



SILVER BULLET MINES CORP.

Condensed Interim Consolidated Financial Statements

Three months ended September 30, 2024 and 2023

(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.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2024

(Expressed in Canadian Dollars)
(Unaudited)

	September 30, 2024	June 30, 2024
Assets	\$	\$
Current assets		
Cash and equivalents	29,501	103,275
Miscellaneous receivables	20,913	16,871
Prepaid expenses and deposits (Note 4)	215,859	66,280
Total current assets	266,273	186,426
Property, mill and equipment (Note 5)	3,044,034	3,084,462
Total assets	3,310,307	3,272,888
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,248,740	1,061,471
Deposits (Note 6)	583,085	-
Convertible debt (Note 7)	304,000	308,000
Note payable (Note 9)	337,476	342,176
Convertible promissory note (Note 8)	525,000	600,000
Loan payable (Note 10)	303,728	307,958
Total current liabilities	3,302,029	2,619,605
Non-current liabilities		
Convertible debentures (Note 11)	806,588	823,654
Total liabilities	4,108,617	3,443,259
Shareholders' equity		
Share capital (Note 13)	14,731,626	14,618,626
Contributed surplus (Note 14)	1,166,181	1,166,181
Warrants (Note 15)	341,631	354,631
Equity component of convertible promissory note (Note 7)	123,826	123,826
Accumulated other comprehensive (loss) income	(4,739)	63,109
Deficit	(17,156,835)	(16,496,744)
Total shareholders' equity	(798,310)	(170,371)
Total liabilities and shareholders' equity	3,310,307	3,272,888
Nature of operations and going concern (Note 1)		
Commitments and contingencies (Notes 20)		
Subsequent events (Note 22)		

Approved by the Board of Directors

"John Carter"

Director

"Peter Clausi"

Director

See accompanying notes to the condensed interim consolidated financial statements

SILVER BULLET MINES CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS****Three months ended September 30, 2024 and 2023**

(Expressed in Canadian Dollars)

(Unaudited)

	2024	2023
	\$	\$
Operating Expenses		
Mineral property development expense (Note 13 and 14)	390,353	116,307
Exploration expense	14,972	13,554
General and administrative (Note 15)	132,382	100,090
Depreciation expense	32,186	32,186
Professional fees	27,841	26,744
Finance expense (Note 12)	62,357	45,606
Total expenses	660,091	334,487
Loss before other income (expense)	(660,091)	(334,487)
Other income (expense)		
Gain on reduction of debt	-	153,754
Net Loss for the period	(660,091)	(180,733)
Other comprehensive income (loss)		
Exchange differences arising on translation of foreign operations	(67,848)	52,986
Comprehensive loss for the period	(727,939)	(127,747)
Basic and diluted loss per share	(0.01)	(0.02)
Weighted average shares outstanding	70,319,000	66,698,000

See accompanying notes to the condensed interim consolidated financial statements.

SILVER BULLET MINES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

Three months ended September 30, 2024 and 2023

(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, 2023	66,697,522	\$12,259,461	\$ 828,893	\$2,299,449	\$ 57,193	\$ 46,463	\$(14,226,594)	\$ 1,264,338
Shares issued for debt	-	-	-	-	-	-	-	-
Share issue costs-cash	-	-	-	-	-	-	-	-
Equity component of convertible promissory note	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	(180,733)	(180,733)
Other comprehensive loss	-	-	-	-	-	52,986	-	52,986
Balance, September 30, 2023	66,697,522	\$12,259,462	\$ 828,893	\$2,299,449	\$ 57,193	\$ 99,449	\$(14,407,327)	\$ 1,137,119
Shares issued for cash	2,742,376	219,085	-	110,000	-	-	-	329,085
Share issue costs-cash	-	(5,664)	-	-	-	-	-	(5,664)
Share issue costs-finders' warrants	-	(1,111)	-	1,111	-	-	-	-
Shares issued-exercise of convertible promissory note	500,000	34,000	-	16,000	-	-	-	50,000
Warrants expired	-	2,112,854	-	(2,112,854)	-	-	-	-
Share-based compensation	-	-	337,288	-	-	-	-	337,288
Equity component of convertible debentures	-	-	-	38,000	66,633	-	-	104,633
Broker warrants-convertible debentures	-	-	-	2,925	-	-	-	2,925
Loss for the period	-	-	-	-	-	-	(2,089,417)	(2,089,417)
Other comprehensive loss	-	-	-	-	-	(36,340)	-	(36,340)
Balance, June 30, 2024	69,939,898	\$14,618,626	\$ 1,166,181	\$354,631	\$ 123,826	\$ 63,109	\$(16,496,744)	\$ (170,371)
Shares issued-exercise of convertible promissory note	750,000	58,000	-	17,000	-	-	-	75,000
Shares issued- exercise of convertible debenture	312,500	25,000	-	-	-	-	-	25,000
Warrants expired	-	30,000	-	(30,000)	-	-	-	-
Loss for the period	-	-	-	-	-	-	(660,091)	(660,091)
Other comprehensive loss	-	-	-	-	-	(67,848)	-	(67,848)
Balance, September 30, 2024	71,002,398	\$14,731,626	\$ 1,166,181	\$341,631	\$ 123,826	\$ 4,739	\$(17,156,835)	\$ (798,310)

