 2032 – 2035 or<br>no expiry | 269,000      | 2032 – 2034 or<br>no expiry |
| Share issuance costs        | 18,000       | 2026 - 2029                 | 9,000        | 2025                        |
| Capital assets and other    | 74,000       | No expiry                   | 73,000       | No expiry                   |
| Total                       | \$ 6,226,000 |                             | \$ 5,513,000 |                             |

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

### August 31, 2025 and 2024

#### 9. Income Taxes (continued)

The following is the analysis of recognized deferred tax liabilities and deferred tax assets for the years ended August 31:

|                                       | 2025         | 2024         |
|---------------------------------------|--------------|--------------|
| Deferred tax liabilities              |              |              |
| Exploration and evaluation assets     | \$ (399,000) | \$ (242,000) |
| Deferred tax assets                   |              |              |
| Non-capital losses                    | 399,000      | 242,000      |
| Net deferred tax assets (liabilities) | \$ -         | \$ -         |

The Company has unrecognized deferred tax liabilities of approximately \$245,000 as a result of the acquisition of SVL Minerals Ltd. as at August 31, 2025 (2024 - \$245,000).

#### 10. Non-Cash Financing and Investing Transactions

During the year ended August 31, 2025, the Company issued 89,600 warrants exercisable at \$0.40 per share until October 29, 2026 and with a fair value of \$23,736 as finders' fees in respect of a private placement.

During the year ended August 31, 2024, the Company issued 6,600,000 common shares with a fair value of \$1,449,764 pursuant to the purchase of the Ranger-Page project (Note 6).

As of August 31, 2025, there was \$3,935 of accounts payable and accrued liabilities related to the Company's exploration and evaluation assets (2024 - \$15,100).

As of August 31, 2025 and 2024, the Company had no cash equivalents.

#### 11. Segmented Disclosure

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

##### *Geographical Information*

| Non-current assets | Canada   | Mexico        | United States | Total         |
|--------------------|----------|---------------|---------------|---------------|
| August 31, 2025    | \$ 4,496 | \$ 12,253,031 | \$ 4,061,295  | \$ 16,318,822 |
| August 31, 2024    | \$ 4,519 | \$ 11,403,261 | \$ 1,890,858  | \$ 13,298,638 |

# Silver Dollar Resources Inc.

(An exploration stage company)

## Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

**August 31, 2025 and 2024**

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### 12. Subsequent Events

On October 3, 2025, the Company completed a private placement of 16,857,150 units at a price of \$0.35 per unit for gross proceeds of \$5,900,000. Each unit consists of one common share and one common share purchase warrant. The warrants can be exercised for one common share at a price of \$0.45, expiring October 3, 2028. In connection with the offering, the Company paid a cash commission of \$347,343 and issued 992,409 broker warrants, each entitling the holder to purchase one common share at a price of \$0.35 per share until October 3, 2028.

On October 27, 2025, the Company entered into an asset purchase agreement with Bunker Hill. The Company agreed to sell to Bunker Hill its right, title, and interest in the assets related to the Ranger-Page Project located in Shoshone County, Idaho, USA in exchange for total consideration of 23,333,334 Bunker Hill common shares. The Company also agreed, subject to regulatory approval, to pay finders' fees by the allocation of 2,333,334 Bunker Hill shares in respect of the transaction.

On October 8, 2025, the Company granted Stock Options to purchase up to 300,000 shares of the Company at a price of \$0.35 per share until October 8, 2030.

In November and December 2025, Stock Options to purchase up to 1,850,000 shares of the Company at a price of \$1.75 per share expired unexercised.

On December 11, 2025 (the "Closing Date"), the sale of the Ranger Page Project closed and under the terms of the asset purchase agreement, the Company received 23,333,334 common shares of Bunker Hill. The Bunker Hill common shares are subject to a statutory six-month hold period and contractual escrow, and will be released in accordance with the following schedule:

| <u>Release Date</u>                  | <u>Release from Contractual Escrow</u> |
|--------------------------------------|----------------------------------------|
| 6-month anniversary of Closing Date  | 2,333,333 Shares                       |
| 9-month anniversary of Closing Date  | 2,333,333 Shares                       |
| 12-month anniversary of Closing Date | 18,666,668 Shares                      |

In December 2025, 73,000 common shares were issued at a price of \$0.45 pursuant to the exercise of warrants.

