APOLLO SILVER CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FEBRUARY 28, 2023

APOLLO SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian Dollars)
(Unaudited)

	Notes		**February 28, 2023**		November 30, 2022
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**7,291,281**	$	9,362,409
Receivables			**17,142**		13,842
Prepaid expenses and deposits			**288,204**		239,626
Total current assets		**$**	**7,596,627**	$	9,615,877
Non-current assets					
Property and equipment	3		**370,119**		401,313
Exploration and evaluation assets	4		**83,671,495**		82,881,671
TOTAL ASSETS		**$**	**91,638,241**	$	92,898,861
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**1,695,585**	$	2,121,026
Lease liability	5(b)		**86,843**		87,721
Total current liabilities		**$**	**1,782,428**	$	2,208,747
Non-current liabilities					
Lease liability	5(b)		**136,101**		155,627
Warrant liability	6		**7,147**		119,934
TOTAL LIABILITIES		**$**	**1,925,676**	$	2,484,308
SHAREHOLDERS' EQUITY					
Capital stock	7	**$**	**101,628,076**	$	101,628,076
Reserves	7(c),(d)		**5,018,765**		4,958,999
Accumulated other comprehensive income			**6,434,020**		5,831,242
Accumulated deficit			**(23,368,296)**		(22,003,764)
TOTAL SHAREHOLDERS' EQUITY		**$**	**89,712,565**	$	90,414,553
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**91,638,241**	$	92,898,861

Nature and continuance of operations (Note 1)
Subsequent event (Note 6 & 7(c))

Approved and authorized for issue on behalf of the Board on April 26, 2023:

/s/ Thomas Peregoodoff — Thomas Peregoodoff, Director

/s/ Steven Thomas — Steven Thomas, Director

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

APOLLO SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Stated in Canadian Dollars)
(Unaudited)

	Notes		Three months ended February 28, 2023		2022
Operating expenses					
Exploration and evaluation expenses	8	**$**	**941,150**	$	1,030,934
Administrative expenses	9		**588,360**		1,438,430
Depreciation	3		**35,967**		28,885
Loss from operations			**1,565,477**		2,498,249
Other expenses					
Fair value adjustment on warrant liabilty	6		**(112,787)**		(460,719)
Gain on foreign exchange			**(27,978)**		(33,644)
Interest expense	5(b)		**8,274**		7,406
Other income			**(77,081)**		(5,677)
Other expense			**8,627**		581,992
Loss before income taxes			**1,364,532**		2,587,607
Income taxes			**-**		-
Net loss for the period		**$**	**1,364,532**	$	2,587,607
Other comprehensive (income) loss					
Items that may be reclassified subsequently to loss:					
Currency translation adjustment		**$**	**(602,778)**	$	573,911
Total other comprehensive (income) loss		**$**	**(602,778)**	$	573,911
Total comprehensive loss for the period		**$**	**761,754**	$	3,161,518
Loss per share (basic and diluted)		**$**	**0.01**	$	0.02
Weighted average number of basic and diluted common shares outstanding			**174,460,395**		163,378,402

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

APOLLO SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)
(Unaudited)

	Notes		Three months ended February 28, 2023		2022
Operating activities					
Net loss for the period		$	**(1,364,532)**	$	(2,587,607)
Adjustments for non-cash items:					
Share-based payments	8,9		**59,766**		551,419
Depreciation	3		**35,967**		28,885
Fair value adjustment on warrant liability	6		**(112,787)**		(460,719)
Interest expense	5(b)		**8,274**		7,406
Other income			**-**		(5,677)
Other expense			**-**		581,992
Unrealized foreign exchange			**(35,376)**		5,474
Changes in non-cash working capital items:					
Receivables			**(3,300)**		(602,514)
Prepaid expenses			**(48,578)**		803,755
Accounts payable and accrued liabilities			**(425,441)**		154,583
Cash used in operating activities			**(1,886,007)**		(1,523,003)
Investing activities					
Acquisition of exploration and evaluation assets	4(a)		**(168,750)**		(286,493)
Acquisition of equipment	3		**(3,643)**		(75,700)
Cash used in investing activites			**(172,393)**		(362,193)
Financing activities					
Proceeds from exercise of warrants			**-**		212,031
Share issuance costs			**-**		(1,128)
Principal payments on lease liabilities	5(b)		**(20,752)**		(11,907)
Interest payments on lease liabilities	5(b)		**(8,274)**		(7,406)
Cash from financing activities			**(29,026)**		191,590
Effect of changes in foreign exchange rates on cash and cash equivalents			**16,298**		(6,491)
Decrease in cash and cash equivalents			**(2,071,128)**		(1,700,097)
Cash and cash equivalents, beginning of period			**9,362,409**		15,746,122
Cash and cash equivalents, end of period		**$**	**7,291,281**	$	14,046,025

The non-cash investing actvities not already disclosed in the condensed interim consolidated statements of cash flows were as follows:

	Notes		Three months ended February 28, 2023		2022
Investing activities					
Shares and warrants issued on acquisition of exploration and evaluation assets	4(b)	$	-	$	125,450

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

APOLLO SILVER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Stated in Canadian Dollars)
(Unaudited)

