



**SILVER X MINING CORP.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2024**

**(Unaudited – Prepared by Management)**

**Expressed in US Dollars**

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024. These financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

**SILVER X MINING CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited – Prepared by Management)  
(Expressed in US Dollars)

	Notes	March 31, 2024	December 31, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 295,417	\$ 484,902
Trade and other receivables	3	5,761,205	4,579,155
Prepaid expenses and deposits		385,849	373,896
Inventory	4	511,955	609,791
		6,954,426	6,047,744
<b>Non-current assets</b>			
Other receivables – non current	3	1,313,541	1,325,220
Right-of-use- assets	7	236,862	309,434
Property and equipment	6	7,108,604	7,177,201
Development property	8	37,143,943	37,001,484
		45,802,950	45,813,339
<b>TOTAL ASSETS</b>		<b>\$ 52,757,376</b>	<b>\$ 51,861,083</b>
<b>LIABILITIES and SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9	\$ 21,416,668	\$ 19,542,996
Lease obligation	7	94,908	202,459
Debenture	10	1,266,489	1,441,777
		22,778,065	21,187,232
<b>Non-current liabilities</b>			
Long term payables	9	715,360	717,996
Lease obligation	7	156,281	118,432
Deferred income tax liability		8,593,737	8,912,737
Asset retirement obligation	11	2,238,651	2,217,972
<b>Total liabilities</b>		<b>34,482,094</b>	<b>33,154,369</b>
<b>Shareholders' equity</b>			
Share capital	12	70,828,276	70,828,276
Accumulated deficit		(62,691,808)	(62,090,518)
Reserves		10,138,814	9,968,956
<b>Total shareholders' equity</b>		<b>18,275,282</b>	<b>18,706,714</b>
<b>TOTAL LIABILITIES and SHAREHOLDERS' EQUITY</b>		<b>\$ 52,757,376</b>	<b>\$ 51,861,083</b>

**Nature of operations and going concern (notes 1 & 2)**

**Subsequent events (note 17)**

**APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON MAY 15, 2024:**

\_\_\_\_\_"Francis Johnstone"\_\_\_\_\_  
Director \_\_\_\_\_ "Darryl Cardey" \_\_\_\_\_  
Director

*See accompanying notes to the condensed consolidated interim financial statements*

**SILVER X MINING CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited – Prepared by Management)  
(Expressed in US Dollars)

	<b>For the three months ended March 31, 2024</b>		<b>For the three months ended March 31, 2023</b>	
<b>OPERATING REVENUES</b>	\$	4,779,313	\$	4,575,940
<b>COST OF SALES</b>				
Mining and processing	\$	(3,618,824)	\$	(4,558,988)
Amortization		(1,154,386)		(427,544)
		<b>(4,773,210)</b>		<b>(4,986,532)</b>
<b>Operating income (loss)</b>	\$	6,103	\$	(410,592)
<b>EXPLORATION EXPENDITURES</b>	\$	(55,753)	\$	(15,423)
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	\$	(744,249)	\$	(759,491)
<b>Income (loss) before other items</b>		<b>(793,899)</b>		<b>(1,185,506)</b>
<b>OTHER ITEMS</b>				
Finance cost	\$	(63,948)	\$	(121,107)
Foreign exchange gain (loss)		(62,443)		229,484
<b>Net loss before tax</b>		<b>(920,290)</b>		<b>(1,077,129)</b>
Deferred income tax recovery (expense)	\$	319,000	\$	207,000
<b>Loss for the period</b>		<b>(601,290)</b>		<b>(870,129)</b>
Gain (loss) on translation of foreign operations		108,167		(83,201)
<b>Loss and comprehensive loss for the period</b>	\$	<b>(493,123)</b>	\$	<b>(953,330)</b>
<b>Loss per share, basic and diluted</b>	\$	(0.00)	\$	(0.01)
<b>Weighted average number of common shares outstanding</b>		166,580,777		157,020,860

*See accompanying notes to the condensed consolidated interim financial statements*

**SILVER X MINING CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**  
(Unaudited – Prepared by Management)  
(Expressed in US Dollars)

