



SILVER HAMMER
MINING CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2022

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

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

Table of Contents

Condensed Consolidated Interim Statements of Financial Position (unaudited)	4
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)	5
Condensed Consolidated Interim Statements of Changes in Equity (unaudited)	6
Condensed Consolidated Interim Statements of Cash Flows (unaudited)	7
Notes to the Condensed Consolidated Interim Financial Statements (unaudited)	8
1. Corporate information and continuance of operations	8
2. Significant accounting policies and basis of presentation	9
3. Exploration and evaluation assets	9
4. Share capital.....	11
5. Related party transactions.....	13
6. Contingencies.....	14
7. Segmented information	14
8. Management of capital.....	14
9. Financial instruments and risk management.....	14
10. Subsequent events.....	17

SILVER HAMMER MINING CORP.

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at	December 31,	September 30,
	Note(s)	2022	2022
		\$	\$
ASSETS			
Current assets			
Cash		979,152	1,427,556
Amounts receivable		29,169	42,643
Prepaid expenses		96,495	249,458
Deposits		5,000	5,000
		1,109,816	1,724,657
Non-current assets			
Reclamation deposits	3	30,602	31,049
Exploration and evaluation assets	3	7,671,831	7,594,835
		7,702,433	7,625,884
TOTAL ASSETS		8,812,249	9,350,541
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	141,847	352,723
TOTAL LIABILITIES		141,847	352,723
SHAREHOLDERS' EQUITY			
Share capital	4	11,281,349	11,281,349
Reserves	4	1,484,179	1,522,465
Accumulated deficit		(4,095,126)	(3,805,996)
TOTAL SHAREHOLDERS' EQUITY		8,670,402	8,997,818
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		8,812,249	9,350,541
Corporate information and continuance of operations	1		
Commitments	3		
Segmented information	7		
Subsequent events	4, 10		

These unaudited condensed consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Alnesh Mohan Director

/s/ Lawrence Roulston Director

See accompanying notes to these unaudited condensed consolidated interim financial statements

SILVER HAMMER MINING CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended	
		December 31, 2022	December 31, 2021
		\$	\$
Expenses			
Consulting fees	5	76,000	76,500
Foreign exchange loss		(4,343)	5,025
General and administrative		16,522	17,160
Investor relations and promotion		147,172	255,676
Professional fees	5	47,079	73,071
Regulatory and transfer agents		6,700	10,607
Travel		-	10,177
Loss for the period		(289,130)	(448,216)
Other comprehensive income (loss)			
Foreign currency translation differences for foreign operations		(38,286)	2,946
Total comprehensive loss		(327,416)	(445,270)
Basic and diluted loss per share for the period attributable to common shareholders (\$ per common share)		(0.01)	(0.01)
Weighted average number of common shares outstanding - basic and diluted		46,713,662	37,694,240

See accompanying notes to these unaudited condensed consolidated interim financial statements

SILVER HAMMER MINING CORP.

Condensed Consolidated Interim Statements of Changes in Equity (unaudited)
(Expressed in Canadian Dollars)

	Note(s)	Share capital		Reserves			Accumulated deficit	TOTAL
		Number of shares		Stock options reserve	Warrants reserve	Foreign currency translation reserve		
			\$	\$	\$	\$		
Balance as of September 30, 2022		46,713,662	11,281,349	1,009,315	316,621	196,529	(3,805,996)	8,997,818
Loss and comprehensive loss		-	-	-	-	(38,286)	(289,130)	(327,416)
Balance as of December 31, 2022		46,713,662	11,281,349	1,009,315	316,621	158,243	(4,095,126)	8,670,402
Balance as of September 30, 2021		37,405,960	8,154,807	1,039,545	184,125	7,170	(1,766,365)	7,619,282
Shares issued for cash - exercise of warrants	4	645,560	285,166	-	(10,386)	-	-	274,780
Shares issued for cash - exercise of stock options	4	100,000	92,230	(30,230)	-	-	-	62,000
Loss and comprehensive loss		-	-	-	-	2,946	(448,216)	(445,270)
Balance at December 31, 2021		38,151,520	8,532,203	1,009,315	173,739	10,116	(2,214,581)	7,510,792

See accompanying notes to these unaudited condensed consolidated interim financial statements

SILVER HAMMER MINING CORP.