				Equity reserves											
	Number of common shares		Share capital		Warrants reserve		Contributed Surplus		Share-based payments reserve		Accumulated other comprehensive (loss) income		Accumulated deficit		Total
Balance at November 30, 2021	162,814,573	$	98,632,134	$	442,352	$	672,095	$	2,595,024	$	1,538,937	$	(11,394,964)	$	92,485,578
Net loss for the period	-		-		-		-		-		-		(2,587,607)		(2,587,607)
Shares issued on exercise of warrants	842,500		224,507		-		-		-		-		-		224,507
Share issue costs on private placement	-		(1,128)		-		-		-		-		-		(1,128)
Shares issued on acquisition of exploration and evaluation assets	203,322		125,450		-		-		-		-		-		125,450
Share-based payments	-		-		-		-		551,419		-		-		551,419
Other comprehensive loss	-		-		-		-		-		(573,911)		-		(573,911)
Balance at February 28, 2022	163,860,395	$	98,980,963	$	442,352	$	672,095	$	3,146,443	$	965,026	$	(13,982,571)	$	90,224,308
Balance at November 30, 2022	**174,460,395**	**$**	**101,628,076**	**$**	**-**	**$**	**1,114,447**	**$**	**3,844,552**	**$**	**5,831,242**	**$**	**(22,003,764)**	**$**	**90,414,553**
Net loss for the period	**-**		**-**		**-**		**-**		**-**		**-**		**(1,364,532)**		**(1,364,532)**
Share-based payments	**-**		**-**		**-**		**-**		**59,766**		**-**		**-**		**59,766**
Other comprehensive income	**-**		**-**		**-**		**-**		**-**		**602,778**		**-**		**602,778**
Balance at February 28, 2023	**174,460,395**	**$**	**101,628,076**	**$**	**-**	**$**	**1,114,447**	**$**	**3,904,318**	**$**	**6,434,020**	**$**	**(23,368,296)**	**$**	**89,712,565**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Apollo Silver Corp. (the "Company" or "Apollo") is a publicly listed exploration and development company incorporated on September 22, 1999, under the laws of the Province of Alberta, Canada. The Company filed for continuance under the Canada Business Corporations Act on December 1, 2003, and then under the laws of British Columbia on November 2, 2010. The Company is listed on the TSX Venture Exchange ("TSX-V") and its shares trade under the symbol APGO. The Company is also listed on the OTCQB and Frankfurt Stock Exchange and its shares trade under the symbols APGOF and 6ZF0, respectively. The Company's head office and registered and records office is #710-1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3.

The Company, together with its subsidiaries, is a mineral exploration and development group focused on advancing its portfolio of two silver exploration and resource development projects in the United States. This portfolio includes the Calico Silver Project (the "Calico Project") which is comprised of the Waterloo property (the "Waterloo Property") and the Langtry property (the "Langtry Property"), in San Bernardino County, California, and the Arizona Silver District Project (the "AZ Silver District Project") in La Paz County, Arizona. The principal business of the Company is the acquisition, exploration, and definition of potentially economically viable mineral resource deposits on mineral properties.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. For the three months ended February 28, 2023, the Company had no operating revenue and incurred a net loss of approximately $1.36 million (February 28, 2022 - $2.59 million). At February 28, 2023, the Company had consolidated cash of $7.29 million (November 30, 2022 - $9.36 million) to apply against current liabilities of approximately $1.78 million (November 30, 2022 - $2.21 million).

At February 28, 2023, the Company believed it had adequate resources to maintain its minimum obligations arising over the next 12 months, including general corporate activities, based on its cash position, its ability to modify planned activities or exploration programs, and ability to pursue additional sources of financing, including equity placements.

The Company currently has no source of operating cash flow and no assurance that additional funding will be available for future exploration and development programs at its properties or to enable the Company to fulfill its obligations under any applicable agreements. The Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to continue to explore, evaluate and develop its mineral properties and, ultimately, to achieve profitable operations. While the Company has been successful in obtaining funding in the past, there is no assurance that future financing will be available or be available on favorable terms. The ability to secure financing may be impaired, or such financing may not be available on favorable terms due to conditions beyond the Company's control, such as uncertainty in capital markets, changes in commodity prices or country-specific risk factors.

The resulting effects of COVID-19 and geopolitical instability around the world have caused and continues to cause considerable disruptions to the world economy, including financial markets, which could adversely impact the Company's ability to obtain additional financing when necessary. Global supply chains also continue to be impacted, which could adversely impact the Company by increasing costs and the lead time to acquire or procure necessary services and products. Finally, the effects of COVID-19 could have a future impact on the free movement of people across the Canada-US border. The duration of any border restrictions, and any change to the level and types of restriction of movement, is unknown. As the Company's projects are located in the US, this could impact Apollo's ability to execute planned work programs. Furthermore, the global economy is currently affected by rising inflation, which may continue to impact the Company's costs and could result in modification or termination of planned work programs. Overall, these material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

(a) Statement of compliance and basis of preparation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee. These condensed interim consolidated financial statements do not include all the information and footnotes required by IFRS for annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended November 30, 2022, which have been prepared in accordance with IFRS, as issued by the IASB.

These condensed interim consolidated financial statements, including comparatives, have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual consolidated financial statements for the year ended November 30, 2022.

(b) Significant accounting policies

Basis of measurement

The accounting policies applied in the preparation of these condensed interim consolidated financial statements, including comparatives, are consistent with those applied and disclosed in Note 3 of the Company's annual financial statements for the year ended November 30, 2022.

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. Each of the Company's subsidiaries determines its own functional currency, and items included in the financial statements of each subsidiary are measured in that functional currency. The functional currency of Apollo's foreign exploration and development subsidiary in the USA is the US dollar.

References to "$" are to Canadian dollars, except where otherwise indicated.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries, which are entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from the entity's activities. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements as at the date that control commences until the date that control ceases. If the Company's interest in a subsidiary that it has determined it controls, is less than 100%, the interest attributable to non-controlling shareholders is recognized as non-controlling interest.