	Notes	Number of Common shares	Share capital	Other Equity Reserves		Accumulated Other Comprehensive Income	Accumulated Deficit	Total
				Share- based payments	Share purchase warrants			
<b>Balance, December 31, 2022</b>		<b>156,998,527</b>	<b>\$ 68,671,043</b>	<b>\$ 5,355,189</b>	<b>\$ 1,744,459</b>	<b>\$ 3,291,388</b>	<b>\$ (49,659,430)</b>	<b>\$ 29,402,649</b>
Net loss for the period		-	-	-	-	-	(870,129)	(870,129)
Loss on translation of foreign operations		-	-	-	-	(83,201)	-	(83,201)
Warrants exercised	12	22,500	7,111	-	(1,577)	-	-	5,534
Options exercised	12	75,000	27,023	(13,308)	-	-	-	13,715
Share-based payments	12	-	-	114,225	-	-	-	114,225
<b>Balance, March 31, 2023</b>		<b>157,096,027</b>	<b>\$ 68,705,177</b>	<b>\$ 5,456,106</b>	<b>\$ 1,742,882</b>	<b>\$ 3,208,187</b>	<b>\$ (50,529,559)</b>	<b>\$ 28,582,793</b>
<b>Balance, December 31, 2023</b>		<b>166,580,777</b>	<b>\$ 70,828,276</b>	<b>\$ 5,549,736</b>	<b>\$ 1,725,164</b>	<b>\$ 2,694,056</b>	<b>\$ (62,090,518)</b>	<b>\$ 18,706,714</b>
Net loss for the period		-	-	-	-	-	(601,290)	(601,290)
Gain on translation of foreign operations		-	-	-	-	108,167	-	108,167
Share-based payments	12	-	-	61,691	-	-	-	61,691
<b>Balance, March 31, 2024</b>		<b>166,580,777</b>	<b>\$ 70,828,276</b>	<b>\$ 5,611,427</b>	<b>\$ 1,725,164</b>	<b>\$ 2,802,223</b>	<b>\$ (62,691,808)</b>	<b>\$ 18,275,282</b>

*See accompanying notes to the condensed consolidated interim financial statements*

**SILVER X MINING CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW**  
(Unaudited – Prepared by Management)  
(Expressed in US Dollars)

	For the three months ended March 31, 2024		For the three months ended March 31, 2023	
<b>CASH PROVIDED BY (USED IN):</b>				
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	\$	(601,290)	\$	(870,129)
Items not affecting cash:				
Accretion and interest		31,770		41,278
Amortization		1,154,386		427,544
Deferred income tax recovery		(319,000)		(207,000)
Share-based payments		61,691		114,225
		327,557		(494,082)
Changes in non-cash working capital items:				
Other receivables and prepaids		(1,182,324)		(339,518)
Accounts payable and accrued liabilities		1,871,036		2,117,602
Inventory		97,836		459,200
<b>Net cash inflow from operating activities</b>		<b>1,114,105</b>		<b>1,743,202</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from exercise of warrants	\$	-	\$	5,534
Proceeds from exercise of options		-		13,715
Lease payments		(80,871)		-
Net (repayments) proceeds from debenture		(175,288)		(38,730)
<b>Net cash inflow from financing activities</b>		<b>(256,159)</b>		<b>(19,481)</b>
<b>INVESTING ACTIVITIES</b>				
Development asset	\$	(636,264)	\$	(1,350,370)
Purchase of PP&E		(306,317)		(412,817)
<b>Net cash outflow from investing activities</b>		<b>(942,581)</b>		<b>(1,763,187)</b>
FX impact on cash		(104,850)		(194,117)
<b>Net change in cash</b>		<b>(189,485)</b>		<b>(233,583)</b>
Cash, beginning of year		484,902		1,023,979
<b>Cash, end of period</b>	<b>\$</b>	<b>295,417</b>	<b>\$</b>	<b>790,396</b>

*See accompanying notes to the condensed consolidated interim financial statements*

**SILVER X MINING CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three months ended March 31, 2024**  
(Expressed in US Dollars)

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**1. CORPORATE INFORMATION**

Silver X Mining Corp. (the "Company") was incorporated under the *Business Corporations Act* of British Columbia on June 4, 2009. The Company is listed on the Toronto Stock Exchange Venture (The "TSXV") under the symbol AGX, the U.S. Over The Counter Market (The "OTCQB") under the symbol AGXPF and the Frankfurt Stock Exchange under the symbol AGX.

The Company's principal business activities are directed towards the exploration and development of mineral properties in the Americas.

The address of the Company's corporate office and principal place of business is Suite 1012 – 1030 West Georgia Street, Vancouver, BC, V6E 2Y3.

**2. BASIS OF PREPARATION**

**Statement of Compliance with International Financial Reporting Standards ("IFRS")**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023.

Other than as stated below, these unaudited condensed interim consolidated financial statements follow the same accounting policies and methods of applications as the most recent audited consolidated financial statements of the Company.

The Company's interim results are not necessarily indicative of its results for a full year.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in annual audited financial statements. Certain comparative figures have been reclassified to conform to the current year presentation.

**Going Concern and Continuance of Operations**

These consolidated interim financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At March 31, 2024, the Company had an accumulated deficit of \$62,691,808 (December 31, 2023 - \$62,090,518) since inception, and the Company's working capital deficit was \$15,823,639 (December 31, 2023 – deficit \$15,139,488). The Company may incur further losses in the development of its business.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary capital either through external financing sources or organically through the ramping up of its production to meet its obligations and repay its liabilities arising from normal business operations when they come due, which in part, depends on prevailing market conditions, commodity prices and operational success. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

**SILVER X MINING CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three months ended March 31, 2024**  
(Expressed in US Dollars)

**2. BASIS OF PREPARATION (continued...)**

**Basis of Consolidation**

The interim consolidated financial statements include the accounts and results of operations of the Company and its wholly owned subsidiaries listed in the following table below.

A subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise to obtain benefits from its activities. All material intercompany transactions and balances have been eliminated on consolidation.

