SILVERTON METALS CORP.

(formerly Plymouth Realty Capital Corp.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

Notice of no Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

SILVERTON METALS CORP.
(formerly Plymouth Realty Capital Corp.)

Condensed Interim Consolidated Statements of Financial Position
As at March 31, 2021 and December 31, 2020
(Unaudited – Expressed in Canadian Dollars)

	Note	March 31, 2021 $	December 31, 2020 $
ASSETS			
Current Assets			
Cash and cash equivalents		6,093,244	253,877
GST receivable		22,600	6,399
Prepaid expenses and other assets	**5**	1,791,354	2,252
Total current assets		7,907,198	262,528
Non-Current Assets			
Exploration and evaluation assets	**6**	6,826,060	-
Deferred acquisition costs	**4**	-	114,669
Deferred financing costs	**7c)**	-	25,710
Total assets		**14,733,258**	**402,907**
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	**6**	1,110,204	53,706
Other payables		3,962	3,962
		1,114,166	57,668
Non-Current Liabilities			
Deferred purchase consideration	**4**	1,250,000	-
Total liabilities		2,364,166	57,668
SHAREHOLDERS' EQUITY (DEFICIT)			
Common shares	**7**	12,590,826	911,706
Contributed surplus		2,079,894	-
Accumulated other comprehensive loss		(53,691)	-
Deficit		(2,247,937)	(566,467)
Total shareholders' equity (deficit)		12,369,092	345,239
Total liabilities and shareholders' equity (deficit)		**14,733,258**	**402,907**

Nature of operations and going concern (Note 1)
Subsequent events (Note 14)

APPROVED BY THE BOARD OF DIRECTORS

John Theobald ("signed") Director *Barry Girling ("signed")* Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

SILVERTON METALS CORP.

(formerly Plymouth Realty Capital Corp.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
Three months ended March 31, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)

	Note	March 31, 2021 $	March 31, 2020 $
General and administrative expenses			
Accounting and audit		18,938	8,497
Consulting and advisory fees		64,106	-
Filing and listing fees		23,647	1,725
Investor relations and marketing		84,078	-
Legal and professional fees		2,540	2,573
Transfer agent fees		11,251	861
Rent	**9**	5,238	-
Bank charges and interest		505	585
Other		448	-
Share-based compensation	**7d)**	1,482,550	-
Loss before other items		(1,693,301)	(14,241)
Other income (expenses)			
Foreign exchange (loss) gain		11,831	-
Net loss for the period		**(1,681,470)**	**(14,241)**
Other comprehensive income (loss)			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		(53,691)	-
Total other comprehensive income (loss) for the period		**(53,691)**	**-**
Total Comprehensive Loss for the Period		**(1,735,161)**	**(14,241)**
Weighted average number of common shares outstanding during the period	**7f)**	**16,568,556**	**492,500**
Loss per share - basic and diluted		**(0.10)**	**(0.03)**

The accompanying notes are an integral part of these condensed interim consolidated financial statements

SILVERTON METALS CORP.
(formerly Plymouth Realty Capital Corp.)

Condensed Interim Consolidated Statements of Changes in Equity
Three months ended March 31, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)