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those of the Company.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

Business combinations

Acquisitions of subsidiaries which represent business combinations are accounted for using the acquisition method. The consideration transferred is measured at the aggregate of the fair value, at the date of exchange, of assets given up, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets and liabilities that meet the conditions for recognition are recognized at their fair values at the acquisition date, except for certain assets and liabilities which are recognized and measured in accordance with the applicable IFRS guidance.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets and liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

Non-controlling interests present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Transaction costs, other than those associated with the issuance of debt or equity securities that the Company incurs in connection with a business combination, are expensed as incurred.

Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate on the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into the functional currency at the exchange rate on the date when the fair value was measured. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into Canadian dollars using the exchange rates as at the date of the statement of financial position. The income and expenses of foreign operations are translated into Canadian dollars using the exchange rates prevailing on the transaction dates.

Foreign currency differences are recognized in other comprehensive income (loss) and accumulated in other reserves within equity, except to the extent that the translation difference is allocated to non-controlling interests. On the disposal of a foreign operation, such exchange differences are reclassified from other reserves to profit or loss.

(c) Adoption of new and revised accounting standards and interpretations

The Company has not adopted any new amendments to IFRS in the current period that had a significant impact on the Company's condensed interim consolidated financial statements.

Several new accounting standards, and amendments to standards and interpretations, have been issued but are not yet effective for the current period ended February 28, 2023. None of these changes have been early adopted nor are they considered by management to be significant or likely to have a material impact on the Company's condensed interim consolidated financial statements.

(d) Critical accounting estimates and significant judgments

The preparation of these condensed interim consolidated financial statements in conformity with IAS 34 requires management to make certain estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and the reported expenses during the period. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

In March 2020, the World Health Organization declared a global pandemic due to COVID-19. COVID-19 has had an adverse impact on global economic conditions, including global supply chain disruptions, government response actions, business closures and disruptions and the availability of financing. Areas of judgment and estimation uncertainty which may be impacted by COVID-19 include estimates used to determine long-lived asset recoverability and recognition of tax assets, and management's assessment of Apollo's ability to continue as a going concern. The duration of the pandemic and its impact on the Company's financial performance is an area of estimation uncertainty and judgment that is continuously monitored and reflected in management's estimates.

The most significant areas of judgments made by management are as follows:

(i) *Going concern*

The assessment of the Company's ability to continue as a going concern, to raise sufficient funds to pay for its ongoing operating expenditures and to meets its liabilities for the ensuing year as they fall due, involves judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances (Note 1).

(ii) *Impairment of exploration & evaluation assets and property, plant & equipment*

Assets or CGU's are evaluated at each reporting date to determine whether there are any indications of impairment. Both internal and external sources of information are considered when making the assessment of whether there are indications of impairment for mineral properties and property, plant and equipment. External sources of information considered are changes in the Company's economic, legal and regulatory environment that it does not control but affect the recoverability of its assets. Internal sources of information considered include the manner in which mineral properties and property, plant and equipment are being used or are expected to be used, the viability of the projected, including the latest resources prices and the long-term forecasts, and indications of economic performance of those assets.

If any indication of impairment exists, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or CGU is measured at the higher of fair value less costs to sell and value-in-use. At February 28, 2023, the Company had not identified any indicators of impairment.

(iii) *Determination of functional currency*

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, the Company has determined that its functional currency is the Canadian dollar (Note 2(b)).

Determination of functional currency may involve certain judgments to determine the primary economic environment that an entity operates in. The Company reconsiders the functional currency of its entities if there is any change in events and conditions which determined the primary economic environment.

(iv) *Determination of whether a contract contains a lease*

In accordance with IFRS 16, the Company has to assess whether or not a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The most significant estimates made by management are as follows:

(i) *Income tax*

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

(Stated in Canadian Dollars, unless otherwise noted)

(ii) Valuation of share-based payments and share purchase warrants

Share-based payments, including share purchase options (Note 7(d)) and share purchase warrants (Note 7(c)) are subject to estimation of the fair value of the equity-settled award at the date of grant using pricing models such as the Black-Scholes option pricing model. Option valuation models require the input of highly subjective assumptions including the expected stock price volatility and expected life. Changes in these assumptions can materially affect the fair value estimate, so the existing models do not necessarily provide a reliable measure of the fair value, which may impact the Company's net loss, statement of financial position and equity reserves. Shares issued as consideration in a transaction such as an asset acquisition are also subject to estimation of the fair value on the date of issuance. Significant assumptions are required to be made when management determines the fair value, and any changes in the assumptions would have an impact on the fair value of the shares issued.

(iii) Determination of useful lives of property, plant and equipment and the related depreciation

Depreciation expenses are allocated based on estimated lives. Should the asset life or depreciation rates differ from the initial estimate, an adjustment would be made in the consolidated statement of loss and comprehensive loss on a prospective basis.

(iv) Discount rate used to determine lease liabilities

Significant assumptions are required to be made when management determines the Company's incremental borrowing rate, which is used to present value the future lease payments and any changes in the estimated rate would have an impact on the lease liability, ROU assets, depreciation expense and interest expense.

