

PANTERA SILVER CORP.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 2022 AND 2021

(Unaudited)

(Expressed in Canadian Dollars)

The accompanying unaudited interim consolidated financial statements of Pantera Silver Corp. for the three months ended August 31, 2022, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These interim financial statements have not been reviewed by the Company's external auditor.

PANTERA SILVER CORP.
Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	August 31, 2022	May 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	3	\$ 281,131	\$ 270,542
Accounts receivable and advances	4	6,647	5,646
Prepaid expenses		1	7,501
		287,779	283,689
Non-current assets			
Restricted cash	3	18,498	18,456
Exploration and evaluation assets	5	784,585	775,173
TOTAL ASSETS		1,090,862	1,077,318
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payables and accrued liabilities		69,044	86,851
Due to related parties	8	39,173	43,928
Provision for environmental rehabilitation		32,000	32,000
TOTAL LIABILITIES		140,217	162,779
EQUITY			
Capital stock	6	34,531,275	34,531,275
Share subscription		75,000	-
Contributed surplus	7	2,053,170	2,002,544
Deficit		(35,708,800)	(35,619,280)
TOTAL EQUITY		950,645	914,539
TOTAL LIABILITIES AND EQUITY		\$ 1,090,862	\$ 1,077,318

Nature of Operations and Going Concern (Note 1)

Subsequent Events (Note 10)

Approved by the Board:

“Jay Roberge”

Director – Jay Roberge

“Ian Graham”

Director – Ian Graham

See accompanying notes to the consolidated financial statements.

PANTERA SILVER CORP.
Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	Three months ended August 31,	
		2022	2021
Expenses			
Accounting and Audit	8	\$ 8,570	10,350
Bank charges		142	315
Consulting fees		22,500	21,000
Filing and share transfer fees		821	54
Office and administration		3,030	4,513
Shareholders' information		370	-
Travel		3,544	1,534
Stock-based compensation		50,626	-
Loss before other items		(89,603)	(37,766)
Other Items			
Interest income		83	70
Net and comprehensive loss for the period		\$ (89,520)	\$ (37,696)
Loss per share, basic and diluted		\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding, basic and diluted		29,482,056	28,357,056

See accompanying notes to the consolidated financial statements.

PANTERA SILVER CORP.
Interim Condensed Consolidated Statements of Shareholders' Equity
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Share subscription	Contributed Surplus	Deficit	Shareholder's Deficiency
Balance, May 31, 2022	29,482,056	\$ 34,531,275	\$ -	\$ 2,002,544	\$ (35,619,280)	\$ 914,539
Share subscription	-	-	75,000	-	-	75,000
Stock-based compensation	-	-	-	50,626	-	50,626
Net loss for the period	-	-	-	-	(89,520)	(89,520)
Balance, August 31, 2022	29,482,056	\$ 34,531,275	\$ 75,000	\$ 2,053,170	\$ (35,708,800)	\$ 950,645

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Shareholder's Deficiency
Balance, May 31, 2021	28,357,056	\$ 34,273,087	\$ 1,555,465	\$(34,918,824)	\$ 909,728
Net loss for the period	-	-	-	(37,696)	(37,696)
Balance, August 31, 2021	28,357,056	\$ 34,273,087	\$ 1,555,465	\$(34,956,520)	\$ 872,032

See accompanying notes to the consolidated financial statements.

PANTERA SILVER CORP.
Interim Condensed Consolidated Statement of Cash Flows
(Expressed in Canadian dollars)