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended	
		December 31, 2022	December 31, 2021
		\$	\$
Cash flow from (used in)			
OPERATING ACTIVITIES			
Net loss		(289,130)	(448,216)
Net changes in non-cash working capital items:			
Amounts receivable		13,474	(12,410)
Prepaid expenses		151,263	88,386
Accounts payable and accrued liabilities		(244,591)	(104,997)
Cash flow used in operating activities		(368,984)	(477,237)
INVESTING ACTIVITIES			
Exploration and evaluation assets additions	3	(79,420)	(535,427)
Cash flow used in investing activities		(79,420)	(535,427)
FINANCING ACTIVITIES			
Proceeds on issuance of common shares, net of cash share issue costs	4	-	336,780
Cash flow provided by financing activities		-	336,780
Effects of exchange rate changes on cash and cash equivalents		-	84
Decrease in cash		(448,404)	(675,800)
Cash, beginning of period		1,427,556	1,606,841
Cash, end of period		979,152	931,041
Supplemental cash flow information			
Change in accounts payable and accrued liabilities related to exploration and evaluation assets		33,715	46,926
Reclassification of grant-date fair value on exercise of stock options		-	30,230
Reclassification of grant-date fair value on exercise of warrants		-	10,386
Cash paid for income taxes		-	-
Cash paid for interest		-	-

See accompanying notes to these unaudited condensed consolidated interim financial statements

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the Three Months Ended December 31, 2022 and 2021
(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Silver Hammer Mining Corp. (the “Company”) was formed on May 2, 2017 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 206 – 595 Howe Street, Vancouver, British Columbia, Canada.

The Company’s common shares are listed on the Canadian Securities Exchange under the symbol “HAMR”.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at December 31, 2022, the Company holds an interest in an early-stage mineral exploration property and the Company had not yet determined whether the Company’s mineral property asset contains a deposit of minerals that is economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The Company had a deficit of \$4,095,126 as of December 31, 2022 (September 30, 2022 – \$3,805,996), which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements. While the Company has been successful in obtaining financing in the past, there is no assurance that such financing will continue to be available or be available on favorable terms in the future. An inability to raise additional financing may impact the future assessment of the Company as a going concern. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company’s assets may be adversely affected. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

Financial Reporting and Disclosure during Economic Uncertainty

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic; the Company has not been significantly impacted by the spread of COVID-19. However, the ongoing COVID-19 pandemic, inflationary pressures, rising interest rates, the global financial climate and the conflict in Ukraine are affecting current economic conditions and increasing economic uncertainty, which may impact the Company’s operating performance, financial position and the Company’s ability to raise funds at this time.

These unaudited condensed consolidated interim financial statements of the Company for the three months ended December 31, 2022 were approved by the Board of Directors on February 28, 2023.

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Statement of compliance with International Financial Reporting Standards

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting

Basis of presentation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual consolidated financial statements of the Company for the year ended September 30, 2022.

New Accounting Standards and Interpretations

There were no new or amended IFRS pronouncements effective October 1, 2022 that impacted these condensed consolidated interim financial statements.

3. EXPLORATION AND EVALUATION ASSETS

The Company’s evaluation and exploration assets are broken down as follows:

	Silver Strand Project \$	Eliza Silver Project \$	Silverton Silver Project \$	TOTAL \$
Balance as of September 30, 2022	4,634,323	1,526,243	1,434,269	7,594,835
Deferred exploration costs				
- Assays and analysis	453	-	-	453
- Consulting	-	3,366	-	3,366
- Drilling	11,187	-	-	11,187
- Field	642	-	2,255	2,897
- Field office administration	9,624	-	-	9,624
- Geological	67,504	12,942	5,162	85,608
	89,410	16,308	7,417	113,135
Effect of movements in exchange rates	(29,204)	(3,939)	(2,996)	(36,139)
Balance as of December 31, 2022	4,694,529	1,538,612	1,438,690	7,671,831

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the Three Months Ended December 31, 2022 and 2021
(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Silver Strand Project

Asset Purchase Agreement with Silver Strand Development LLC.

The Company through its' wholly owned subsidiary, 123456 US Inc., entered into an asset purchase agreement with a third party, Silver Strand Development LLC. ("SSD"), (the "SSD Agreement") to acquire a 100% interest in certain mineral claims (the "SSD Claims") located in the State of Idaho, USA.