See accompanying notes to the condensed interim consolidated financial statements.

SILVER BULLET MINES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Three months ended September 30
(Expressed in Canadian Dollars)
(Unaudited)

	2024	2023
Operating activities	\$	\$
Net loss	(660,091)	(180,733)
Items not affecting cash:		
Accretion	21,514	22,776
Depreciation	32,186	32,186
Gain on reduction in debt	-	(153,754)
Unrealized foreign exchange	(8,347)	9,344
Change in non-cash working capital:		
Miscellaneous receivables	(3,322)	(8,554)
Prepaid expenses	(149,579)	(112,658)
Accounts payable and accrued liabilities	187,269	172,851
Net cash used in operating activities	(580,370)	(218,542)
Investing activities		
Additions of property, mill and equipment	(32,364)	(23,913)
Net cash used in investing activities	(32,364)	(23,913)
Financing activities		
Issuance of promissory note-net	-	619,357
Loan payable	583,085	-
Issuance of common shares	-	(854)
Net cash provided by financing activities	583,085	618,503
Foreign exchange effect on cash and cash equivalents	(44,125)	(57,720)
Net change in cash and cash equivalents	(73,774)	(243,246)
Cash and cash equivalents, beginning of period	103,275	284,850
Cash and cash equivalents, end of period	29,501	41,604

See accompanying notes to the condensed interim consolidated financial statements.

SILVER BULLET MINES CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Silver Bullet Mines Corp. (“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 focus is the development and operation of its Buckeye Silver Mine located near Globe, Arizona, and the development and operation of the Washington Mine in Idaho.

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 September 30, 2024 and has an accumulated deficit of \$17,156,835 as at September 30, 2024 (June 30, 2024-\$16,496,744). 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.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed interim consolidated financial statements for the period ended September 30, 2024 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 financial statements for the year ended June 30, 2024.

The Board of Directors approved the condensed interim consolidated financial statements on November 28, 2024.

SILVER BULLET MINES CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****Three months ended September 30, 2024 and 2023**

(Expressed in Canadian Dollars)

(Unaudited)

2. BASIS OF PRESENTATION – continued**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 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.

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.

SILVER BULLET MINES CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

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 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

Share-based compensation and warrants – continued

fair value estimate. The key assumptions used to derive the fair value of options granted in 2025 and 2024, are detailed in Note 13 to the 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.

SILVER BULLET MINES CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****Three months ended September 30, 2024 and 2023**

(Expressed in Canadian Dollars)

(Unaudited)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – continued*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 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. PREPAID EXPENSES AND DEPOSITS

	September 30, 2024	June 30, 2024
	\$	\$
Prepaid taxes on mineral property	61,846	9,350
Prepaid mineral property leasing fees	56,500	-
Prepaid marketing costs	21,250	42,500
Prepaid liability insurance	63,245	7,858
Other	12,998	6,572
	215,839	66,280

SILVER BULLET MINES CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended September 30, 2024 and 2023

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(Unaudited)

