

**PANTERA SILVER CORP.**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED AUGUST 31, 2023 AND 2022**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

*The accompanying unaudited interim consolidated financial statements of Panera Silver Corp. for the three months ended August 31, 2023, 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, 2023	May 31, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	\$ 68,159	\$ 95,564
Accounts receivable	4	6,690	7,771
Prepaid expenses		1	1
		74,850	103,336
<b>Non-current assets</b>			
Restricted cash	3	19,352	19,113
Exploration and evaluation assets	5	1	1
<b>TOTAL ASSETS</b>		<b>94,203</b>	<b>122,450</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payables and accrued liabilities		68,563	81,436
Due to related parties	8	97,376	73,748
Provision for environmental rehabilitation		54,000	54,000
<b>TOTAL LIABILITIES</b>		<b>219,939</b>	<b>209,184</b>
<b>EQUITY</b>			
Capital stock	6	34,531,275	34,531,275
Contributed surplus	7	2,002,544	2,002,544
Deficit		(36,659,555)	(36,620,553)
<b>TOTAL EQUITY</b>		<b>(125,736)</b>	<b>(86,734)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 94,203</b>	<b>\$ 122,450</b>

Nature of Operations and Going Concern (Note 1)

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)**

		<b>Three months ended August 31,</b>	
	Notes	<b>2023</b>	<b>2022</b>
<b>Expenses</b>			
Accounting and Audit	8	\$ 9,912	8,570
Bank charges		96	142
Consulting fees		22,500	22,500
Filing and share transfer fees		3,835	821
Office and administration		-	3,030
Shareholders' information		-	370
Travel		-	3,544
Stock-based compensation		-	50,626
Impairment of exploration and evaluation assets	5	2,898	-
<b>Loss before other items</b>		<b>(39,241)</b>	<b>(89,603)</b>
<b>Other Items</b>			
Interest income		239	83
<b>Net and comprehensive loss for the period</b>		<b>\$ (39,002)</b>	<b>\$ (89,520)</b>
<b>Loss per share, basic and diluted</b>		<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding, basic and diluted</b>		<b>29,482,056</b>	<b>29,482,056</b>

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	Contributed Surplus	Deficit	Shareholder's Deficiency
Balance, May 31, 2023	29,482,056	\$ 34,531,275	\$ 2,002,544	\$ (36,620,553)	\$ (86,734)
Net loss for the period	-	-	-	(39,002)	(39,002)
Balance, August 31, 2023	29,482,056	\$ 34,531,275	\$ 2,002,544	\$ (36,659,555)	\$ (125,736)

	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

See accompanying notes to the consolidated financial statements.

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

	<b>Three months ended August 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (39,002)	\$ (89,520)
Adjustments for non-cash items:		
Stock-based compensation	-	50,626
Impairment of exploration and evaluation assets	2,898	-
Changes in non-cash working capital items:		
Accounts receivable	1,081	(1,001)
Accounts payable and accrued liabilities	(12,873)	(17,807)
Due to related parties	23,628	(4,755)
Prepaid expenses and deposits	-	7,500
<b>Net cash used in operating activities</b>	<b>(24,268)</b>	<b>(54,957)</b>
<b>INVESTING ACTIVITIES</b>		
Restricted cash	(239)	(42)
Exploration and evaluation assets	(2,898)	(9,412)
<b>Net cash used by investing activities</b>	<b>(3,137)</b>	<b>(9,454)</b>
<b>FINANCING ACTIVITIES</b>		
Share subscription	-	75,000
<b>Net cash provided in financing activities</b>	<b>-</b>	<b>75,000</b>
Increase in cash and cash equivalents	(27,405)	10,589
Cash and cash equivalents, beginning	95,564	270,542
<b>Cash and cash equivalents, ending</b>	<b>\$ 68,159</b>	<b>\$ 281,131</b>

**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, 2023 and 2022**

**(Expressed in Canadian dollars - Unaudited)**

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#### **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 Pacific Centre 400-725 Granville St, Vancouver, BC V7Y 1G5.

At August 31, 2023, the Company had a working capital deficit of \$145,089 and had not yet achieved profitable operations, has accumulated losses of \$36,659,555 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**

##### **Statement of compliance**

These interim condensed 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.

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, 2023, 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, 2023.

These interim condensed consolidated financial statements were approved and authorized for issue by the Board of Directors on October 30, 2023.

**PANTERA SILVER CORP.**  
**Notes to Interim Condensed Consolidated Financial Statements**  
**For the three months ended August 31, 2023 and 2022**  
**(Expressed in Canadian dollars - Unaudited)**

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**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. The accounting policies set out below have been applied consistently by 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 concluded that no impairment indicators as of August 31, 2023.

**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.

**PANTERA SILVER CORP.**

**Notes to Interim Condensed Consolidated Financial Statements**

**For the three months ended August 31, 2023 and 2022**

**(Expressed in Canadian dollars - Unaudited)**

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

**(a) Fair value of financial instruments (continued)**

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
<b>August 31, 2023</b>				
<b>Cash</b>	\$ 68,159	\$ -	\$ -	\$ 68,159
<b>Restricted cash</b>	19,352	-	-	19,352
	\$ 87,511	\$ -	\$ -	\$ 87,511
 May 31, 2023				
Cash	\$ 95,564	\$ -	\$ -	\$ 95,564
Restricted cash	19,113	-	-	19,113
	\$ 114,677	\$ -	\$ -	\$ 114,677

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, 2023, 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.

*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, 2023, the Company has a working capital deficit of \$145,089. The Company will need to obtain additional financing to meet the obligations as they come due.