	Three months ended August 31,	
	2022	2021
OPERATING ACTIVITIES		
Net loss for the period	\$ (89,520)	\$ (37,696)
Adjustments for non-cash items:		
Stock-based compensation	50,626	-
Changes in non-cash working capital items:		
Accounts receivable	(1,001)	(387)
Accounts payable and accrued liabilities	(17,807)	10,250
Due to related parties	(4,755)	-
Prepaid expenses and deposits	7,500	(2,000)
Net cash used in operating activities	(54,957)	(29,833)
INVESTING ACTIVITIES		
Restricted cash	(42)	(23)
Exploration and evaluation assets	(9,412)	(27,707)
Net cash used by investing activities	(9,454)	(27,730)
FINANCING ACTIVITIES		
Share subscription	75,000	-
Net cash provided in financing activities	75,000	-
Increase in cash and cash equivalents	10,589	(57,563)
Cash and cash equivalents, beginning	270,542	911,375
Cash and cash equivalents, ending	\$ 281,131	\$ 853,812

Supplemental disclosure with respect to cash flows (Note 9)

See accompanying notes to the consolidated financial statements.

PANTERA SILVER CORP.
Notes to Interim Condensed Consolidated Financial Statements
For the three months ended August 31, 2022 and 2021
(Expressed in Canadian dollars - Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Pantera Silver Corp. (formerly Red Oak Mining Corp.) (“The Company”) is incorporated in the Province of British Columbia (extra-provincially registered in the Province of Alberta). The Company’s registered and record office is located at Miller Thomson LLP, Pacific Centre 400-725 Granville St, Vancouver, BC V7Y 1G5.

At August 31, 2022, the Company had a working capital of \$147,562 and had not yet achieved profitable operations, has accumulated losses of \$35,708,800 since its inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing including support from related parties to meet its ongoing levels of corporate overhead, and discharge its liabilities as they come due. At this time the Company is managing its financial resources to minimize expenditures while it determines its future direction. These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business.

Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, these financial statements do not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these financial statements. These adjustments could be material.

2. BASIS OF PRESENTATION

These interim condensed consolidated financial statements were approved and authorized for issue by the Board of Directors on October 31, 2022.

Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee (“IASB”).

The notes presented in these interim condensed consolidated financial statements include only significant events and transactions occurring since the Company’s last fiscal year end and they do not include all of the information required in the Company’s most recent annual consolidated financial statements. These interim condensed consolidated financial statements follow the same accounting policies and methods of application as the Company’s annual consolidated financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended May 31, 2022, which were prepared in accordance with IFRS as issued by IASB. There have been no changes in judgment or estimates from those disclosed in the annual consolidated financial statements for the year ended May 31, 2022.

PANTERA SILVER CORP.
Notes to Interim Condensed Consolidated Financial Statements
For the three months ended August 31, 2022 and 2021
(Expressed in Canadian dollars - Unaudited)

2. BASIS OF PRESENTATION (Continued)

Basis of measurement

These interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out below. All financial information in these financial statements is presented in Canadian dollars which is the functional currency of the Company.

Use of estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Going concern assumption

The continued use of the going concern assumption is based on the Company's judgments regarding the availability, timing, and costs of obtaining financing. The use of the going concern assumption is also based on the Company's judgments regarding the continued support and patience of related parties and third-party creditors. In applying the going concern assumption, the Company has not taken into account the uncertainty surrounding the timing of receipt of the restricted cash and the uncertainty surrounding the timing of payments of accounts and loans payable in determining the fair values of its financial instruments.

Provision for environmental rehabilitation

Provisions for environmental rehabilitation are based on the Company's best estimate of the probable outflow to complete reclamation work. The final costs of the currently recognized environmental rehabilitation provision may be higher or lower than currently provided for.

Impairment of evaluation and exploration assets

The assessment of exploration and evaluation assets requires judgment to determine whether indicators of impairment exist including factors such as the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and evaluation of the results of exploration and evaluation activities up to the reporting date. Management assessed impairment indicators for the Company's exploration and evaluation assets and has concluded that no impairment indicators exist as of August 31, 2022.

PANTERA SILVER CORP.

Notes to Interim Condensed Consolidated Financial Statements

For the three months ended August 31, 2022 and 2021

(Expressed in Canadian dollars - Unaudited)

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL DISCLOSURES

(a) Fair value of financial instruments

IFRS requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. IFRS establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value.