	Number of shares #	Capital Stock $	Contributed Surplus $	AOCL* $	Deficit $	Total $
Balance - December 31, 2019	**622,500**	**416,981**	**-**	**-**	**(469,572)**	**(52,591)**
Net and comprehensive loss for the period	-	-	-	-	(14,241)	(14,241)
Balance - March 31, 2020	**622,500**	**416,981**	**-**	**-**	**(483,813)**	**(66,832)**
Private placement	10,000,000	500,000	-	-	-	500,000
Shares issued as finder's fee	765,000	38,250	-	-	-	38,250
Share issuance costs	-	(43,525)	-	-	-	(43,525)
Net and comprehensive loss for the period	-	-	-	-	(82,654)	(82,654)
Balance - December 31, 2020	**11,387,500**	**911,706**	**-**	**-**	**(566,467)**	**345,239**
Shares issued in consideration for:						
Cash, pursuant to:						
- Private placement	11,574,000	9,259,200	-	-	-	9,259,200
Less issue costs - cash	-	(729,828)	-	-	-	(729,828)
Less issue costs - warrants	-	(350,252)	350,252	-	-	-
Shares issued pursuant to qualifying transaction	4,375,000	3,500,000	-	-	-	3,500,000
Share-based compensation – stock options	-	-	1,729,642	-	-	1,729,642
Comprehensive loss for the period	-	-	-	(53,691)	(1,681,470)	(1,735,161)
Balance - March 31, 2021	**27,336,500**	**12,590,826**	**2,079,894**	**(53,691)**	**(2,247,937)**	**12,369,092**

* AOCL: Accumulated other comprehensive loss

SILVERTON METALS CORP.
(formerly Plymouth Realty Capital Corp.)

Condensed Interim Consolidated Statements of Cash Flow
Three months ended March 31, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)

	2021	**2020**
	$	**$**
Operating activities:		
Net loss for the period	(1,681,470)	(14,241)
Items not affecting cash:		
Interest expense	-	580
Share-based payments	1,482,550	-
	(198,920)	(13,661)
Changes in non-cash working capital related to operations:		
GST receivable	(16,201)	410
Prepaids	(1,718,575)	-
Accounts payable and accrued liabilities	541,914	9,427
Net cash used in operating activities	(1,391,782)	(3,824)
Investing activity:		
Investment in exploration and evaluation assets	(1,329,153)	-
Cash acquired on acquisition of Minera Terra Plata	6,737	-
Net cash used in investing activities	(1,322,416)	-
Financing activity:		
Proceeds on shares issued	9,259,200	-
Share issuance costs	(704,118)	-
Proceeds from promissory notes	-	3,500
Net cash from financing activity	8,555,082	3,500
(Decrease) increase in cash during the period	5,840,884	(324)
Foreign exchange effect on cash and cash equivalents	(1,517)	-
Cash – beginning of the period	253,877	1,559
Cash – end of the period	**6,093,244**	**1,235**

Supplemental Cash Flow Information – Note 10

1. Nature of Operations

Silverton Metals Corp., formerly Plymouth Realty Capital Corp., ("Silverton" or the "Company") was incorporated under the Business Corporation Act (Ontario) on July 15, 2013. On March 21, 2019, the Company was continued under the British Columbia Business Corporations Act, and on March 2, 2021, in conjunction with the closing of its qualifying transaction ("Qualifying Transaction"), the Company changed its name to Silverton Metals Corp. From incorporation to the date of these consolidated financial statements, there have been no significant operations. Upon closing of its Qualifying Transaction on March 2, 2021 the Company ceased to be a Capital Pool Company, as defined in Policy 2.4 of the TSX Venture Exchange ("TSX-V"), and became a Tier 2 Mining issuer on the TSXV under the symbol "SVTN". On May 5, 2021 the Company's shares commenced trading on the OTC Markets system, through the SEC-registered Alternative Trading System quotation facilities (known as OTC Link® ATS), under the symbol "SVTNF". On July 14, 2020, the Company consolidated its issued and outstanding common shares on the basis of 10 pre-consolidation shares for one post-consolidation share (the "Consolidation"). All references to share and per share amounts in these consolidated financial statements have been retroactively restated to reflect the Consolidation. The head office of the Company is located at 704-595 Howe Street, Vancouver, British Columbia, V6C 2T5.