3. PROPERTY AND EQUIPMENT

	Computer equipment	Furniture & equipment	Leasehold improvements	Vehicles	ROU assets (Note 5(a))	Total
Cost						
Balance - November 30, 2021	$ 16,629	$ -	$ 34,129	$ -	$ 219,017	$ 269,775
Additions	9,345	21,278	-	135,078	93,615	259,316
Other adjustments	-	-	(219)	-	-	(219)
Foreign exchange	-	782	-	8,681	6,004	15,467
Balance - November 30, 2022	**25,974**	**22,060**	**33,910**	**143,759**	**318,636**	**544,339**
Additions	**3,643**	**-**	**-**	**-**	**-**	**3,643**
Foreign exchange	**-**	**92**	**-**	**1,075**	**745**	**1,912**
Balance - February 28, 2023	**$ 29,617**	**$ 22,152**	**$ 33,910**	**$ 144,834**	**$ 319,381**	**$ 549,894**
Accumulated amortization						
Balance - November 30, 2021	$ 2,385	$ -	$ 1,193	$ -	$ 3,650	$ 7,228
Charge for the year	4,628	5,710	6,781	24,003	91,556	132,678
Foreign exchange	-	98	-	964	2,058	3,120
Balance - November 30, 2022	**7,013**	**5,808**	**7,974**	**24,967**	**97,264**	**143,026**
Charge for the period	**1,419**	**2,291**	**1,696**	**7,177**	**23,384**	**35,967**
Foreign exchange	**-**	**45**	**-**	**252**	**485**	**782**
Balance - February 28, 2023	**$ 8,432**	**$ 8,144**	**$ 9,670**	**$ 32,396**	**$ 121,133**	**$ 179,775**
Net book value - November 30, 2022	$ 18,961	$ 16,252	$ 25,936	$ 118,792	$ 221,372	$ 401,313
Net book value - February 28, 2023	**$ 21,185**	**$ 14,008**	**$ 24,240**	**$ 112,438**	**$ 198,248**	**$ 370,119**

(Stated in Canadian Dollars, unless otherwise noted)

4. EXPLORATION AND EVALUATION ASSETS

	California	Arizona	
	Calico Silver Project (Note 4(a))	**Arizona Silver District Project (Note 4(b))**	**Total**
Balance - November 30, 2021	$ 74,352,175	$ 3,720,561	$ 78,072,736
Option payments	161,043	250,900	411,943
Effect of movements in exchange rates	4,169,483	227,509	4,396,992
Balance - November 30, 2022	**$ 78,682,701**	**$ 4,198,970**	**$ 82,881,671**
Option payments	**168,750**	**-**	**168,750**
Effect of movements in exchange rates	**589,677**	**31,397**	**621,074**
Balance - February 28, 2023	**$ 79,441,128**	**$ 4,230,367**	**$ 83,671,495**

(a) Calico Silver Project, California, USA

The Calico Project, comprised of the adjacent Waterloo Property and Langtry Property, is located in the Calico Silver Mining District in the Mojave Desert of San Bernardino County, California, USA. The Calico Project is situated approximately 15 km (9 miles) from the City of Barstow, approximately halfway between Los Angeles and Las Vegas, Nevada, along the I-15 interstate highway.

(i) The Waterloo Property

The Waterloo Property comprises 27 fee simple land parcels (1,350 acres) and 21 unpatented claims (19 lode mining claims, 2 mill site claims) (418 acres), totaling approximately 1,770 gross acres. Pan American Minerals Inc., a wholly-owned subsidiary of Pan American Silver Corp. retains a 2% Net Smelter Royalty on any future production of minerals from the Waterloo Property.

(ii) The Langtry Property

The Langtry Property comprises 20 patented claims (413 acres) and 38 unpatented lode mining claims (765 acres), totaling approximately 1,178 acres. 20 patented claims and two unpatented claims are under option between Stronghold USA and the Bruce and Elizabeth Strachan Revocable Living Trust dated 7-25-2007 ("Strachan"), while the remaining 36 unpatented claims are under option between Stronghold USA and Athena Minerals Inc. ("Athena"). Each agreement is subject to various royalties and encumbrances.

Strachan Agreement

Stronghold USA, the optionee, and Strachan, the optionor, entered into an Option to Purchase Agreement (the "Strachan Agreement") dated December 23, 2020, which gives Stronghold USA the right to acquire a 100% interest in 20 patented land claims and two unpatented lode mining claims forming a portion of the Langtry Property ("Strachan Lands") for the aggregate purchase price of the greater of: 1) US$5,200,000; or 2) the spot price of 220,000 troy ounces of silver, on or before December 24, 2025.

Under the terms of the Strachan Agreement, Stronghold USA is required to pay US$100,000 on each Strachan Agreement anniversary date to maintain the option in good standing. All payments made during the term of the option shall be applied to the purchase price. Upon full exercise of the option, Stronghold USA will grant to Strachan the following: 1) a 1% Net Smelter Royalty on any future production of silver from the Strachan Lands; 2) a 5% gross royalty on all other mineral production from the Strachan Lands; and 3) a 10% gross royalty on all other non-mineral production income derived from any other commercial use of the Strachan Lands.

As of February 28, 2023, a total of three non-refundable option payments of US$100,000 have been made under the Strachan Agreement, including the third non-refundable payment of $135,000 (US$100,000) made in December 2022, all of which will be credited against the final purchase price at the time of exercise.

Athena Agreement

Stronghold USA, the optionee, and Athena, the optionor, entered into an Option to Purchase Agreement (the "Athena Agreement") dated December 21, 2020 and amended on January 11, 2023, which gives Stronghold USA the right to acquire 100% interest in 36 unpatented lode mining claims forming a portion of the Langtry Property ("Athena Lands") for an aggregate purchase price of US$1,000,000 to be made on or before December 21, 2025.