A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS prioritizes the inputs into three levels that may be used to measure fair value:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

	Level 1	Level 2	Level 3	Total
August 31, 2022				
Cash	\$ 281,131	\$ -	\$ -	\$ 281,131
Restricted cash	18,498	-	-	18,498
	\$ 299,629	\$ -	\$ -	\$ 299,629
May 31, 2022				
Cash	\$ 270,542	\$ -	\$ -	\$ 270,542
Restricted cash	18,456	-	-	18,456
	\$ 288,998	\$ -	\$ -	\$ 288,998

The fair value of cash and restricted cash are determined based on Level 1 inputs which consist of quoted prices in active markets for identical assets. As at August 31, 2022, the Company believes that the carrying values of accounts receivable, accounts payable and accrued liabilities and due to related parties approximate the fair values because of their short term to maturity.

(b) Risk management

Credit Risk

The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash is placed with major Canadian financial institutions.

Interest Rate Risk

The Company is not exposed to significant interest rate risk due to the relatively short-term maturity of its monetary assets and liabilities.

PANTERA SILVER CORP.

Notes to Interim Condensed Consolidated Financial Statements

For the three months ended August 31, 2022 and 2021

(Expressed in Canadian dollars - Unaudited)

**3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL DISCLOSURES
(Continued)**

(b) Risk management (Continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company does not have operating cash flow and therefore has relied primarily on equity financings and loans from related parties to meet its capital requirements. As at August 31, 2022, the Company has a working capital of \$147,562 (May 31, 2022 - \$120,910). The Company will need to obtain additional financing to meet the obligations as they come due.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of resource commodities.

(c) Capital management

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors.

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern. The Company is meeting its objective of managing capital through preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity. The Company is not subject to any externally imposed capital restrictions.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any external restrictions on its capital.

4. ACCOUNTS RECEIVABLE

	August 31, 2022		May 31, 2022
GST/HST receivable	\$ 6,647	\$	5,646
	\$ 6,647	\$	5,646

5. EXPLORATION AND EVALUATION ASSETS

Provost Property, Alberta

In February 2003, the Company acquired a 100% interest in an oil well (16-28) and an 18% interest in a shut-in gas well (02/13-17) located in the Provost area of Alberta.

During the year ended May 31, 2010, the Company abandoned the oil well and determined that it would be required to perform additional reclamation work. The estimate to perform the reclamation work is \$32,000 based on quotations obtained by third party consultants. The Company previously deposited \$16,000 with the Alberta Energy Resources Conservation Board ("AECB"), which amount is shown as restricted cash on the statement of financial position. The \$16,000 deposit plus interest will be refunded once the AECB is satisfied that the Company has performed all necessary decommissioning activities.

The balance of restricted cash after accumulated interest as at August 31, 2022 is \$18,498 (May 31, 2022 is \$18,456).

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5. EXPLORATION AND EVALUATION ASSETS (Continued)

Provost Property, Alberta (Continued)

During the period ended August 31, 2022, the Company has spent \$nil (May 31, 2021 - \$nil) on reclamation work.

In October 2019, the Company signed a Notice of Assignment with Tamarack Acquisition Corp (the "Assignee) to transfer 100% working interest in the shut-in gas well (02/13-17) located in the Provost area of Alberta for a total proceeds of \$27,000.

Nuevo Taxco Silver-Gold Project, Mexico

On November 12, 2020, the Company entered into a property acquisition agreement with Impact Silver Corp. ("Impact Silver") whereby the Company may earn a 100% interest in the Nuevo Taxco Silver-Gold Project (the "Property") located approximately 80 km south west of Mexico City and west of the municipality of Tetipac within the Pregones Silver- Gold District (the "Transaction").

On October 28, 2021, the Company entered into an amending agreement to amend the payment and exploration expenditures.