On March 2, 2021, the Company completed its Qualifying Transaction with the acquisition of three silver-focused Mexican mineral properties, being Peñasco Quemado, Sonora; La Frazada, Nayarit; and Pluton, Durango (the "Silver Properties"), from Silver One Resources Inc. ("Silver One"), a TSX-V listed company, by acquiring from Silver One all of the issued and outstanding shares of KCP Minerals Inc. ("KCP"), which holds, through its wholly owned Mexican subsidiary, Minera Terra Plata S.A. de C.V. ("Minera Terra"), a 100% interest in the Silver Properties (see Note 4).

Going Concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company's ability to meet its obligations and maintain its current operations is contingent upon successful completion of additional financing arrangements.

During 2020 and into 2021, significant changes in the stock market have occurred for various reasons linked to the COVID-19 global pandemic. The impacts to the Company of further market changes, arising from COVID-19 are not determinable at this date, however these could be material to the Company's ability to raise new capital and thus the Company's financial position, results of operation and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted. As at March 31, 2021, COVID-19 has not had a material negative impact on the Company's operations or ability to raise finance.

The Company has incurred operating losses since inception and has a net loss for the three months ended March 31, 2021 of $1,681,470 (March 31, 2020 - $14,241) and an accumulated deficit of $2,247,937 (December 31, 2020 - $566,467) at that date. The Company's continued operations are dependent on ability to generate future cash flows and obtain additional financing. On March 2, 2021, the Company completed its previously announced Qualifying Transaction (Note 4) and completed contemporaneous financings raising gross proceeds of $9,259,200. Beyond the next 12 months, the Company's ability to continue as a going concern will be dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. 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 acceptable to the Company. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of presentation

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 - Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2020 which have been prepared in accordance with IFRS as issued by the IASB.

These financial statements were approved by the board of directors for use on May 28, 2021.

In the preparation of these interim condensed financial statements, the Company has used the same accounting policies and methods of computation as in the annual financial statements for the year ended December 31, 2020, except for application of accounting policies not previously adopted as follows:

Exploration and evaluation assets

The Company is in the exploration stage and defers all exploration and evaluation expenditures related to its mineral properties until such time as the properties are put into commercial production, impaired, sold or abandoned. Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Mineral property option proceeds, if received, are credited against the deferred costs incurred by the Company on the property or properties being optioned. Under this method, the amounts shown as exploration and evaluation assets represent costs incurred to date less amounts amortized and/or written off, and do not necessarily represent present or future values.

Once the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a particular mineral property has been determined, expenditures are reclassified to development assets within property, plant and equipment and are carried at cost until the properties to which the expenditures relate are sold, abandoned or determined by management to be impaired in value.

If a property is put into commercial production, the carrying value will be depleted using the unit of production basis. If a property is impaired, sold or abandoned, the expenditures will be charged to profit or loss in the related period. Exploration costs that are not attributable to a specific property or that are incurred prior to the Company acquiring the legal rights to a property are charged to profit or loss as reconnaissance and sundry exploration.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and regulatory requirements.

Impairment of long-lived assets

At the end of each reporting period the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset (or cash-generating unit) is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Management's assessment of a property's estimated fair market value may also be based upon a review of other property transactions that have occurred in the same geographic area as that of the property under review.

In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years.

Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of facts such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a risk-free rate that reflects the time value of money are used to calculate the net present value. The capitalized costs are charged against profit or loss over the economic life of the related asset, through amortization using the unit-of production method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an accretion expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company may in the future be affected from time to time by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable. The Company has no material restoration, rehabilitation or environmental obligation as the disturbance to date is minimal.

Foreign currencies

The financial statements for the Company and each of its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the parent company, Silverton, and its Canadian subsidiaries is the Canadian dollar; and the functional currency of Minera Terra, the Company's Mexican subsidiary, is the U.S. dollar. The presentation currency of these condensed interim consolidated financial statements is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

The statement of financial position of Minera Terra is translated into Canadian dollars using the exchange rate at the statement of financial position date and the statement of operations is translated into Canadian dollars using the average exchange rate for the period. All gains and losses on translation from the functional currency to the presentation currency are charged to other comprehensive income (loss).