To acquire 100% interest of the SSD Claims, the Company will have to:

- Pay US\$10,000 to SSD for the transfer of the title to 123456 US Inc. of the SSD Claims (the "Transfer of Title") (paid);
- Pay US\$25,000 to SSD within 5 business days of the SS Acquisition (paid – \$31,171);
- Issue 200,000 common shares of the Company to SSD at the date of the SS Acquisition (issued with fair value of \$50,000);
- Pay US\$25,000 to SSD on the first anniversary following the completion of the SS Acquisition (paid – \$32,371); and
- Issue 200,000 common shares of the Company to SSD on the first anniversary following the completion of the SS Acquisition (issued with fair value of \$73,000).

Eliza Silver Project and Silverton Silver Project

The Company through its' wholly owned subsidiary, 1304562 B.C. Ltd., owns a 100% interest in the Eliza Silver Project and the Silverton Silver Mine.

During the year ended September 30, 2022, the Company entered into an asset purchase agreement with Treasure Hill Resources LLC ("TH Resources") to acquire certain patented mining claims and associated property rights in White Pine County, Nevada (the "California Patent") with an amount of \$31,263 (US\$25,000). TH Resources will retain a 1% NSR from the production of minerals from the California Patent.

During the year ended September 30, 2022, the Company made a reclamation deposit of US\$22,600 as collateral for the Silverton Silver project in the event of future operations. As of December 31, 2022, the balance of the reclamation deposit was \$30,602 (US\$22,600) (September 30, 2022 – \$31,049 (US\$22,600)).

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

4. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Escrow shares

On March 4, 2021, the Company entered into an escrow agreement pursuant to National Policy 46-201 *Escrow for Initial Public Offerings*, whereby common shares will be held in escrow and are scheduled for release as follows:

- On the Listing Date: 250,000 common shares (released)
- On November 3, 2021: 375,000 common shares (released)
- On May 3, 2022: 375,000 common shares (released)
- On November 3, 2022: 375,000 common shares (released)
- On May 3, 2023: 375,000 common shares
- On November 3, 2023: 375,000 common shares
- On May 3, 2024: 375,000 common shares

As of December 31, 2022, there were 1,125,000 common shares held in escrow (September 30, 2022 – 1,500,000).

Issued share capital

As of December 31, 2022, the Company had 46,713,662 (September 30, 2022 – 46,713,662) common shares issued and outstanding.

During the three months ended December 31, 2022, no share capital transactions occurred.

During the three months ended December 31, 2021

- 645,560 warrants were exercised for proceeds of \$274,780. In addition, the Company reclassified the grant date fair value of the exercised warrants of \$10,386 from warrants reserve to share capital.
- 100,000 stock options were exercised for proceeds of \$62,000. In addition, the Company reclassified the grant date fair value of the exercised options of \$30,230 from stock options reserve to share capital.

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

4. SHARE CAPITAL (CONTINUED)

Warrants

No warrants were issued, exercised or expired during the three months ended December 31, 2022.

The following summarizes information about warrants outstanding at December 31, 2022:

Expiry date	Exercise price (\$)	Warrants outstanding	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
April 30, 2023	0.10	61,250	2,868	0.33
June 16, 2023	0.50	6,718,814	168,121	0.46
June 2, 2024	0.38	502,831	136,603	1.42
June 2, 2024	0.50	3,956,643	-	1.42
June 21, 2024	0.38	50,000	9,030	1.47
		11,289,538	316,622	0.84
Weighted average exercise price (\$)		0.49		

Options

The Company has a share option plan (the "Plan") that allows it to grant options to its employees, officers, directors and consultants. A fixed maximum of 10% of the common shares issued may be granted. The exercise price of each option shall not be less than the closing market price for the common shares on the trading day prior to the date of the grant. Options may have a maximum term of ten years. Vesting conditions of options is at the discretion of the Board of Directors at the time the options are granted.

No stock options were issued, exercised or expired, during the three months ended December 31, 2022.