5. PROPERTY, MILL AND EQUIPMENT

	Land	Mill and infrastructure	Equipment	Total
Cost	\$	\$	\$	\$
Balance, June 30, 2023	775,862	1,968,498	557,468	3,301,828
Transfers	-	-	-	-
Translation adjustments	16,410	89,162	(35,745)	69,827
Balance, September 30, 2023	792,272	2,057,660	521,723	3,371,655
Additions	-	3,247	-	3,247
Translation adjustments	9,786	22,170	9,646	41,602
Balance, June 30, 2024	802,058	2,083,077	531,369	3,416,504
Additions	-	-	32,364	32,364
Translation adjustments	(11,017)	(28,612)	(7,299)	(46,928)
Balance, September 30, 2024	791,041	2,054,465	556,434	3,401,940
Accumulated depreciation				
Balance, June 30, 2023	-	82,984	101,230	184,214
Additions	-	19,312	12,874	32,186
Translation adjustments	-	-	4,159	4,159
Balance, September 30, 2023	-	102,296	118,263	220,559
Additions	-	82,984	41,915	124,899
Translation adjustments	-	-	(3,922)	(3,922)
Balance, June 30, 2024	-	167,539	162,503	330,042
Additions	-	19,312	12,874	32,186
Translation adjustments	-	-	(4,322)	(4,322)
Balance, September 30, 2024	-	186,851	171,055	357,906
Carrying amounts				
Balance, September 30, 2023	792,272	1,955,364	403,460	3,151,096
Balance, September 30, 2024	791,041	1,867,614	385,379	3,044,034

6. DEPOSITS

During the period, the Company received deposits of \$585,035 in connection with convertible debentures issued subsequent to the period end. At the period end, the amounts are non interest bearing, unsecured, and due on demand.

SILVER BULLET MINES CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

7. CONVERTIBLE DEBT

During the 2023 fiscal year, the Company received \$225,000 USD pursuant to a supply agreement from a customer to provide 500kg of silver dore bars. The advance of funds is secured by a conditional convertible debenture which is convertible into 1,370,455 common shares of the Company in the event of default under the terms of the supply agreement. The supply agreement required receipt of silver dore bars by July 4, 2023.

The debenture is carried at face value and the conversion feature, which is classified as FVPL, is considered to be immaterial on initial recognition and at September 30, 2023. On July 5, 2023, the Company defaulted on the supply agreement. The Company and the customer continue to negotiate an extension to the agreement. The customer has requested that conversion be deferred subject to an extension of the supply agreement.

8. CONVERTIBLE PROMISSORY NOTE

During the 2023 fiscal year, 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.

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 \$nil (2023-\$10,429) was recorded during the period.

On January 16, 2024, the Company negotiated an extension of the maturity date of convertible promissory note to June 30, 2024. In addition, the interest rate was amended to 11% per annum effective January 1, 2024, and the note is convertible into units of the Company at the rate of \$0.10 per unit, with a unit consisting of one common share and 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.

The Company and the note holder continue discussions with respect to an extension of the maturity date of the convertible promissory note, and subsequent to the period end the maturity date of the note was extended to January 1, 2025.

On April 5, 2024, August 7, 2024, and September 16, 2024, the holder of the promissory note converted \$50,000, \$25,000, and \$50,000 of the principal amount to 500,000, 250,000, and 500,000 common shares and 500,000, 250,000, and 500,000 share purchase warrants respectively.

SILVER BULLET MINES CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended September 30, 2024 and 2023

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9. 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 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 \$nil was recorded during the period (2023-\$9,064).

On February 3, 2024, the Company negotiated an extension of the maturity date of the note to August 9, 2024. As consideration for the extension, the Company paid an extension fee of \$20,000 USD (\$27,174 CDN) which is being amortized over the extended term.

On August 9, 2024, the Company negotiated an extension of the maturity date of the note to February 9, 2025. As consideration for the extension, the Company paid an extension fee of \$20,000 USD (\$26,998 CDN) which is being amortized over the extended term.