Share-based compensation

The fair value of all stock options granted is recorded as a charge to operations or deferred exploration costs and a credit to contributed surplus under the graded attribution method. The fair value, as adjusted for the estimated forfeiture rate, is measured at the date of grant and is recognized over the vesting period. The Company's stock options are subject to graded vesting and thus each tranche in the award is considered a separate grant, with a different vesting date and fair value for purposes of recognizing share-based payment expense. Prior to the vesting date, the then-current fair values of stock options granted are recognized as share-based compensation expense from the date of grant to the reporting date and credited to contributed surplus. Any consideration received on the exercise of stock options together with the related portion of contributed surplus is credited to share capital. The Company will reclassify equity reserve amounts to deficit on the expiry or forfeiture of share-based payments.The fair value of stock options is estimated using the Black-Scholes option pricing model.

Basis of presentation and consolidation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and include the Company's wholly owned direct and indirect subsidiaries, KCP Minerals Inc., Minera Terra , and the Company's inactive subsidiary 1269171 B.C. Ltd. (see Note 6), incorporated on October 8, 2020.

3. Critical accounting estimates and judgement

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim financial statements and the reported amount of expenses during each year. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended December 31, 2020, except as follows:

Functional currency

The functional currency for each of the Company and its subsidiary is the currency of the primary economic environment in which the entity operates. Determination of functional currency involves certain judgments to determine the primary economic environment of an entity and this is re-evaluated for each new entity following an acquisition, or if events and conditions change.

Impairment of exploration and evaluation assets

The recoverability of amounts shown as mining claims and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties. At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to mining claims and deferred exploration costs. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment.

(Unaudited – Expressed in Canadian Dollars)

Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exist to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at March 31, 2021.

Restoration, rehabilitation and environmental obligations

Management must determine if estimates of the future costs the Company will incur to complete the rehabilitation work is required to comply with existing laws, regulations and agreements in place at each exploration site. Actual costs incurred may differ from those amounts estimated. Future changes to environmental laws and regulations could increase the extent of rehabilitation work required by the Company. Management determined at the date of the statement of financial position that no material rehabilitation provisions were required under IAS 37, *Provisions, Contingent Liabilities, and Contingent Assets*.

Share-based compensation

The Company uses the fair-value method of accounting for share-based compensation related to incentive stock options and compensation warrants granted, modified or settled. Under this method, compensation cost attributable to options granted is measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate.

4. Acquisition of subsidiaries and exploration and evaluation assets

Under the terms of a share purchase agreement dated November 16, 2020, as amended January 4, 2021 and February 1, 2021, Silverton acquired from Silver One all of the issued and outstanding shares of KCP, which holds a 100% interest in Minera Terra and, thereby indirectly, the Silver Properties, and, in consideration of which, Silverton agreed to pay Silver One $6,000,000 in cash and shares as follows: (a) pay $1,250,000 in cash on closing (paid March 3, 2021), (b) issue 4,375,000 common shares of Silverton (the “Consideration Shares”, issued March 3, 2021), (c) pay $750,000 in cash eighteen months after closing, and (d) pay $500,000 in cash twenty four months after closing. The acquisition of the shares of KCP was the Company’s Qualifying Transaction under the rules of the TSX-V and closed on March 2, 2021. The acquisition of KCP and Minera Terra did not qualify as a business combination and is accounted for as an asset acquisition.

The consideration for the asset acquisition, and the related assets and liabilities acquired at March 2, 2021 are as follows:

Purchase Consideration	
	$
Cash - on closing	1,250,000
Cash - deferred	1,250,000
4,375,000 common shares of the Company at $0.80 per share	3,500,000
Fair value of consideration	6,000,000

(Unaudited – Expressed in Canadian Dollars)

Allocation of Purchase Consideration	
	$
Cash	6,737
Prepaids	13,414
Value-added tax receivable	57,113
Mineral properties	6,017,094
Accounts payable and accrued liabilities	(5,725)
Acquisition adjustment to mineral properties	(88,633)
	6,000,000

Silverton also granted a 1.5% net smelter return royalty (the "Royalty") on each of the Silver Properties to Silver One. At the option of Silverton, Silverton may repurchase, two-thirds (2/3) of the Royalty (being a 1% net smelter return royalty) with a payment equal to US $500,000 for each of the Silver Properties.