<b>Name of Parent</b>	<b>Place of Incorporation</b>	<b>Functional Currency</b>	<b>March 31, 2024 Ownership</b>	<b>December 31, 2023 Ownership</b>
Silver X Mining Corp.	Canada	CAD	N/A - Parent	N/A - Parent
<b>Name of Subsidiary</b>				
Mines & Metals Trading (Peru) PLC	Isle of Man	USD	100%	100%
Recuperada SAC	Peru	USD	100%	100%
San Antonio Mining Peru SAC	Peru	SOL	100%	100%
Mining Sense Gold Peru SAC	Peru	SOL	100%	100%
Minera Tangana SAC	Peru	SOL	100%	100%
Tangana Mines Peru SAC	Peru	SOL	100%*	N/A
Corongo Exploraciones SAC	Peru	SOL	100%	100%
Western Pacific Resources (U.S.) Corp.	USA	USD	100%	100%
Quilla Canada Mining Corp.	Canada	CAD	100%	100%
Talla Canada Mining Corp.	Canada	CAD	100%	100%
Greengold Canada Mining Corp.	Canada	CAD	100%	100%
Quilla Mining SAC	Peru	SOL	100%	100%
Corporacion Minera Talla SAC	Peru	SOL	100%	100%
Green Gold Resources	Ecuador	USD	100%	100%
Colorado Silver Mines LLC	USA	USD	100%	100%

\*incorporated on February 21, 2024

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in United States dollar, which is the Company's reporting currency. The functional currency of the Company and its subsidiaries are noted in the table above.



**SILVER X MINING CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three months ended March 31, 2024**  
(Expressed in US Dollars)

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**3. TRADE AND OTHER RECEIVABLES**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Trade receivable	\$ 555,467	\$ 213,956
Supplier advances	1,918,470	1,264,244
Reclamation bond	1,313,541	1,325,220
Tax receivables – Peru (IGV)	3,284,933	3,097,310
Tax receivables – Canada (GST)	2,336	3,645
	<b>\$ 7,074,746</b>	<b>\$ 5,904,375</b>
<b>Non-current</b>	<b>(1,313,541)</b>	<b>(1,325,220)</b>
<b>Current</b>	<b>5,761,205</b>	<b>4,579,155</b>

**4. INVENTORY**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Concentrate inventory	121,619	46,091
Stockpile inventory	164,086	241,514
Material and supplies	226,250	322,186
<b>Current</b>	<b>\$ 511,955</b>	<b>\$ 609,791</b>

The Company has noted no required impairment of concentrate or stockpile inventory, nor any impairment of material and supplies due to these items being obsolete or slow moving.

**5. EXPLORATION AND EVALUATION ASSETS**

**a) Coriorcco & Las Antas Property, Peru**

On October 8, 2020, the Company purchased the option rights to acquire a 100% interest in the Coriorcco property and up to an 85% legal and beneficial interest in the Las Antas property located in Peru. As consideration for the acquisition of the option rights, the Company paid cash of \$1,500,000, issued 7,050,000 common shares and paid a finder's fee with 629,836 common shares, with an aggregate value of \$2,958,641.

Under the Coriorcco Option Agreement, the Company will have the right to acquire a 100% interest in Coriorcco by making a payment of \$3,000,000 plus general sales tax and granting a production royalty to the underlying concession holder (the "Coriorcco Royalty" of 1% NSR) upon fulfilling the precedent conditions, some of which remain to be met, which include commencement of mining and production payments.

The Coriorcco Royalty can be repurchased for \$1,000,000 (the "Buy-Back Right") prior to the fifth anniversary of the Coriorcco Option Agreement. Every year following the fifth anniversary of the Coriorcco Option Agreement, the cost of the Buy-Back Right increases by 10%.

Additionally, as part of the agreement, the Company will pay \$190,000 (upon completion of registering the amended agreement with the Peruvian Public Registry, which had not occurred as at December 31, 2023 and will be required to pay up to \$850,000 (in cash or shares at the Company's option) based on the size of the mineral resource (in the measured and indicated category) that is established on the Coriorcco property in a technical report prepared in accordance with National Instrument 43-101 on the following conditions:

\$350,000 if a measured and indicated resource of 500,000 to 999,999 ounces of gold is established.  
\$450,000 if a measured and indicated resource of 1,000,000 to 1,499,999 ounces of gold is established; or  
\$850,000 if a measured and indicated resource in excess of 1,500,000 ounces of gold is established.

The Company was required to commence small scale mining by April 2022 with the option to extend a further twelve months to April 2023 by incurring \$200,000 in exploration expenditures. The precedent condition to exercise the option in Las Antas property regarding the completion of the \$2,000,000 exploration expenditure has not been met as at December 31, 2023. At December 31, 2023, the Company concluded that the property is impaired resulting in an impairment loss of \$4,415,637.