Under the Agreement, the Company may earn a 100% interest in the Property by making certain staged cash payments, issuing common shares in the capital of the Company to Impact Silver and making exploration expenditures over a 3-year period as follows:

- i. \$1,000 in cash was paid upon execution of the Letter of Intent in respect of the Transaction (paid);
- ii. \$49,000 in cash (paid) and 500,000 common shares upon TSXV approval of the Transaction and closing of the Financing (the "Closing Date") (issued);
- iii. \$100,000 in cash (paid) and 1,000,000 common shares on or before March 20, 2022 (issued);
- iv. \$150,000 in cash and 2,000,000 common shares on or before March 20, 2023;
- v. \$200,000 in exploration expenditures on or before March 20, 2022 (completed);
- vi. \$400,000 in exploration expenditures on or before March 20, 2023; and
- vii. \$800,000 in exploration expenditures on or before March 20, 2024.

The Company paid a finder's fee with regards to the property acquisition equal to 10% of the value consideration for year one of the Agreement satisfied in common shares of the Company at the same price per share as the Transaction, being 100,000 common shares with a value of \$10,000.

Impact Silver will retain a 1% net smelter return royalty with the Company retaining the right to acquire 100% of the royalty for a cash payment of \$1,000,000.

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5. EXPLORATION AND EVALUATION ASSETS (Continued)

Nuevo Taxco Silver-Gold Project, Mexico (Continued)

A continuity of the Company's exploration and evaluation assets as of August 31, 2022 is as follows:

Mineral Property Interests	Nuevo Taxco Silver-Gold
Balance at June 1, 2022	775,173
Logistics	2,461
Travel & Accommodation	6,951
Balance at August 31, 2022	\$ 784,585

A continuity of the Company's exploration and evaluation assets as of May 31, 2022 is as follows:

Mineral Property Interests	Nuevo Taxco Silver-Gold
Balance at May 31, 2021	\$ 110,000
Acquisition	340,000
Assay	13,647
Trenching & Drilling	143,189
Contractors & Labour	13,898
Logistics	30,544
Travel & Accommodation	20,610
Mapping	2,400
Geological & Geophysical Consulting	100,885
Balance at May 31, 2022	\$ 775,173

6. SHARE CAPITAL

Issued share capital during the three months ended August 31, 2022

No shares were issued during the three months ended August 31, 2022.

Issued during the year ended May 31, 2022:

On December 22, 2021, the Company issued 125,000 common shares upon the exercise of share purchase warrants with exercise prices at \$0.20 for proceeds of \$25,000.

On March 15, 2022, the Company issued 1,000,000 common shares at price \$0.24 per shares, totalling \$240,000 pursuant to the Nuevo Taxco Silver Property.

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6. SHARE CAPITAL (Continued)

Share purchase warrants

As at August 31, 2022, the Company had the following warrants outstanding:

Date Issued	Expiry Date	Exercise Price	Number of warrants outstanding
March 11, 2021	March 11, 2023	\$ 0.20	10,298,500
March 11, 2021	March 11, 2023	\$ 0.20	1,500,000
			11,798,500

The following is a summary of the Company's warrant activities:

	August 31, 2022		May 31, 2022	
	Number of Common Shares Issuable	Weighted Average Exercise Price	Number of Common Shares Issuable	Weighted Average Exercise Price
Warrants outstanding, beginning	11,798,500	\$ 0.20	11,923,500	\$ 0.20
Warrants exercised	-	-	(125,000)	0.20
Warrants outstanding, ending	11,798,500	\$ 0.20	11,798,500	\$ 0.20

Stock options

As at August 31, 2022, the Company had the following options outstanding and exercisable:

Date Issued	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable
November 3, 2021	March 10, 2026	\$ 0.20	2,200,000	2,200,000
June 2, 2022	June 2, 2027	\$ 0.20	300,000	300,000
			2,500,000	2,500,000

The following is a summary of the Company's stock option activities

	August 31, 2022		May 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of period	2,400,000	\$ 0.20	-	\$ -
Options granted	300,000	0.20	2,400,000	0.20
Options cancelled	(200,000)	0.20	-	-
Options outstanding, end of period	2,500,000	\$ 0.20	2,400,000	\$ 0.20

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(Expressed in Canadian dollars - Unaudited)

6. SHARE CAPITAL (Continued)

Stock options (Continued)

During the three months ended August 31, 2022, the fair value of stock options granted were estimated using the Black-Scholes option pricing model with the following assumptions: expected life of 5 years, volatility of 165.82%, dividend yield of 0% and risk-free interest rate of 2.89%. The grant date fair value of options granted was \$0.169 per option.