During the year ended December 31, 2020 the Company incurred $114,669 of acquisition costs, related to the Qualifying Transaction, which were recorded as long-term deferred acquisition costs at December 31, 2020. These costs were transferred to exploration and evaluation assets upon closing of the Qualifying Transaction (Note 6).

5. Prepaid expenses and other assets

	March 31, 2021	**December 31, 2020**
	$	**$**
Prepaid expenses	**1,726,394**	2,252
Other assets	**64,960**	-
	1,791,354	2,252

Prepaid expenses are impacted by the quantum and timing of contracts entered into. Prepaid expenses at March 31, 2021 represent the unamortized cost of contracts entered into for the development and expansion of the Company’s operations.

(Unaudited – Expressed in Canadian Dollars)

6. Exploration and evaluation assets

	La Frazada	Peñasco Quemado	Pluton	Total
	$	$	$	$
December 31, 2020	**-**	**-**	**-**	**-**
Exploration and evaluation assets acquired (Note 4)	2,087,978	3,893,957	35,159	6,017,094
Gain on acquisition of exploration and evaluation assets (Note 4)	(30,756)	(57,359)	(518)	(88,633)
Transfer of deferred acquisition costs (Note 4)	39,791	74,208	670	114,669
Consulting	2,069	3,729	183	5,981
Legal	6,050	11,283	102	17,435
Land / Recording Fees	13,740	47,856	502,960	564,556
Share-based compensation	85,743	159,905	1,444	247,092
Foreign exchange translation	(18,105)	(33,764)	(265)	(52,134)
	2,186,510	4,099,815	539,735	6,826,060
March 31, 2021	**2,186,510**	**4,099,815**	**539,735**	**6,826,060**

On March 2, 2021, the Company completed the acquisition of three silver-focused Mexican mineral properties, being Peñasco Quemado, Sonora; La Frazada, Nayarit; and Pluton, Durango (the “Silver Properties”), from Silver One by acquiring from Silver One all of the issued and outstanding shares of KCP, which holds, through its wholly owned subsidiary, Minera Terra, a 100% interest in the Silver Properties (see Note 4).

La Frazada

The La Frazada Property is located within the central portion of the Mexican state of Nayarit, approximately 55 km northwest of Tepic, the capital of the state of Nayarit and 300 km to the northwest of the city of Guadalajara, the second largest city in Central Mexico. The La Frazada Property is situated in the El Zopilote mining district in the Ruiz municipality. KCP Minerals holds 100% of the La Frazada Property through Minera Terra, which holds La Frazada mining concession totaling 299 ha. The concession is subject to bi-annual property taxes and the filing of assessment work reports in May of each year covering the work accomplished on the property between January and December of the preceding year. At present, the property tax bi-annual (i.e., twice per year) fee payable to the Mexican government for the mineral concession is Mx$ 52,612 (approximately US$2,630). The mineral concession expires on May 22, 2058. The concession is also subject to annual assessment work expenditure requirements of approximately US$6,000.