**SILVER X MINING CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three months ended March 31, 2024**  
(Expressed in US Dollars)

**5. EXPLORATION AND EVALUATION ASSETS (continued...)**

**b) Lily 19 Claims, Peru**

Silver X acquired the Lily 19 claims through an earn in agreement with Barrick Gold Corp. in Q4 2021. Under the terms of the of the agreement, to acquire a 100% interest in the project Silver X must:

- Complete at least 3,000 m of diamond drilling in the concession
- Map and sample the surface
- Maintain the claims in good standing
- Make a one-time payment of \$25,000 (paid)

Within four (4) years of the date of signing, or two (2) years from receiving a drilling permit for the property. Furthermore, Barrick will retain a 2% NSR, of which 1% can be bought back for \$2,000,000.

**EXPLORATION EXPENDITURES**

	<b>Peru</b>
Geological consulting	17,040
Concession payments	23,728
Other	14,985
<b>For the three months ended March 31, 2024</b>	<b>55,753</b>
	<b>Peru</b>
Geological consulting	5,173
Concessions payments	9,613
Other	637
<b>For the three months ended March 31, 2023</b>	<b>15,423</b>

**SILVER X MINING CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three months ended March 31, 2024**  
(Expressed in US Dollars)

**6. PROPERTY AND EQUIPMENT**

<b>COST</b>	<b>As at December 31, 2023</b>	<b>Purchases and reclassifications</b>	<b>Foreign exchange impact</b>	<b>As at March 31, 2024</b>
Building and facilities	339,366	184,977	4,147	528,490
Machinery and equipment	2,004,676	1,998	15,870	2,022,544
Vehicles	17,460	-	138	17,599
Furniture and fixtures	48,178	-	381	48,559
Other equipment	533,935	-	4,223	538,158
Plant	5,272,541	104,563	42,525	5,419,629
Assets under construction	628,147	14,779	5,085	648,011
	<b>\$ 8,844,304</b>	<b>\$ 306,317</b>	<b>\$ 72,367</b>	<b>\$ 9,222,988</b>

<b>ACCUMULATED DEPRECIATION</b>	<b>As at December 31, 2023</b>	<b>Depreciation</b>	<b>Foreign exchange impact</b>	<b>As at March 31, 2024</b>
Building and facilities	24,404	4,192	226	28,822
Machinery and equipment	672,141	144,305	6,457	822,903
Vehicles	10,511	798	89	11,398
Furniture and fixtures	12,461	1,410	110	13,981
Other equipment	151,336	25,027	1,395	177,758
Plant	796,250	254,959	8,313	1,059,522
	<b>\$ 1,667,103</b>	<b>\$ 430,691</b>	<b>\$ 16,590</b>	<b>\$ 2,114,384</b>

<b>NET CARRYING VALUE</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2024</b>
Building and facilities	314,963	499,668
Machinery and equipment	1,332,535	1,199,640
Vehicles	6,950	6,200
Furniture and fixtures	35,717	34,578
Other equipment	382,599	360,400
Plant	4,476,291	4,360,107
Asset under construction	628,147	648,011
	<b>\$ 7,177,201</b>	<b>\$ 7,108,604</b>

**7. LEASES**

The Company's leases relate to equipment leases and office lease in Peru. Depreciation of right-to-use assets is calculated using the straight-line method over the remaining lease term. Right of use assets associated with the Company's lease obligation as at March 31, 2024:

**a) Right-of-Use Asset**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Opening balance	309,434	599,723
Less: depreciation	(72,572)	(290,289)
	<b>\$ 236,862</b>	<b>\$ 309,434</b>

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three months ended March 31, 2024**  
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**7. LEASES (continued...)**

**b) Lease Obligations**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Opening balance	320,891	570,298
Plus: interest	11,169	69,077
Less: lease payments	(80,871)	(318,484)
	<b>\$ 251,189</b>	<b>\$ 320,891</b>

Discounted lease obligation associated with the Company's lease obligation as at March 31, 2024:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Current	94,908	202,459
Long term	156,281	118,432
<b>Total discounted lease obligation</b>	<b>\$ 251,189</b>	<b>\$ 320,891</b>

Undiscounted lease obligation associated with the Company's lease obligation as at March 31, 2024:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Within a year	165,357	226,728
Later than a year	96,500	116,000
<b>Total undiscounted lease obligation</b>	<b>\$ 261,857</b>	<b>\$ 342,728</b>

**8. DEVELOPMENT PROPERTY**

<b>As at December 31, 2022</b>	<b>36,627,909</b>
ARO adjustments	194,001
Property additions	3,751,632
Royalties received	(2,420,000)
Depreciation and amortization	(937,077)
Foreign exchange	(214,981)
<b>As at December 31, 2023</b>	<b>\$ 37,001,484</b>
Property additions	636,264
Depreciation and amortization	(661,214)
Foreign exchange	167,409
<b>As at March 31, 2024</b>	<b>\$ 37,143,943</b>

During the period ended March 31, 2024, the Company incurred \$636,264 in further developing the Nueva Recuperada Project.