Terms of the option include US$15,000 upon execution of the Athena Agreement (paid in December 2020, prior to Apollo acquiring Stronghold USA) and US$25,000 on each Athena Agreement anniversary date. All payments made by the optionee to the optionor during the 24-month period prior to the full exercise of the option shall be credited against the purchase price.

Upon vesting of 100% interest, Stronghold USA will grant to Athena a 1% Net Smelter Royalty on any future production of minerals from the Athena Lands. The royalty shall only apply on those Athena Lands that currently do not have existing royalties of 1% or higher such that at no time will any property have a royalty of greater than 2%.

In December 2022 and 2021, the Company made non-refundable option payments of $33,750 (US$25,000) and $32,113 (US$25,000), respectively, to Athena, under the terms of the Athena Agreement.

(b) Arizona Silver District Project, Arizona, USA

The AZ Silver District Project is a district-scale property position located in the heart of the historic Silver Mining District in La Paz County, southwestern Arizona. The AZ Silver District Project comprises three patented claims, 85 unpatented lode mining claims, 23 unpatented mill and a state exploration lease, totalling over 2,000 acres.

Stronghold USA, the optionee, and Gulf + Western Industries Inc. ("Gulf"), the optionor, entered into an Option to Purchase Agreement dated January 22, 2021 (the "AZ Silver District Option Agreement"), which gives Stronghold USA the right to acquire a 100% interest in mineral claims and leased lands forming the AZ Silver District Project for an aggregate purchase price of US$1,970,000 to be made in a series of payments originally due on or before January 22, 2026.

On November 16, 2022, the Company announced that it had re-negotiated the terms of the AZ Silver District Option Agreement, resulting in all future option payment obligations being deferred by 12 months.

Amended terms of the AZ Silver District Option Agreement are as follows:

(i) US$70,000 due upon closing (paid in January 2021);
(ii) US$100,000 plus US$100,000 in common shares of Apollo on January 22, 2022 (paid in January 2022);
(iii) US$125,000 plus US$125,000 in common shares of Apollo on January 22, 2024 (originally January 2023);
(iv) US$175,000 plus US$175,000 in common shares of Apollo on January 22, 2025 (originally January 2024);
(v) US$250,000 plus US$250,000 in common shares of Apollo on January 22, 2026 (originally January 2025);
(vi) US$300,000 plus US$300,000 in common shares of Apollo on January 22, 2027 (originally January 2026).

Additional bonus payments, the dates of which were not amended, will be made by Apollo in the following events:

(i) US$250,000 plus US$250,000 in common shares of Apollo in the event the property becomes the flagship property of the company on or before January 22, 2024;
(ii) US$250,000 plus US$250,000 in common shares of Apollo in the event Apollo declares a NI 43-101 compliant resource of at least 30 million ounces of silver on or before January 22, 2024;
(iii) US$3,000,000 in the event that the price of silver exceeds US$125/ounce for ninety days on or before

(Stated in Canadian Dollars, unless otherwise noted)

January 22, 2026.

Upon vesting of the 100% interest, Apollo will grant to Gulf a 2% Net Smelter Royalty on any future production of minerals from the AZ District Project.

In January 2022, the Company made a payment of $125,450 (US$100,000) which was due on the first anniversary of the effective date of the AZ Silver District Option Agreement and issued an aggregate of 203,322 common shares of the Company at a price of C$0.617 per share, representing a value of approximately $125,450 (US$100,000 on the deemed conversion date) to Gulf.

5. LEASES

(a) Right-of-use-assets

At February 28, 2023, approximately $198,000 (November 30, 2022 - $221,000) of ROU assets, consisting of the Company's head office premises in Vancouver, BC, and warehouse in Barstow, California are recorded as part of property and equipment. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying assets.

		Office		Warehouse		**Total**
Net book value of ROU assets at November 30, 2021	$	215,367	$	-	$	215,367
Additions		-		93,615		93,615
Amortization charge for the year		(43,803)		(47,753)		(91,556)
Foreign exchange		-		3,946		3,946
Net book value of ROU assets at November 30, 2022	**$**	**171,564**	**$**	**49,808**	**$**	**221,372**
Amortization charge for the period		**(10,951)**		**(12,434)**		**(23,385)**
Foreign exchange		**-**		**261**		**261**
Net book value of ROU assets at February 28, 2023	**$**	**160,613**	**$**	**37,635**	**$**	**198,248**

(b) Lease liabilities

The Company's leases comprise only fixed payments over the term of the lease. The Company recorded interest expense of $8,274 on lease liabilities for the three months ended February 28, 2023 (February 28, 2022 - $7,406). During the three months ended February 28, 2023, the Company also recorded expenses of $Nil (February 28, 2022 - $Nil) related to short-term leases.

	Three months ended February 28,			
		2023		2022
Lease liability continuity				
Balance at beginning of period	**$**	**243,348**	$	214,063
Non-cash changes				
Additions		**-**		93,615
Accretion		**8,274**		7,406
Change in foreign exchange and other		**348**		34
Cash flows				
Principal payments		**(20,752)**		(11,907)
Interest payments		**(8,274)**		(7,406)
Total lease liabilities, end of period	**$**	**222,944**	$	295,805

The contractual maturities in respect of the Company's lease obligations are as follows:

		February 28, 2023		November 30, 2022
Maturity analysis - contractual undiscounted cash flows				
Less than one year	**$**	**112,348**	$	116,313
One to two years		**60,952**		70,408
Two to three years		**61,452**		61,077
Three to four years		**41,634**		57,246
Total undiscounted lease liabilities		**276,386**		305,044
Effect of discounting		**(53,442)**		(61,696)
Total lease liabilities	**$**	**222,944**	$	243,348
Current	**$**	**86,843**	$	87,721
Non-current	**$**	**136,101**	$	155,627