Peñasco Quemado

The Peñasco Quemado Silver Property is located within the north central portion of the Mexican state of Sonora, south of the American state of Arizona. approximately 14.5 km northwest of the town of Tubutama and in the Magdalena-Tubutama mining district. KCP Minerals holds 100% of the Peñasco Quemado Property through Minera Terra. The property consists of seven mining concessions. The main concessions are contiguous and vary in size for a total property area of approximately 3,746 ha, while the fractional claims are not contiguous. The concessions are subject to bi-annual property taxes, and the filing of assessment work reports in May of each year covering the work accomplished on the property between January and December of the preceding year. At present, the aggregate property tax payable to the Mexican government for the mineral concessions is Mx$ 658,954 per semester (approximately US$32,948). The mineral concessions at Peñasco Quemado expire between October 29, 2028 and September 14, 2056. The property is also subject to annual assessment work expenditure requirements of approximately US$300,000.

Pluton

Pluton is a 6,534-hectare property comprised of 3 contiguous mining concessions. It is strategically located within the historic "Ojuela-Mapimi Mining District" and lies along the eastern front of the Sierra Madre Oriental in northern Durango. KCP Minerals holds 100% of the Pluton Property through Minera Terra. The concessions are subject to bi-annual property taxes and the filing of assessment work reports reports in May of each year covering the work accomplished on the property between January and December of the preceding year. At present, the total bi-annual (i.e., twice per year) property tax fee payable to the Mexican government for the property's concessions is Mx$ 1,149,331 per semester (approximately US$57,500). At March 31, 2021, there is $503,000 (CAD equivalent) (December 31, 2020 - $nil) included in accounts payable and accrued liabilities for amounts due with respect to the property taxes. The property is also subject to annual assessment work expenditure requirements of approximately US$1,000,000.

Each of the Properties is subject to a 1.5% NSR per property with a buyback of 1% for US$500,000 in favor of a third party, First Mining Finance Corp. ("First Mining"). Upon closing of the Transaction, the Company will grant Silver One a 1.5% Net Smelter Return Royalty on each of the Silver Properties. At the option of the Company, the Company may purchase two-thirds of each individual royalty (being 1% of the applicable royalty) with a payment equal to US$500,000.

7. Share Capital

a) Authorized and issued

Unlimited common shares, without par value

b) Consolidation

On July 14, 2020, the Company consolidated its issued and outstanding common shares on the basis of 10 pre-consolidation shares for one post-consolidation share (the "Consolidation"). All references to share and per share amounts in these consolidated financial statements have been retroactively restated to reflect the Consolidation.

c) Financings:

<u>Brokered and Non-Brokered Private Placement</u>

On January 8, 2021, Silverton, through Silverton Finco Inc. ("Finco"), completed its private placement offering through the issuance of 9,250,000 subscription receipts (each, a "Subscription Receipt") at a price of $0.80 per Subscription Receipt for aggregate gross proceeds of $7,400,000 (the "Brokered Private Placement"). The Brokered Private Placement was completed by a syndicate of underwriters (the "Agents"). As a result of closing of the Qualifying Transaction, each Subscription Receipt automatically converted, on March 2, 2021, into one common share of Silverton and one Silverton common share purchase warrant (each a "Silverton Warrant"). Each Silverton Warrant is exercisable for one Silverton Share at an exercise price of $1.15 per share until March 2, 2024.

(Unaudited – Expressed in Canadian Dollars)

In connection with the closing of the Brokered Private Placement, the Agents received a cash commission equal to 6% of the gross proceeds from the Brokered Private Placement. In addition, the Agents received non-transferable common share purchase warrants equal to 6% of the number of Subscription Receipts issued under the Brokered Private Placement (each a "Broker Warrant"). Upon completion of the Qualifying Transaction, each Broker Warrant is exercisable into one Silverton Share at an exercise price of $0.80 for a period of 24 months from the escrow release date. In addition, the Company incurred cash finders' fees of $647,213, other cash issuance costs of $82,615, and issued 555,555 finders' warrants with a fair value of $350,252.

On March 2, 2021, Silverton, through Finco, completed a non-brokered private placement for 2,324,000 units (each a "Unit") at a price of $0.80 per Unit for total proceeds of $1,859,200 (the "Non-Brokered Private Placement"). As a result of closing of the Transaction, each holder of the Units received one Silverton Share and one Silverton Warrant. Each Silverton Warrant is exercisable for one Silverton Share at an exercise price of $1.15 until March 2, 2024.