**SILVER X MINING CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three months ended March 31, 2024**  
(Expressed in US Dollars)

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Trade payable	12,797,085	11,956,623
Accrued liabilities	9,334,943	8,304,369
	<b>\$ 22,132,028</b>	<b>\$ 20,260,992</b>
<b>Non-current</b>	<b>(715,360)</b>	<b>(717,996)</b>
<b>Current</b>	<b>21,416,668</b>	<b>19,542,996</b>

**10. DEBENTURES**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Trafigura Peru S.A.C. (i)	819,022	984,836
Blanco SAFI S.A.C (ii)	226,465	226,811
Herr - Glass (iii)	212,852	213,178
Other	8,150	16,952
	<b>\$ 1,266,489</b>	<b>\$ 1,441,777</b>

- i) On March 8, 2022, the company signed an amendment with the lender extending the loan to January 2024 and increasing it by \$641,300 to \$1,400,000. Under the new agreement the monthly payments started in June 2022 and will be comprised by 19 installments of \$58,300 each and 1 installment of \$292,300 due on January 2024. As of March 31, 2024, the Company is behind on payments. The Company is in negotiations with the lender to extend the maturity date and agree upon a revised repayment schedule. The loan bears an interest of 6.0% + Libor (3M) per annum. The remaining balance relates to a short-term line of credit with the lender. The line of credit bears an interest of 5.5% + Libor.
- ii) The loan bears an interest of 1.5% monthly. The loan matured on December 9, 2022. The Company is under negotiations with the lender to extend the maturity date and agree upon a revised repayment schedule. As of March 31, 2024, the loan had not been repaid and the Company is still under negotiations with the lender to extend the maturity date and agree upon a revised repayment schedule.
- iii) The loan bears an interest of 5% per annum with a private lender, and is due as at December 9, 2022. As of March 31, 2024, the loan had not been repaid and the Company is still under negotiations with the lender to extend the maturity date and agree upon a revised repayment schedule.

**11. ASSET RETIREMENT OBLIGATION**

<b>As at December 31, 2022</b>	1,941,567
Accretion	82,404
Foreign exchange and other	194,001
<b>As at December 31, 2023</b>	<b>\$ 2,217,972</b>
Accretion	20,601
Foreign exchange and other	78
<b>As at March 31, 2024</b>	<b>\$ 2,238,651</b>

**11. ASSET RETIREMENT OBLIGATION (continued...)**

The Company included a provision for the future cost of remediation of the development property. The carrying balance represents the present value of the remediation cost which are expected to be incurred from 2030 to 2039. The provision has been determined based on a third-party plan commissioned by the Company and approved by the Peruvian Directorate General of Mining Environmental Affairs of the Ministry of Energy and Mines.

The undiscounted provision for environmental rehabilitation is estimated at \$2.6M as at March 31, 2024 (December 31, 2023: \$2.6M), over a period of 8-13 years, using an inflation rate of 4% (December 31, 2023 – 4%) and discounted using a risk-free rate of 6.8% (December 31, 2023: 6.8%) per annum. The Company has a reclamation bond in place for \$2.8M.

**12. SHARE CAPITAL AND RESERVES**

The Company is authorized to issue an unlimited number of common shares without par value.

The Company did not have any share capital transactions for the period ended March 31, 2024.

*During the year ended December 31, 2023*

- a) On February 3, 2023, 22,500 common shares were issued in relation to the exercise of warrants with an exercise price of C\$0.33 for total proceeds of \$5,534.
- b) On March 23, 2023, 75,000 common shares were issued in relation to the exercise of options with an exercise price of C\$0.25 for total proceeds of \$13,715.
- c) On April 3, 2023, 21,500 common shares were issued in relation to the exercise of warrants with an exercise price of C\$0.33 for total proceeds of \$5,243.
- d) On April 5, 2023, 280,000 common shares were issued in relation to the exercise of warrants with an exercise price of C\$0.33 for total proceeds of \$68,663.
- e) On April 10, 2023, 187,500 common shares were issued in relation to the exercise of options with an exercise price of C\$0.25 for total proceeds of \$34,799.
- f) On April 11, 2023, 120,000 common shares were issued in relation to the exercise of warrants with an exercise price of C\$0.33 for total proceeds of \$29,275.
- g) On April 21, 2023, 25,000 common shares were issued in relation to the exercise of warrants with an exercise price of C\$0.33 for total proceeds of \$6,094.
- h) On June 5, 2023, the Company closed the first tranche of its non-brokered private placement offering with the placement of 4,210,050 units (the "Units") at a price of C\$0.30 per Unit for gross proceeds of \$952,859. Each Unit consists of one common share and one Share purchase warrant entitling the holder to purchase one share of the Company at a price of C\$0.45 per share for a period of 24 months from the date of closing of the Private Placement. Under the first tranche of the Private Placement, the Company paid fees to eligible finders consisting of: (i) \$35,716 in cash; (ii) 78,003 finder warrants (the "Finder Warrants") exercisable into one Common Share at a price of C\$0.30, and (iii) 79,800 Finder Warrant exercisable into one Common Share at a price of C\$0.45. Finder Warrants are exercisable until June 2, 2025.