6. WARRANT LIABILITY

The Company's warrant liability arose as the Company assumed 5,010,638 share purchase warrants bearing an exercise price denominated in US dollars, as part of the transaction that it acquired its wholly-owned subsidiary, Stronghold Silver USA, in July 2021 (the "Stronghold Warrants"). Upon closing the transaction, the Stronghold Warrants became exercisable into common shares of Apollo. As the denominated currency of the Stronghold Warrants exercise price is different from the Canadian dollar functional currency of Apollo, the entity responsible for issuing the underlying shares, the Company recognized a derivative liability for these warrants at fair value on the date of issuance, which is then re-measured at each reporting date using the Black-Scholes option-pricing model. As at February 28, 2023, the fair value of the Stronghold Warrants was estimated at approximately $7,000 compared to $120,000 at November 30, 2022.

Changes in respect of the Company's warrant liability are as follows:

	Number of warrants		Fair value of warrant liability
Outstanding, November 30, 2021	4,985,638	$	2,252,836
Exercise of Stronghold Warrants	(37,500)		(12,476)
Fair value adjustment on warrant liability	-		(2,120,426)
Outstanding, November 30, 2022	**4,948,138**	**$**	**119,934**
Fair value adjustment on warrant liability	–		(112,787)
Outstanding, February 28, 2023	**4,948,138**	**$**	**7,147**

Valuation of the warrant liability requires the use of highly subjective estimates and assumptions including the expected stock price volatility. The expected volatility used in valuing warrants is based on volatility observed in historical periods and comparative companies in the industry. Changes in the underlying assumptions can materially affect the fair value estimates. The fair value of the warrant liability was calculated as at February 28, 2023 and November 30, 2022, using the Black-Scholes option-pricing model with the following weighted-average assumptions and resulting fair values:

	February 28, 2023	November 30, 2022
Risk-free interest rate	**4.27%**	3.86%
Expected warrant life (years)	**0.11**	0.36
Expected stock price volatility	**70.19%**	97.54%
Expected dividend yield	**$0.00**	$0.00
Estimated fair value of each Warrant	**$0.002**	$0.24

On April 9, 2023, all 4,948,138 Stronghold Warrants expired unexercised, and the Warrant Liability was revalued to $Nil.

(Stated in Canadian Dollars, unless otherwise noted)

7. SHARE CAPITAL AND RESERVES

(a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value. At February 28, 2023, the Company had 174,460,395 common shares issued and outstanding (November 30, 2022 – 174,460,395).

(b) Shares issued

(i) Current period

No common shares were issued during the three months ended February 28, 2023.

(ii) Prior year

A total of 11,442,500 warrants were exercised during the year ended November 30, 2022, resulting in the issuance of 11,442,500 common shares of the Company for total proceeds of approximately $2.86 million (Note 7(c)). 37,500 of these exercised warrants were those classified as a warrant liability, and upon exercise, the fair value of $12,476 relating to the 37,500 exercised warrants was debited from warrant liability and credited to share capital (Note 6).

A total of 203,322 common shares of the Company were issued to Gulf in January 2022 at a price of $0.617 per share, representing a value of approximately $125,450 (US$100,000 on the deemed conversion date) under the terms of the AZ Silver District Option Agreement (Note 4(b)).

Share issuance costs of approximately $4,000 were incurred during the year ended November 30, 2022.

(c) Share purchase warrants

There was no share purchase warrant activity during the three months ended February 28, 2023.

During the year ended November 30, 2022, a total of 11,442,500 warrants were exercised resulting in the issuance of 11,442,500 common shares for gross proceeds of approximately $2.86 million.

Warrants transactions are summarized as follows:

	Number of warrants		Weighted average exercise price
Outstanding, November 30, 2021	61,103,720		0.89
Exercise of warrants classified as equity instruments	(11,405,000)		0.25
Exercise of warrants classified as financial liabilities (Note 6)	(37,500)		0.25
Expiration of warrants classified as equity instruments	(9,446,415)		0.64
Outstanding, November 30, 2022	**40,214,805**	**$**	**1.13**
Outstanding, February 28, 2023	**40,214,805**	**$**	**1.13**

Details of the warrants outstanding as at February 28, 2023, are as follows:

Expiry Date	Note	Number of warrants		Weighted average exercise price ($ per warrant)	Weighted average remaining contractual life (years)
April 9, 2023	6, 7(c)(i)	4,948,138	$	0.27	0.11
July 6, 2023		35,266,667		1.25	0.35
		40,214,805	**$**	**1.13**	**0.32**

(i) The warrants expiring on April 9, 2023, bear an exercise price of US$0.20 which has been converted to CAD using the period-end foreign exchange rate for presentation purposes in the above table. These warrants are classified as a derivative liability (Note 6) in these condensed interim consolidated financial statements and upon exercise, the fair value of the liability at the time of exercise is derecognized and transferred to share capital. All 4,4948,138 of these warrants expired unexercised on April 9, 2023.

(Stated in Canadian Dollars, unless otherwise noted)

(d) Share-based payments

The Company has a stock option plan (the "Plan") under which it is authorized to grant share purchase options to executive officers and directors, employees and consultants of the Company. The aggregate number of securities reserved for issuance will be not more than 10% of the issued and outstanding common stock of the Company. Under the Plan, the exercise price of each option will be set by the Board of Directors and cannot be less than the discounted market price, which is equal to the market price of the Company's stock at the time of the grant, less the applicable discount permitted by the TSX-V. The options can be granted for a maximum term of 5 years with vesting determined by the Board of Directors.