During the year ended May 31, 2022, the fair value of stock options granted were estimated using the Black-Scholes option pricing model with the following assumptions: expected life of 4.35 years, volatility of 173.34%, dividend yield of 0% and risk-free interest rate of 1.36%. The grant date fair value of options granted was \$0.186 per option.

As at August 31, 2022, 2,500,000 options were exercisable. The weighted average life and weighted average exercise price of exercisable options are 3.67 years and \$0.20 respectively.

7. STOCK-BASED COMPENSATION AND CONTRIBUTED SURPLUS

The following table reconciles the Company's contributed surplus:

Balance, May 31, 2021	\$	1,555,465
Stock-based compensation		447,079
Balance, May 31, 2022		2,002,544
Stock-based compensation		50,626
Balance, August 31, 2022	\$	2,053,170

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares to officers, directors, employees and consultants. The exercise price of each option is to be determined by the Board of Directors and at prices equal to or greater than the closing market price on the day preceding the date the options were granted. Each option should have a maximum term of five years.

During the three months ended August 31, 2022, the Company recognized \$50,626 (2021 - \$nil) stock-based compensation expenses.

8. RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

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(Expressed in Canadian dollars - Unaudited)

8. RELATED PARTY TRANSACTIONS (continued)

Key Management Compensation (continued)

During the three months ended August 31, 2022, the Company entered into the following transactions with the related parties:

- (a) Incurred accounting fees of \$4,320 (August 31, 2021- \$3,850) with Jin Passage Consulting Inc. (a company controlled by the CFO of the Company).
- (b) Incurred consulting fees of \$22,500 (August 31, 2021- \$21,000) with Tehama Venture and Tehama Capital Corp. (companies controlled by the director, President and CEO of the Company).
- (c) Incurred consulting fees of \$nil (August 31, 2021- \$2,000) with nKwazi Resource Management. (a company controlled by a director of the Company).
- (d) As at August 31, 2022, \$39,173 (May 31, 2021- \$43,928) was owing to companies controlled by directors and officers of the Company.

On June 2, 2022, 200,000 stock options were granted to a director of the Company, with a term of 5 years and exercisable at \$0.20. All options were vested immediately upon issuance. As of August 31, 2022, the Company recognized share-based compensation of \$33,751.

On May 9, 2022, 200,000 stock options were cancelled in relation to a late director of the Company.

On November 3, 2021, 1,750,000 stock options were granted to directors and officers of the Company. All options have a term of 4.35 years and exercisable at \$0.20. As of May 31, 2022, the Company recognized share-based compensation of \$325,995.

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Non-cash investing and financing activities for the period ended August 31, 2022 were nil.

During the year ended May 31, 2022, the Company issued 1,000,000 common shares with a value of \$240,000 pursuant to the Nuevo Taxco Silver Property (May 31, 2021 – 600,000 common shares were issued with a value of \$60,000).

10. SUBSEQUENT EVENTS

In October 2022, the Company announced a non-brokered private placement of up to 3,400,000 units at a price of \$0.15 per unit (“Unit”) for gross proceeds of up to \$510,000 (“Private Placement”). Each Unit will consist of one common share and one share purchase warrant at a price of \$0.25, exercisable for a period of two years from the date of issuance. Proceeds from the Private Placement for general corporate purposes and working capital. The Company has received an initial commitment from a strategic investor for \$420,000.