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**12. SHARE CAPITAL AND RESERVES (continued...)**

- i) On June 28, 2023, the Company closed the second tranche of its non-brokered private placement offering with the placement of 3,006,700 units (the “Units”) at a price of C\$0.30 per Unit for gross proceeds of \$680,505. Each Unit consists of one common share and one Share purchase warrant entitling the holder to purchase one share of the Company at a price of C\$0.45 per share for a period of 24 months from the date of closing of the Private Placement. Under the second tranche of the Private Placement, the Company paid fees to eligible finders consisting of: (i) \$8,226 in cash and (ii) 21,780 finder warrants (the “Finder Warrants”) exercisable into one Common Share at a price of \$0.45, and (iii) 14,562 Finder Warrants exercisable into one Common Share at a price of \$0.30. Finder Warrants are exercisable until June 28, 2025.
- j) On July 7, 2023, the Company closed the third tranche of its non-brokered private placement offering with the placement of 1,384,000 units (the “Units”) at a price of C\$0.30 per Unit for gross proceeds of \$313,240. Each Unit consists of one common share and one Share purchase warrant entitling the holder to purchase one share of the Company at a price of C\$0.45 per share for a period of 24 months from the date of closing of the Private Placement. Under the third tranche of the Private Placement, the Company paid fees to eligible finders consisting of: (i) \$900 and (ii) 3,000 finder warrants (the “Finder Warrants”) exercisable into one Common Share at a price of C\$0.45. Finder Warrants are exercisable until July 7, 2025.
- k) On August 9, 2023, 250,000 common shares were issued in relation to the vesting of RSUs.

**Warrants**

The continuity of warrants for the years presented are as follows:

	Number of warrants	Weighted average exercise price
<b>Outstanding warrants, December 31, 2022</b>	<b>8,616,827</b>	<b>C\$0.38</b>
Granted	8,797,895	C\$0.45
Exercised	(469,000)	C\$0.33
Expired	(1,466,908)	C\$0.60
<b>Outstanding warrants, December 31, 2023 and March 31, 2024</b>	<b>15,478,814</b>	<b>C\$0.40</b>

As at March 31, 2024, warrants enabling the holders to acquire common shares are as follows:

Expiry date	Number of warrants	Weighted average remaining life in years	Weighted average exercise price
October 20, 2024	4,548,157	0.56	C\$0.33
October 28, 2024	2,132,762	0.58	C\$0.33
June 5, 2025	4,289,850	1.18	C\$0.45
June 5, 2025	78,003	1.18	C\$0.30
June 28, 2025	3,028,480	1.24	C\$0.45
June 28, 2025	14,562	1.24	C\$0.30
July 7, 2025	1,387,000	1.27	C\$0.45
	<b>15,478,814</b>	<b>0.93</b>	<b>C\$0.40</b>



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**12. SHARE CAPITAL AND RESERVES (continued...)**

**Options**

*Option Plan*

The Company has a share purchase option plan (“the Plan”), which allows the Company to issue options to directors, officers, employees, and consultants of the Company. The maximum aggregate number of securities reserved for issuance is 10% of the number of common shares issued and outstanding. Options granted under the Plan may have a maximum term of ten years. Vesting restrictions may be imposed at the discretion of the directors.

*Share Purchase Options*

The continuity of share purchase options for the periods presented is as follows:

	Number of options	Weighted average exercise price
<b>Outstanding options, December 31, 2022</b>	<b>8,525,000</b>	<b>C\$ 0.50</b>
Granted	2,300,000	C\$ 0.27
Exercised	(262,500)	C\$ 0.25
Forfeited	(1,737,500)	C\$ 0.47
<b>Outstanding options, December 31, 2023 and March 31, 2024</b>	<b>8,825,000</b>	<b>C\$ 0.46</b>

As at March 31, 2024, options enabling the holders to acquire common shares are as follows:

Expiry date	Number of options	Number of vested options	Weighted average remaining life in years	Weighted average exercise price
June 24, 2025	150,000	150,000	1.23	C\$ 0.27
November 2, 2025	125,000	125,000	1.59	C\$ 0.70
June 21, 2026	3,900,000	3,900,000	2.22	C\$ 0.60
August 23, 2026	1,025,000	1,025,000	2.40	C\$ 0.60
August 9, 2027	1,225,000	1,225,000	3.36	C\$ 0.25
November 4, 2027	350,000	350,000	3.60	C\$ 0.23
November 30, 2026	250,000	125,000	4.67	C\$ 0.27
November 30, 2028	1,800,000	900,000	2.67	C\$ 0.27
	<b>8,825,000</b>	<b>7,800,000</b>	<b>2.94</b>	<b>C\$ 0.46</b>

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**12. SHARE CAPITAL AND RESERVES (continued...)**

*Options (continued...)*

The Company granted the following stock options to the Company's management, directors and service providers. The fair value of the options was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

<b>Grant Date</b>	<b>November 30, 2023</b>	<b>June 1, 2023</b>
Number of options granted	2,050,000	250,000
Vesting provision	12-month	12-month
Expected stock price volatility	120%	143%
Expected life of options	5.0 years	5.0 years
Risk free interest rate	3.64%	4.26%
Expected dividend yield	0%	0%
Exercise price	C\$0.265	C\$0.29
Fair value of the options	\$ 319,761	\$ 65,340

For the three months ended March 31, 2024, the share-based compensation expense related to options was \$50,638 (three months ended March 31, 2023 – \$60,445).