During the year-ended December 31, 2020, $25,710 of share issuance costs were deferred as financing costs and recognized as share issuance costs on March 2, 2021 upon closing of the above financings.

d) Stock options

The Company adopted a share option plan (the "Plan") on August 6, 2013 for certain employees and non-employees. The Plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the TSX-V. The exercise price of option grants will be determined by the Board of Directors, but cannot be lower than the price permitted by the TSX-V. The Plan provides that the number of common shares that may be reserved for issuance to any one individual upon exercise of all share options held by such individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. Subject to earlier termination, all share options granted under the Plan will expire not later than the date that is five years from the date that such share options are granted. In the event that an optionee ceases to be a director, officer, employee or consultant, the option will terminate within ninety days. In the event of the death of an optionee, the options will only be exercisable within 12 months of such death. Options granted under the Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

The balance of options outstanding and related information for the three months ended March 31, 2021 are as follows:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance December 31, 2020	-	-	-
Granted	2,450,000	$1.00	4.92
Balance March 31, 2021	2,450,000	$1.00	4.92
Unvested	-	-	-
Exercisable, March 31, 2021	**2,450,000**	**$1.00**	**4.92**

(Unaudited – Expressed in Canadian Dollars)

The balance of options outstanding as at March 31, 2021 was as follows:

Expiry date	Exercise price	Remaining life (years)	Options Outstanding	Unvested	Exercisable
March 2, 2026	$1.00	4.92	2,450,000	-	2,450,000
			2,450,000	**-**	**2,450,000**

During the three months ended March 31, 2021, 2,450,000 options were granted, all of which vested upon grant. The Company recorded share-based compensation expense arising from the granting of options of $1,729,462 (2020 - $nil) of which $247,092 (2020 -$nil) was allocated to exploration and evaluation assets. The fair value of the options granted during the six months ended March 31, 2021 was estimated using Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: share price - $0.80; exercise price $1.00; expected life – 5 years; risk-free rate – 0.78%; expected volatility - 144%; expected forfeitures – nil; and expected dividends – nil.

e) Share Purchase Warrants

The balance of warrants outstanding and related information for the three months ended March 31, 2021 are as follows:

	Number of warrants	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance December 31, 2020	-	-	-
Issued	12,129,000	$1.13	2.88
Balance March 31, 2021	12,129,000	$1.13	2.88
Exercisable, March 31, 2021	**12,129,000**	**$1.13**	**2.88**

The balance of options outstanding as at March 31, 2021 was as follows:

Expiry date	Exercise price	Remaining life (years)	Warrants Outstanding	Exercisable
March 2, 2023	$0.80	1.92	555,000	555,000
March 2, 2024	$1.15	2.92	11,574,000	11,574,000
			12,129,000	**12,129,000**

f) Escrowed shares

The total shares held in escrow at March 31, 2020 was 130,000, Upon completion of the Qualifying Transaction (see Note 4), the escrow shares were released during the quarter ended March 31, 2021. These shares are now included in the calculation of the weighted average number of shares outstanding for the three months ended March 31, 2021. The escrowed shares were excluded from the calculated of the weighted average number of shares outstanding for the three months ended March 31, 2020.

(Unaudited – Expressed in Canadian Dollars)

8. Capital Management

The Company defines its capital as its shareholders' equity (deficit) which as at March 31, 2021, totaled $12,369,092 (December 31, 2020 – deficit of $345,239). The Company manages its capital to ensure that sufficient funds are available to fund operations, including the identification and acquisition of businesses or assets.

The Company's capital management objectives, policies and processes have remained unchanged since the year ended December 31, 2020. Subsequent to completion of its Qualifying Transaction, the Company is no longer subject to externally imposed capital requirements. Prior to completion of its Qualifying Transaction, the amount of capital it was permitted to raise was limited to $5 million by the Capital Pool Company Policy of the TSX-V.