10. LOAN PAYABLE

During the year, the Company entered into a supply agreement with a customer for the supply of silver and/or gold dore bars. The customer has agreed to advance \$350,000 USD as operating capital and the first tranche of \$225,000 USD was received September 1, 2023. The second tranche of \$125,000 USD is to be received upon the receipt by the customer of 500kg of silver dore bars. The \$350,000 USD advance, which is secured by two pieces of equipment, has a term of five years and is non-interest bearing. Repayment at the end of the term may be in cash or silver at the option of the Company. The advance of \$225,000 USD is carried at face value.

11. CONVERTIBLE DEBENTURES

During the 2024 fiscal year, the Company issued \$940,000 in convertible debentures in tranches of \$1,000. The debentures have a term of three years, are unsecured, bear interest payable quarterly at 12% per annum and are convertible into common shares at \$0.08, \$0.10, and \$0.12 during years one through three respectively. Each debenture included 10,000 detachable warrants with an exercise price of \$0.14, \$0.16, and \$0.18 during years one through three respectively. The Company estimated a market rate of interest rate of 18% for a debenture 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 convertible debentures plus accrued interest resulted in an allocation of \$835,367 for the debentures and \$104,633 to the conversion feature. Direct costs in the amount of \$16,810, were allocated between the promissory note and the conversion feature on a relative fair value basis. The conversion feature was bifurcated between equity component and warrant reserve using the Black Scholes option model resulting in \$66,633 allocated to the equity component and \$38,000 allocated to warrant reserve. The liability component is being accreted over the term to maturity using the effective interest method. Accretion in the amount of \$6,944 was recorded during the period.

The Company can force conversion of the debentures, in whole or in part, if the closing price for its common shares exceeds \$0.25 for a period of ten days. The debentures can be prepaid by the Company any time after twelve months from the issuance of the debentures.

During the period, holders of convertible debentures with a face amount of \$25,000, converted their debt resulting in the issuance of 312,500 common shares at \$0.08 per share.

SILVER BULLET MINES CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****Three months ended September 30, 2024 and 2023**

(Expressed in Canadian Dollars)

(Unaudited)

12. FINANCE EXPENSE

	September 30, 2024	June 30, 2024
	\$	\$
Foreign exchange	(8,347)	21,188
Accretion expense	21,514	95,647
Interest on debt	49,190	72,937
	62,357	189,772

13. SHARE CAPITAL**Authorized**

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

Transactions fiscal 2025

On August 7, 2024, the Company issued 250,000 common shares and 250,000 share purchase warrants pursuant to the conversion of \$25,000 of the convertible promissory note.

On September 16, 2024, the Company issued 500,000 common shares and 500,000 share purchase warrants pursuant to the conversion of \$50,000 of the convertible promissory note.

On September 16, 2024, the Company issued 250,000 common shares pursuant to the conversion of \$20,000 of convertible debentures.

On September 27, 2024, the Company issued 62,500 common shares pursuant to the conversion of \$5,000 of convertible debentures.

Transactions fiscal 2024

There were no shares issued during the period.

14. 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

SILVER BULLET MINES CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****Three months ended September 30, 2024 and 2023**

(Expressed in Canadian Dollars)

(Unaudited)

14. 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.

On December 1, 2023, the Company granted 428,571 options exercisable at \$0.15 for a five-year term. The options vested immediately, resulting in a charge of \$46,000 as share-based payment expense.

On December 4, 2023, the Company granted 1,350,000 options exercisable at \$0.15 for a five-year term. The options vested immediately, resulting in a charge of \$158,000 as share-based payment expense.

On May 28, 2024, the Company granted 800,000 options exercisable at \$0.10 for a five-year term. The options vested immediately, resulting in a charge of \$59,388 as share-based payment expense.

On June 13, 2024, the Company granted 1,000,000 options exercisable at \$0.10 for a five-year term. The options vested immediately, resulting in a charge of \$73,900 as share-based payment expense.

There are no unvested stock options at September 30, 2024.