**Restricted Share Units (“RSU”)**

The continuity of RSUs for the periods presented is as follows:

	<b>Number of RSUs</b>
<b>Outstanding RSUs, December 31, 2022</b>	<b>250,000</b>
Granted	295,000
Forfeited	(70,000)
Vested	(250,000)
<b>Outstanding RSUs, December 31, 2023 and March 31, 2024</b>	<b>225,000</b>

For the three months ended March 31, 2024, share-based compensation expense related to RSUs was \$11,053 (three months ended March 31, 2023 – \$53,780).

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**13. RELATED PARTY TRANSACTIONS**

The Company's related parties with transactions during the three months ended March 31, 2024, consist of directors, officers and the following companies with common directors:

Related party	Nature of transactions
Mysterybelle Ltd (Director)	Director fees
Altitude Exploraciones (Director, Officer)	Exploration and evaluation expenses
Vihren Management LTD. (Officer)	Compensation expense
Odin Investment SAC	Compensation expense
Catapult Consulting Corp (Officer)	Compensation expense and professional fees
Srebro Corp. (Director, Officer)	Compensation expense

As at March 31, 2024, the Company had \$438,313 outstanding in accounts payables and accrued liabilities (December 31, 2023 – \$438,313) and \$85,837 outstanding in supplier advances associated with related parties.

**i) Key Management Compensation**

Key management personnel are persons responsible for planning, directing, and controlling the activities of the Company, and include certain directors and officers. Key management compensation, including amounts discussed above, is comprised of:

	Three months ended March 31, 2024		Three months ended March 31, 2023	
Compensation expense	\$	168,136	\$	183,914
Directors' fees		24,679		35,027
Share based payment		45,888		60,845
	\$	<b>238,703</b>	\$	<b>279,786</b>

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**14. SEGMENTED INFORMATION**

The Company operates in two reportable operating segments, being the exploration and development and production of mineral properties.

<b>March 31, 2024</b>	<b>Canada – Corporate</b>	<b>Peru</b>	<b>Total</b>
Cash and cash equivalents	193,958	101,459	295,417
Inventory	-	511,955	511,955
Receivables	2,336	5,758,869	5,761,205
Prepaid	385,849	-	385,849
	<b>582,143</b>	<b>6,372,283</b>	<b>6,954,426</b>
Development property	-	37,143,943	37,143,943
ROU Assets	-	236,862	236,862
Equipment	-	7,108,604	7,108,604
Receivable – non current	-	1,313,541	1,313,541
<b>Total assets</b>	<b>\$ 582,143</b>	<b>\$ 52,175,233</b>	<b>\$ 52,757,376</b>

<b>December 31, 2023</b>	<b>Canada – Corporate</b>	<b>Peru</b>	<b>Total</b>
Cash and cash equivalents	430,040	54,862	484,902
Inventory	-	609,791	609,791
Receivables	3,645	4,575,510	4,579,155
Prepaid	373,896	-	373,896
	<b>807,581</b>	<b>5,240,163</b>	<b>6,047,744</b>
Development property	-	37,001,484	37,001,484
ROU Assets	-	309,434	309,434
Equipment	-	7,177,201	7,177,201
Receivable – non current	-	1,325,220	1,325,220
<b>Total assets</b>	<b>\$ 807,581</b>	<b>\$ 51,053,502</b>	<b>\$ 51,861,083</b>

	<b>Canada – Corporate</b>	<b>Peru</b>	<b>Total</b>
<b>Net loss – three months ended March 31, 2024</b>	<b>\$ (435,098)</b>	<b>\$ (166,192)</b>	<b>\$ (601,290)</b>
<b>Net loss – three months ended March 31, 2023</b>	<b>\$ (517,896)</b>	<b>\$ (352,233)</b>	<b>\$ (870,129)</b>

## **15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

### **General Objectives, Policies and Processes**

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The Board of Directors receives periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

### **Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and other receivables. The Company has concentrate contracts to sell concentrates produced. Concentrate contracts are a common business practice in the mining industry. The terms of the concentrate contracts may require the Company to deliver concentrate that has a value greater than the payment received at the time of delivery, thereby introducing the Company to credit risk of the buyers of concentrates. Should any of these counterparties not honour purchase arrangements, or should any of them become insolvent, the Company may incur losses for products already shipped and be forced to sell its concentrates on the spot market or it may not have a market for its concentrates and therefore its future operating results may be materially adversely impacted. The majority of the Company's concentrate is sold to one concentrate buyer. The Company limits exposure to credit risk by maintaining its cash with large financial institutions and by monitoring the risk associated with its concentrate sales. The Company does not have cash invested in asset-based commercial paper.

### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

### **Commodity Price Risk**

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other market prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

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**15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued...)**

**Foreign Currency Risk**

The Company's operations in Canada and Peru creates exposure to foreign currency fluctuation. Some of the Company's operating expenditures are incurred in Peruvian SOL or Canadian Dollar, and the fluctuation of foreign currencies with the US dollar will have an impact upon the profitability of the Company and may also affect the value of the Company's financial assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

The Company's financial assets and liabilities in various currencies as at March 31, 2024 are set out in the following table:

<b>March 31, 2024</b>	<b>Canadian Dollar</b>	<b>US Dollar</b>	<b>Peruvian SOL</b>	<b>Total</b>
Cash and cash equivalents	1,616	265,544	28,257	295,417
Receivables	2,336	-	5,758,869	5,761,205
	<b>3,952</b>	<b>265,544</b>	<b>5,787,126</b>	<b>6,056,622</b>
Accounts payables and accruals	(786,822)	-	(20,629,846)	(21,416,668)
Lease	-	-	(251,189)	(251,189)
Debenture	-	-	(1,266,489)	(1,266,489)
<b>Net asset (liabilities)</b>	<b>(782,871)</b>	<b>265,544</b>	<b>(16,360,397)</b>	<b>(16,877,724)</b>

The Company's financial assets and liabilities in various currencies as at December 31, 2023 are set out in the following table:

<b>December 31, 2023</b>	<b>Canadian Dollar</b>	<b>US Dollar</b>	<b>Peruvian SOL</b>	<b>Total</b>
Cash and cash equivalents	1,656	434,868	48,378	484,902
Receivables	3,645	-	4,575,510	4,579,155
	<b>5,301</b>	<b>434,868</b>	<b>4,623,888</b>	<b>5,064,057</b>
Accounts payables and accruals	(318,737)	-	(19,224,259)	(19,542,996)
Lease	-	-	(320,891)	(320,891)
Debenture	-	-	(1,441,777)	(1,441,777)
<b>Net asset (liabilities)</b>	<b>(313,437)</b>	<b>434,868</b>	<b>(16,363,039)</b>	<b>(16,241,607)</b>

The Company's reported results will be affected by fluctuations in the Canadian dollar to US Dollar and Peruvian SOL to US Dollar exchange rate. As at March 31, 2024, a 10% appreciation of the Canadian Dollar relative to the US Dollars would have decreased net financial assets by approximately \$71,000 (December 31, 2023 - \$28,000). A 10% depreciation of the US Dollar relative to the Canadian Dollar would have had the equal but opposite effect. A 10% appreciation of the US Dollar relative to the Peruvian SOL would have decreased net financial assets by approximately \$1,487,000 (December 31, 2023 - \$1,432,000) and a 10% depreciation of the Peruvian SOL would have had an equal but opposite effect. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk.

**15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued...)**

**Interest Rate Risk**

Interest rate risk consists of two components:

- i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

As at March 31, 2024, a 1% change in market interest rates would result in no material change in value of the assets or liabilities of the Company.

**Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk, currency risk, or equity price risk. The Company is not exposed to any other price risk.

**Determination of Fair Value**

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash, receivables, accounts payable and accrued liabilities and due to related parties' approximate fair values due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

**Fair Value Hierarchy**

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

**Valuation techniques for receivables from provisional concentrate sales:**

A portion of the Company's trade receivables arose from provisional concentrate sales and are valued using quoted market prices based on the forward London Metal Exchange for gold, copper, zinc and lead and the London Bullion Market Association P.M. fix for silver.

## **16. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties and pursue growth opportunities. The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties.

The properties in which the Company currently has an interest in are in exploration, development and production stages; as such, the Company is dependent on external financing to fund its exploration and development activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company monitors its cash, investments, common shares, and stock options as capital. There have been no changes to the Company's approach to capital management during the three months ended March 31, 2024. The Company's investment policy is to hold cash in interest-bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

The Company does not expect its current capital resources to be sufficient to cover its operating capital and corporate general and administrative expenditure through the next twelve months and as such, will need to obtain additional capital resources. Actual funding requirements may vary from those previously planned due to a number of factors, including the progress of the Company's business activities and economic condition.

## **17. SUBSEQUENT EVENTS**

On April 4, 2024, the Company closed the first tranche of a non-brokered private placement offering (the "Private Placement") with the placement of 6,156,199 units (the "Units") at a price of C\$0.18 per Unit for gross proceeds of C\$1,108,116. On April 12, 2024, the Company closed the second and final tranche of the Private Placement with the placement of 21,621,577 units at a price of C\$0.18 per Unit for gross proceeds of C\$3,891,884. In total, the Company placed 27,777,776 units for aggregate gross proceeds of C\$5,000,000.

Each Unit consists of one common share (a "Share") and one half of one Share purchase warrant (a "Warrant") with each whole Warrant entitling the holder to purchase one Share of the Company at a price of C\$0.30 per Share for a period of 36 months from the date of closing of the Private Placement (the "Closing Date").

The Company paid fees to eligible finders consisting of (i) C\$75,783 in cash and (ii) 335,945 finder's warrants (the "Finder's Warrants") exercisable into one Share at a price of C\$0.30, and (iii) 78,301 Finder's Warrants exercisable into one Share at a price of C\$0.18. The Finder's Warrants are exercisable for a period of 36 months from the Closing Date.

On April 12, 2024, the Company settled US\$2,181,458 of indebtedness through the issuance of 6,000,000 common shares, the equivalent of an issue price of C\$0.499 per share.