During the three months ended February 28, 2023, there were no grants, exercises, expirations, cancellations or forfeitures of share purchase options.

During the year ended November 30, 2022, a total of 4,500,000 share purchase options were granted to certain employees, directors and consultants of the Company. 500,000 of these share purchase options granted are exercisable at an average exercise price of $0.59 per common share and vest over a twelve-month period, with one-third vesting on the date of the grant, one-third vesting after six months and the balance vesting after twelve months. The remaining 4,000,000 granted are exercisable at a weighted average price of $0.14 per common share and vest over a twenty-four-month period, with one-third vesting on the date of the grant, one-third vesting after 12 months and the balance vesting after twenty-four months. All stock options granted during the year ended November 30, 2022, expire 5 years from the date of issuance.

The weighted average fair value of each share purchase option granted during the year ended November 30, 2022, was estimated to be $0.11 on the date of issuance using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 3.59%, expected life of 3.44 years, annualized volatility of 98% and dividend yield of 0%.

Share-based payments expense for the three months ended February 28, 2023, is approximately $60,000 (February 28, 2022 - $551,000), and has been allocated between administrative expenses (Note 9) and exploration and evaluation expenses (Note 8) in the condensed interim consolidated statements of loss and comprehensive loss.

The following is a summary of share purchase option activity for the three months ended February 28, 2023, and 2022:

	Three months ended February 28, 2023			Three months ended February 28, 2022		
	Number of stock options		**Weighted average exercise price ($ per share)**	Number of stock options		Weighted average exercise price ($ per share)
Outstanding, beginning of period	**11,600,000**	**$**	**0.48**	7,600,000	$	0.68
Forfeited	-		-	(100,000)		0.86
Outstanding, end of period	**11,600,000**	**$**	**0.48**	7,500,000	$	0.68
Exercisable, end of period	**8,766,654**	**$**	**0.58**	5,516,651	$	0.79

(Stated in Canadian Dollars, unless otherwise noted)

The following is a summary of share purchase options outstanding as at February 28, 2023:

	Options outstanding		Options exercisable	
Exercise price ($ per share)	Number of stock options	Weighted average remaining contractual life (years)	Number of stock options	Weighted average remaining contractual life (years)
$0.125	3,850,000	4.72	1,283,321	4.72
$0.33	2,400,000	2.18	2,400,000	2.18
$0.50	150,000	4.72	50,000	4.72
$0.59	500,000	4.07	333,333	4.07
$0.71	600,000	3.70	600,000	3.70
$0.82	250,000	3.57	250,000	3.57
$0.86	3,850,000	3.39	3,850,000	3.39
	11,600,000	**3.65**	**8,766,654**	**3.31**

8. EXPLORATION AND EVALUATION EXPENSES

Exploration and evaluation expenses are summarized as follows:

	Three months ended February 28,	
	2023	2022
Salaries and benefits	**$ 187,322**	$ 128,765
Share-based payments	**27,407**	104,606
Drilling	**24,485**	5,727
Lab, assay & metallurgy	**327,125**	5,134
Permits, fees, licences and taxes	**161,071**	78,253
Geophysics	**-**	386,846
Exploration & geology	**14,690**	106,376
Resource development and technical reports	**103,163**	87,692
Community	**35,366**	26,351
Professional fees	**3,350**	36,294
Operations, health & safety	**24,916**	21,823
Other project evaluation	**13,757**	-
Travel	**-**	32,823
Other	**18,498**	10,244
Total exploration and evaluation expenses	**$ 941,150**	$ 1,030,934

Exploration and evaluation expenses were allocated to the following projects:

	Three months ended February 28,	
	2023	2022
Calico Silver Project, California, USA	**$ 899,986**	$ 884,318
AZ Silver District Project, Arizona, USA	**-**	42,010
Other project evaluation	**13,757**	-
Share-based payments	**27,407**	104,606
Total exploration and evaluation expenses	**$ 941,150**	$ 1,030,934

(Stated in Canadian Dollars, unless otherwise noted)

9. ADMINISTRATIVE EXPENSES

	Three months ended February 28,	
	2023	2022
Salaries and benefits	**$ 225,384**	$ 223,436
Directors fees	**81,988**	80,686
Share-based payments	**32,359**	446,813
Office and administration	**32,455**	28,368
Investor relations and marketing	**125,018**	477,171
Professional fees	**7,996**	72,931
Transfer agent and filing fees	**26,878**	46,187
Insurance	**50,018**	45,281
Accounting, audit and tax compliance	**3,190**	6,752
Business development	**-**	5,780
Travel	**-**	5,025
Other	**3,074**	-
Total administrative expenses	**$ 588,360**	$ 1,438,430

10. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. During the three months ended February 28, 2023 and 2022, the Company did not have any transactions with related parties, other than payments made to its key management personnel as discussed below.

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of the Company's officers and members of the Company's Board of Directors. The remuneration of directors and key management personnel during the three months ended February 28, 2023 and 2022, were as follows:

	Three months ended February 28,	
	2023	2022
Salaries, benefits and consulting fees *(i)*	**$ 237,488**	$ 224,616
Director fees	**81,988**	80,686
Share-based payments *(ii)*	**32,354**	404,970
Total key management compensation	**$ 351,830**	$ 710,272

(i) Approximately $49,000 of salaries, benefits and consulting fees are allocated to exploration and evaluation expenses for the three months ended February 28, 2023 (February 28, 2022 - $46,000).