**PANTERA SILVER CORP.**  
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**3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL DISCLOSURES**  
**(continued)**

**(b) Risk management (continued)**

*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**

	<b>August 31, 2023</b>	May 31, 2023
GST/HST receivable	<b>\$ 6,690</b>	\$ 7,771
	<b>\$ 6,690</b>	\$ 7,771

**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. As at August 31, 2023, the estimate to perform the reclamation work is \$54,000 (2023 - \$54,000) 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, 2023 is \$19,352 (May 31, 2023 - \$19,113).

During the period ended August 31, 2023, the Company has spent \$nil (May 31, 2023 - \$nil) on reclamation work.

**PANTERA SILVER CORP.**  
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**5. EXPLORATION AND EVALUATION ASSETS (Continued)**

**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 and amended on Oct 30, 2023, 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. 1,500,000 common shares on or before October 31, 2023 (in lieu of cash);
- v. 2,000,000 common shares on or before October 20, 2024 or at the option of the Vendor for \$150,000 and 500,000 common shares;
- vi. \$200,000 in exploration expenditures on or before March 20, 2022 (completed);
- vii. \$400,000 in exploration expenditures on or before March 20, 2023 (waived); and
- viii. \$800,000 in exploration expenditures on or before October 30, 2025.

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.

During the year ended May 31, 2023, the Company did not meet the requirements of the agreement and therefore assessed the carrying value and impaired the property to \$1.

A continuity of the Company’s exploration and evaluation assets as of August 31, 2023 is as follows:

<b>Mineral Property Interests</b>	<b>Nuevo Taxco Silver-Gold</b>
<b>Balance at May 31, 2023</b>	<b>\$ 1</b>
Logistics	2,898
Impairment	(2,898)
<b>Balance at August 31, 2023</b>	<b>\$ 1</b>

**PANTERA SILVER CORP.****Notes to Interim Condensed Consolidated Financial Statements****For the three months ended August 31, 2023 and 2022****(Expressed in Canadian dollars - Unaudited)****5. EXPLORATION AND EVALUATION ASSETS (Continued)**

A continuity of the Company's exploration and evaluation assets as of May 31, 2023 is as follows:

<b>Mineral Property Interests</b>	<b>Nuevo Taxco Silver-Gold</b>
<b>Balance at May 31, 2022</b>	<b>775,173</b>
Logistics	8,291
Travel and Accommodation	9,450
Impairment	(792,913)
<b>Balance at May 31, 2023</b>	<b>\$ 1</b>

As at August 31, 2023, the Company spent \$345,812 on the project.

**6. SHARE CAPITAL*****Issued share capital during the three months ended August 31, 2023***

No shares were issued during the three months ended August 31, 2023.

***Share purchase warrants***

As at August 31, 2023, the Company had the following warrants outstanding:

<b>Date Issued</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of warrants outstanding</b>
March 11, 2021	March 11, 2024	\$ 0.20	10,298,500
March 11, 2021	March 11, 2024	\$ 0.20	1,500,000
			11,798,500

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

	<b>August 31, 2023</b>		<b>May 31, 2023</b>	
	<b>Number of Common Shares Issuable</b>	<b>Number of Common Shares Issuable</b>	<b>Number of Common Shares Issuable</b>	<b>Weighted Average Exercise Price</b>
Warrants outstanding, beginning	11,798,500	11,798,500	11,798,500	\$ 0.20
Warrants outstanding, ending	11,798,500	11,798,500	11,798,500	\$ 0.20

***Stock options***

As at August 31, 2023, the Company had the following options outstanding and exercisable:

<b>Date Issued</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of Options Outstanding</b>	<b>Number of Options Exercisable</b>
November 3, 2021	March 10, 2026	\$ 0.20	2,200,000	2,200,000
			2,200,000	2,200,000

**PANTERA SILVER CORP.**  
**Notes to Interim Condensed Consolidated Financial Statements**  
**For the three months ended August 31, 2023 and 2022**  
**(Expressed in Canadian dollars - Unaudited)**

**6. SHARE CAPITAL (continued)**

*Stock options (continued)*

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

	August 31, 2023		May 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of year	2,200,000	\$ 0.20	2,400,000	\$ 0.20
Options forfeited	-	-	(200,000)	0.20
Options outstanding, end of year	2,200,000	\$ 0.20	2,200,000	\$ 0.20

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 173%, 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, 2023 2,200,000 options were exercisable. The weighted average life and weighted average exercise price of exercisable options are 2.53 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	<b>\$ 1,555,465</b>
Stock-based compensation	447,079
Balance, May 31, 2022	2,002,544
<b>Balance, May 31, 2023 and August 31, 2023</b>	<b>\$ 2,002,544</b>

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.

**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.

During the three months ended August 31, 2023, the Company entered into the following transactions with the related parties:

- (a) Accrued accounting fees of \$5,662 (August 31, 2022- \$4,320) with Jin Passage Consulting Inc. (a company controlled by the CFO of the Company).
- (b) Incurred and accrued consulting fees of \$22,500 (August 31, 2022- \$22,500) with Tehama Venture and Tehama Capital Corp. (companies controlled by the director, President and CEO of the Company).

**PANTERA SILVER CORP.**

**Notes to Interim Condensed Consolidated Financial Statements**

**For the three months ended August 31, 2023 and 2022**

**(Expressed in Canadian dollars - Unaudited)**

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**8. RELATED PARTY TRANSACTIONS (continued)**

**Key Management Compensation** *(continued)*

(c) As at August 31, 2023, \$97,376 (May 31, 2023- \$73,748) was owing to companies controlled by directors and officers of the Company.

**9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Non-cash investing and financing activities for the three months ended August 31, 2023 were \$nil.