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, 2023	3,000,000	0.30
Granted	-	-
At September 30, 2023	3,000,000	0.30
Granted	1,778,851	0.15
Granted	1,800,000	0.10
At June 30, 2024 and September 30, 2024	6,578,571	0.20

SILVER BULLET MINES CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Three months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

14. SHARE-BASED COMPENSATION - continued

Stock options outstanding and exercisable as at September 30, 2024:

Exercise price	Number of options	Weighted average exercise price \$	Weighted average remaining contractual life (years)
\$0.30	2,571,429	0.30	0.99
\$0.30	428,571	0.30	2.27
\$0.15	1,778,571	0.15	4.17
\$0.10	1,800,000	0.10	4.67
Total	6,578,571	0.20	2.95

The weighted average time to expiry for the options outstanding as at September 30, 2024, is 2.95 years (2023-2.12 years). The weighted average trading price of options exercised is \$nil (2023 – nil).

15. 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, 2023	19,364,900	0.51
Issued during the period	-	-
Balance September 30, 2023	19,364,900	0.51
Issued during the period	2,742,376	0.17
Issued during the period	500,000	0.35
Issued during the period	9,400,000	0.16
Expired during the period	(8,301,413)	0.50
Expired during the period	(6,797,258)	0.60
Balance June 30, 2024	16,908,605	0.49
Issued during the period	750,000	0.35
Expired during the period	(226,699)	0.50
Balance September 30, 2024	17,431,936	0.49

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

	2025	2024
Expected volatility based on comparable companies	108%	120%
Risk free rate	3.20%	3.35%
Expected dividend yield	Nil	Nil
Expected lives	2 years	2 years
Expected forfeiture rate	Nil	Nil

SILVER BULLET MINES CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****Three months ended September 30, 2024 and 2023**

(Expressed in Canadian Dollars)

(Unaudited)

15. WARRANTS – continued

The following warrants are outstanding at September 30, 2024:

Number of warrants	Exercise price per warrant	Expiry date
2,235,000	\$0.30	November 3, 2024
1,209,560	\$0.30	December 19, 2024
595,000	\$0.30	March 17, 2025
1,923,334	\$0.17	January 2, 2026
819,042	\$0.17	January 9, 2026
500,000	\$0.35	August 11, 2026
400,000	\$0.14 to \$0.18	May 8, 2027
9,000,000	\$0.14 to \$0.18	May 13, 2027
750,000	\$0.35	August 11, 2026
17,431,936		

In addition, there are 84,000 broker warrants outstanding exercisable at \$0.30 per share expiring November 3, 2024, 21,700 broker warrants exercisable at \$0.17 expiring January 9, 2026, 16,667 broker warrants exercisable at \$0.16 expiring May 8, 2027, and 37,083 broker warrants exercisable at \$0.16 expiring May 13, 2027.

16. 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 13 years (Note 19). 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 September 30, 2024 with respect to the Silver Bullet Silver Mine include:

	2024	2023
	\$	\$
Lease expenses	18,440	16,550
Development activities	308,453	99,757
	326,893	116,307

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. Development expenses of \$63,978 were incurred during the period (2023-\$nil).

Super Champ Mine Property

On September 20, 2024, the Company entered into an agreement to process high grade mineralized material from a past producing silver mine proximate to the Company's Buckeye Silver Mine in Arizona, on commercial terms including an option to lease the property. The private property is owned by an arm's length third party.

SILVER BULLET MINES CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

17. 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 \$14,236 (2022-\$12,497).

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 \$736 (2023-\$672).

18. 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 \$106,516 (September 30, 2023-\$85,729)

During the periods ended September 30, 2024 and 2023, 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 September 30, 2024, development costs paid to Silver Sevens Exploration LLC in connection with the Company's mineral properties was \$308,453 (September 30, 2023-\$102,594).

Included in accounts payable and accrued liabilities is an amount of \$705,955 (June 30, 2024-\$609,753) owing to officers of the Company. The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

SILVER BULLET MINES CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****Three months ended September 30, 2024 and 2023**

(Expressed in Canadian Dollars)

(Unaudited)

19. 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 its capital structure.

The following table summarizes the Company's contractual maturities and the timing of cashflows as at September 30, 2024. 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	1,248,740	-	1,248,740
Deposits received	583,085	-	583,085
Convertible debt	304,000	-	304,000
Note payable	337,476	-	337,476
Convertible promissory note	525,000	-	525,000
Loan payable	303,728	-	303,728
Convertible debentures	-	915,000	915,000
	3,302,029	915,000	4,217,029

(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.