(ii) Share-based payments represent the fair value of the stock-options granted to key management personnel that were recognized in the condensed interim consolidated statements of loss and comprehensive loss in the three months ended February 28, 2023 and 2022.

At February 28, 2023, approximately $6,000 (November 30, 2022 - $Nil) was owed to an officer of the Company relating to reimbursement of expenses incurred on the Company's behalf.

(Stated in Canadian Dollars, unless otherwise noted)

11. SEGMENTED INFORMATION

The Company currently operates in two geographically based industry segments: Canada and the United States. The Company's head office is in Vancouver, Canada. The reported loss from operations for the three months ended February 28, 2023 and 2022, respectively in each segment is as follows:

	USA		Canada		Total	
	Three months ended February 28,		**Three months ended February 28,**		**Three months ended February 28,**	
	2023	2022	**2023**	2022	**2023**	2022
E&E expenses	**$ 913,743**	$ 926,328	**$ 27,407**	$ 104,606	**$ 941,150**	$ 1,030,934
Administrative expenses	**12,733**	-	**575,627**	1,438,430	**588,360**	1,438,430
Depreciation	**21,412**	-	**14,555**	28,885	**35,967**	28,885
Loss from operations	**$ 947,888**	$ 926,328	**$ 617,589**	$ 1,571,921	**$ 1,565,477**	$ 2,498,249

The Company's non-current assets at February 28, 2023 and November 30, 2022, were located in Canada and the United States, as follows:

	USA		Canada		Total	
	February 28, 2023	November 30, 2022	**February 28, 2023**	November 30, 2022	**February 28, 2023**	November 30, 2022
Property and equipment	**$ 156,749**	$ 177,030	**$ 213,370**	$ 224,283	**$ 370,119**	$ 401,313
Exploration & evaluation assets	**83,671,495**	82,881,671	**-**	-	**83,671,495**	82,881,671
Non-current assets	**$ 83,828,244**	$ 83,058,701	**$ 213,370**	$ 224,283	**$ 84,041,614**	$ 83,282,984

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value on a recurring basis, whether changes in fair value are recognized at fair value through profit or loss or fair value through other comprehensive income.

The Company's financial assets and financial liabilities are classified as follows:

	February 28, 2023	November 30, 2022
Financial assets		
Cash	**$ 7,291,281**	$ 9,362,409
Receivables	**17,142**	13,842
Deposits	**50,057**	99,464
Total financial assets	**$ 7,358,480**	$ 9,475,715
Financial liabilities		
Accounts payable and accrued liabilities	**$ 1,695,585**	$ 2,121,026
Warrant liability	**7,147**	119,934
Total financial liabilities	**$ 1,702,732**	$ 2,240,960

IFRS 7, Financial Instruments: Disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents are carried at fair value using a level 1 fair value measurement and the receivables, deposits and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The Company's only level 3 financial instrument is the warrant liability and is recorded at fair value, which is measured using the Black-Scholes option valuation model.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk, and the impact on the Company's financial instruments are summarized below:

a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-quality financial institutions as determined by a primary ratings agency. Receivables consist of a GST receivable for input tax credits from the Government of Canada. The Company has been successful in recovering input tax credits and believes credit risk with respect to receivables is insignificant.

b) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to forecast its cash flows required for its planned operating, investing and financing activities so that it will have sufficient liquidity to meet liabilities when due. At February 28, 2023, the Company had a cash balance of approximately $7.29 million (November 30, 2022 - $9.36 million) to settle current liabilities of approximately $1.78 million (November 30, 2022 - $2.21 million). All the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. Amounts due to related parties are without stated terms of interest or repayment. The Company believes that its current cash is sufficient to settle its near term obligations including general corporate activities and planned exploration expenditures, based on its cash position, its ability to modify planned activities or exploration programs and ability to pursue additional sources of financing, including further equity placements. The Company will continue forecasting its cash flows to maintain liquidity and investigate opportunities to obtain further financing through transactions such as equity placements, debt or joint venture arrangements, if necessary.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

(i) Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank deposits, which is insignificant due to their short-term nature. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by highly-rated financial institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of its banks. As at February 28, 2023, the Company held approximately $6.5 million of its cash and cash equivalents in investment-grade short-term deposit certificates.

(ii) Foreign currency risk

The Company reports its financial results in Canadian dollars but also undertakes transactions denominated in US dollars. As the exchange rates between the Canadian dollar and US dollar fluctuates, the Company experiences foreign exchange gains and losses. The Company has cash and cash equivalents, and accounts payable and accrued liabilities denominated in US dollars, which are subject to currency risk.

The Company does not enter into any financial instruments to hedge currency risk, but the Company monitors its foreign exchange exposure and considers its exposure to foreign currency risk to be minimal as at February 28, 2023.

(iii) Price risk

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond control of the Company may affect the marketability of any minerals discovered. The price of silver has experienced volatile and significant price movements over short periods of time and is affected by numerous factors beyond the Company's control. The Company's profitability and ability to raise capital to fund exploration, evaluation and production activities is subject to risks associated with fluctuations in mineral prices. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

13. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the acquisition and exploration of its exploration and evaluation assets. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

The properties in which the Company currently has an interest are in the exploration stage and do not currently generate revenue; as such, the Company is dependent on external financing to fund its activities. The Company will spend its existing working capital and seek to raise additional amounts as needed by way of equity financing or debt to carry out its planned corporate development, general administrative costs and exploration and development programs. 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.