9. Related Party Transactions

Key management comprises the Directors, officers and consulting geologist of the Company. Compensation paid or accrued to key management or companies controlled by key management personnel during the three months ended March 31, 2021 and 2020 was as follows:

	2021	**2020**
	$	**$**
Professional fees	**9,400**	-
Management and consulting	**21,878**	-
Share-based compensation	**1,306,056**	-
	1,337,334	-

Professional fees represent fees charged by a Company controlled by the Chief Financial Officer of the Company for the provision of CFO services.

During the three months ended March 31, 2021, the Company incurred professional fees of $6,753 (2020- $4,497) for the provision of non-CFO accounting and advisory support services charged by a company controlled by the Chief Financial Officer of the Company.

On June 1, 2020 the Company entered into an office rental agreement with a company with a common director. The rental agreement is on a monthly recurring basis for a monthly charge of $1,500 and may be terminated by either party on 30 days' notice to the other party. As at March 31, 2021, a balance owing to a company with a common director of $1,654 (December 31, 2020 - $1,575) is included in accounts payable and accrued liabilities. All transactions with related parties have occurred in the normal course of operations.

Included in accounts payable and accrued liabilities at March 31, 2021 are amounts due to related parties of $35,519 (December 31, 2020 - $2,168) owing to key management, consultants and to a company controlled by the Chief Financial Officer for the provision of CFO, and non-CFO accounting and advisory support services. These amounts are non-interest bearing and due on normal commercial terms.

(Unaudited – Expressed in Canadian Dollars)

10. Supplemental cash flow information

Other cash flow information relating to operating activities is presented below:

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. As at, and during the three months ended March 31, 2021 and 2020, the following transactions were excluded from the statements of cash flows:

	March 31, 2021	March 31, 2020
	$	$
Non-cash investing and financing transactions		
Share-based compensation included in exploration and evaluation assets	247,092	-
Change in exploration and evaluation assets included in accounts payable and accrued liabilities	5,859	-
Change in exploration and evaluation assets arising from deferred acquisition costs	114,669	-
Change in exploration and evaluation assets arising from foreign exchange translation	(52,174)	-
Amounts arising from acquisition of Minera Terra:		
- Prepaids and other assets	(70,527)	-
- Accounts payable and accrued liabilities	508,645	-
- Deferred cash consideration payable	1,250,000	-
- Shares issued as consideration	3,500,000	-
Deferred share issuance costs	25,710	-

11. Segmented Information

The Company's operations are limited to a single industry segment, being mineral exploration and development. Geographic segment information of the Company's assets and liabilities as at March 31, 2021 and December 31, 2020 is as follows:

Identifiable assets	March 31, 2021	December 31, 2020
	$	$
Canada	8,193,656	402,907
Mexico	6,036,602	-
Total assets	**14,230,258**	**402,907**

Identifiable liabilities	March 31, 2021	December 31, 2020
	$	$
Canada	1,855,694	57,668
Mexico	5,472	-
Total liabilities	**1,861,166**	**57,668**

(Unaudited – Expressed in Canadian Dollars)

Geographic segmentation of the Company's net earnings (loss) for the three months ended March 31, 2021 and 2020 is as follows:

	March 31, 2021	March 31, 2020
	$	**$**
Canada	(1,687,445)	(14,241)
Mexico	5,975	-
Net earnings (loss)	**(1,681,470)**	**(14,241)**

13. Commitments

Commitments are disclosed pursuant to acquisition obligations (Note 4) and mineral property interest obligations (Note 6)

14. Subsequent Events

On May 5, 2021 the Company's shares commenced trading on the OTC Markets system, through the SEC-registered Alternative Trading System quotation facilities (known as OTC Link® ATS), under the symbol "SVTNF".