SILVER BULLET MINES CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****Three months ended September 30, 2024 and 2023**

(Expressed in Canadian Dollars)

(Unaudited)

19. FINANCIAL RISK MANAGEMENT - continued

(c) Market risk – continued

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 \$87,000 (2023-\$68,000) would arise and would be recorded as a current expense.

The table shows the balances held in US dollars:

	USD \$	CAD \$
September 30, 2024		
Cash and cash equivalents	10,918	14,738
Prepays and deposits	133,066	178,455
Accounts payable	84,404	114,355
Note payable	250,000	337,476
Convertible debt	225,000	304,000
Loan payable	225,000	303,728
Net exposure	(640,420)	(866,366)
September 30, 2023		
	USD \$	CAD \$
Cash and cash equivalents	62,457	84,456
Prepays and deposits	96,006	129,672
Accounts payable and accrued liabilities	76,881	102,943
Note payable	244,574	330,530
Convertible debt	225,000	304,200
Loan payable	114,204	155,079
Net exposure	(504,186)	(678,624)

SILVER BULLET MINES CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

19. FINANCIAL RISK MANAGEMENT - continued

(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.

20. 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 September 30, 2024, totaled \$798,310 (June 30, 2024 - \$170,371).

There were no changes in the Company's approach to managing capital during the periods ended September 30, 2024 and the year ended June 30, 2024.

21. 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.

SILVER BULLET MINES CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Three months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

21. COMMITMENTS AND CONTINGENCIES

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 \$
2025	60,000	80,990
2026	65,000	87,840
2027	70,000	94,490
2028	75,000	101,240
Thereafter	675,000	911,180
	945,000	1,275,740

Lease payments from July 9, 2030 onward are payable at market rates to be negotiated which have been estimated at \$85,000 USD (\$114,742) per annum based on the immediately preceding period.

22. 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.

	Canada \$	United States \$	Total \$
As at September 30, 2024			
Current assets	266,273	-	266,273
Property, mill and equipment	-	3,044,034	3,044,034
Total assets	266,273	3,044,034	3,310,307
Total liabilities	3,710,926	397,689	4,108,617
As at September 30, 2023			
Current assets	236,141	-	236,141
Property, mill and equipment	-	3,151,096	3,151,096
Total assets	236,141	3,151,096	3,387,237
Total liabilities	2,250,118	-	2,250,118

SILVER BULLET MINES CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

23. SUBSEQUENT EVENTS

On October 7, 2024, the Company exercised its option and entered into a lease agreement for the past producing silver mine. Terms of the lease include an indefinite term at the Company's option and a gross royalty on sale of product.

On October 16, 2024, the Company issued \$1,138,000 in convertible debentures issuable in tranches of \$1,000 with each tranche including 10,000 detachable warrants. Each warrant has a term of three years and is exercisable at \$0.16, \$0.18, and \$0.20 for years 1, 2, and 3 respectively following the issuance of the debentures. The debentures will have a three-year term and interest will run at a rate of 12% per annum, payable semi-annually in arrears during year one and quarterly in arrears during years two and three. Interest will be paid to Investors in cash or in common shares of the Company, at the Company's option. Each Investor at any time can convert its portion of the debentures, in whole or in part, into common shares of the Company. The conversion price shall be \$0.10 during the first twelve months following issuance of the debentures, \$0.12 during the next twelve months of the term of the debentures, and \$0.14 during the final twelve months of the term of the debentures. The Company incurred cash commissions of \$13,500 and issued 135,000 finders warrants in connection with the financing.

The Company can force conversion of the debenture, in whole or in part, if the closing price for its common shares exceeds \$0.25 for a period of ten days. The debentures can be prepaid by the Company any time after twelve months from the issuance of the debentures.

On November 3, 2024, 2,235,000 warrants and 84,000 broker warrants expired.

On November 19, 2024, the holder of the convertible promissory note converted \$125,000 of the face amount to 1,250,000 common shares and 1,250,000 common share purchase warrants.

On November 12, 2024, the holder of the convertible promissory note extended the maturity date to January 1, 2025 in exchange for a fee of \$25,000.