# Silver Dollar Resources Inc.

(An exploration stage company)

## Consolidated Schedule of Exploration and Evaluation Assets

(Expressed in Canadian Dollars)

**Year Ended August 31, 2025**

|                                            | La Joya             | Nora              | Ranger-Page         | Totals              |
|--------------------------------------------|---------------------|-------------------|---------------------|---------------------|
| <b>Acquisition costs</b>                   |                     |                   |                     |                     |
| Option payments, cash                      | \$ -                | \$ -              | \$ 251,334          | \$ 251,334          |
| Foreign exchange                           | 112,058             | 394               | 31,047              | 143,499             |
| Staking, renewal and other                 | 145,932             | 9,548             | 69,093              | 224,573             |
|                                            | 257,990             | 9,942             | 351,474             | 619,406             |
| Opening balance                            | 7,064,555           | 17,707            | 1,882,548           | 8,964,810           |
|                                            | 7,322,545           | 27,649            | 2,234,022           | 9,584,216           |
| <b>Deferred exploration expenditures</b>   |                     |                   |                     |                     |
| Access rights                              | 22,832              | 9,549             | -                   | 32,381              |
| Assays                                     | 6,945               | -                 | -                   | 6,945               |
| Camp costs                                 | 809                 | 6,755             | -                   | 7,564               |
| Drilling, drill planning and due diligence | 178,246             | -                 | 1,848,059           | 2,026,305           |
| Environmental consulting                   | 770                 | 573               | -                   | 1,343               |
| Field Costs                                | 3,871               | -                 | -                   | 3,871               |
| Geological consulting                      | 37,028              | -                 | -                   | 37,028              |
| Meals and lodging                          | 22,366              | 11,341            | -                   | 33,707              |
| Reporting and analysis                     | 23,994              | -                 | -                   | 23,994              |
| Transport                                  | 8,400               | 6,657             | -                   | 15,057              |
| Foreign exchange                           | 236,161             | 5,541             | (29,096)            | 212,606             |
|                                            | 541,422             | 40,416            | 1,818,963           | 2,400,801           |
| Opening balance                            | 4,179,383           | 141,616           | 8,310               | 4,329,309           |
|                                            | 4,720,805           | 182,032           | 1,827,273           | 6,730,110           |
| <b>Balance, August 31, 2025</b>            | <b>\$12,043,350</b> | <b>\$ 209,681</b> | <b>\$ 4,061,295</b> | <b>\$16,314,326</b> |

# Silver Dollar Resources Inc.

(An exploration stage company)

## Consolidated Schedule of Exploration and Evaluation Assets

(Expressed in Canadian Dollars)

### Year Ended August 31, 2024

|                                          | La Joya       | Nora       | Ranger-Page  | Totals        |
|------------------------------------------|---------------|------------|--------------|---------------|
| <b>Acquisition costs</b>                 |               |            |              |               |
| Purchase payments, cash                  | \$ -          | \$ -       | \$ 330,000   | \$ 330,000    |
| Purchase payments, shares                | -             | -          | 1,449,764    | 1,449,764     |
| Option payments, cash                    | -             | -          | 136,850      | 136,850       |
| Staking, renewal and other               | 157,303       | 20,524     | -            | 177,827       |
| Foreign exchange                         | (241,226)     | (2,817)    | (34,066)     | (278,109)     |
|                                          | (83,923)      | 17,707     | 1,882,548    | 1,816,332     |
| Opening balance                          | 7,148,478     | -          | -            | 7,148,478     |
|                                          | 7,064,555     | 17,707     | 1,882,548    | 8,964,810     |
| <b>Deferred exploration expenditures</b> |               |            |              |               |
| Access rights                            | 23,075        | -          | -            | 23,075        |
| Assays                                   | 20,046        | -          | -            | 20,046        |
| Camp costs                               | 682           | 12,652     | -            | 13,334        |
| Drill planning and due diligence         | 260,837       | 4,203      | 8,430        | 273,470       |
| Environmental consulting                 | 418           | -          | -            | 418           |
| Field costs                              | 9,234         | -          | -            | 9,234         |
| Geological consulting                    | 67,451        | 87,501     | -            | 154,952       |
| Geology                                  | -             | 4,133      | -            | 4,133         |
| Meals and lodging                        | 49,133        | 20,120     | -            | 69,253        |
| Prospecting and mapping                  | -             | 8,230      | -            | 8,230         |
| Reporting and analysis                   | 91,613        | -          | -            | 91,613        |
| Transport                                | 47,218        | 10,751     | -            | 57,969        |
| Foreign exchange                         | (507,914)     | (5,974)    | (120)        | (514,008)     |
|                                          | 61,793        | 141,616    | 8,310        | 211,719       |
| Opening balance                          | 4,117,590     | -          | -            | 4,117,590     |
|                                          | 4,179,383     | 141,616    | 8,310        | 4,329,309     |
| <b>Balance, August 31, 2024</b>          | \$ 11,243,938 | \$ 159,323 | \$ 1,890,858 | \$ 13,294,119 |