The following summarizes information about stock options outstanding and exercisable at December 31, 2022:

Expiry date	Exercise price (\$)	Options outstanding	Options exercisable	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
June 16, 2026	0.62	2,000,000	2,000,000	730,468	3.46
June 24, 2026	0.62	300,000	300,000	90,691	3.48
August 9, 2026	0.65	100,000	100,000	40,196	3.61
		2,400,000	2,400,000	861,355	3.47
Weighted average exercise price (\$)		0.45	0.62		

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

4. SHARE CAPITAL (CONTINUED)

Options

Subsequent to December 31, 2022

- The Company granted 750,000 options with an exercise price of \$0.24 to its newly appointed President and CEO (see note 10). The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.
- The Company granted 1,000,000 options with an exercise price of \$0.24 to its directors, officers, employees and consultants. 100,000 options were granted to an IR consultant. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.
- 300,000 options previously granted to a former officer of the Company were cancelled.

5. RELATED PARTY TRANSACTIONS

Related party transactions

The Company considers the executive officers and directors as the key management of the Company.

Total compensation of key company personnel for the three months ended December 31, 2022 and 2021 is as follows:

	For the three months ended	
	December 31, 2022	December 31, 2021
	\$	\$
Morgan Lekstrom, Former CEO, President ⁽¹⁾		
Consulting fees	37,500	37,500
	37,500	37,500
Alnesh Mohan, CFO, Director, Corporate Secretary ⁽²⁾		
Professional fees	31,200	31,720
	31,200	31,720
TOTAL	68,700	69,220

(1) Fees paid to All Mine Consulting, a corporation controlled by the former CEO and President.

(2) Fees paid to Quantum Advisory Partners LLP, a partnership in which the CFO is an incorporated partner, for professional services including accounting support.

Related party balances

The balances due to the Company's directors and officer included in accounts payables and accrued liabilities were \$11,283 as at December 31, 2022 (September 30, 2022 – \$11,156). These amounts are unsecured, non-interest bearing and payable on demand.

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

6. CONTINGENCIES

The Company is from time to time involved in various claims, legal proceedings and complaints arising in the ordinary course of business. Other than disclosed herein, the Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial condition or future results of operations of the Company.

7. SEGMENTED INFORMATION

The Company operates in one reportable segment being the exploration and evaluation of mineral properties. The Company's non-current assets mainly consist of the exploration and evaluation assets located in the United States and Canada, of which the assets held in Canada were impaired during the year ended September 30, 2022.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

Financial instruments are classified into one of the following categories: FVTPL, amortized cost and FVTOCI.

Set out below are the Company's financial assets and liabilities by category:

	December 31, 2022	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
FINANCIAL ASSETS				
ASSETS				
Cash	979,152	979,152	-	-
Amounts receivable	29,169	-	29,169	-
Deposits	5,000	-	5,000	-
FINANCIAL LIABILITIES				
LIABILITIES				
Accounts payable and accrued liabilities	(141,847)	-	(141,847)	-

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Fair value (continued)

	September 30, 2022	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
FINANCIAL ASSETS				
ASSETS				
Cash	1,427,556	1,427,556	-	-
Amounts receivable	42,643	-	42,643	-
Deposits	5,000	-	5,000	-
FINANCIAL LIABILITIES				
LIABILITIES				
Accounts payable and accrued liabilities	(352,723)	-	(352,723)	-

The carrying values of cash, deposits and accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments. Deposits approximate their fair value due to their liquidity.

As at December 31, 2022 and September 30, 2022, the financial instrument recorded at fair value on the statements of financial position is cash which is measured using Level 1 of the fair value hierarchy. As at December 31, 2022 and September 30, 2022, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 2 and 3 in the fair value hierarchy above.

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1: Unadjusted quoted prices 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 that are not based on observable market data.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

Financial risk management

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk concentration with respect to these financial instruments is remote. Cash based in Canada are accessible.

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

As of December 31, 2022, the Company had cash of \$979,152 and accounts payable and accrued liabilities of \$141,847. All accounts payable and accrued liabilities are current.

Market risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is held at a Canadian chartered bank. Management believes that the credit risk concentration with respect to cash is remote as the cash is easily accessible.

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash. The Company is not exposed to significant interest rate risk relating to its cash.

- **Foreign currency risk**

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in CA\$. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash, deposits, and accounts payable and accrued liabilities are held in CA\$ and US\$; therefore, US\$ accounts are subject to fluctuation against the CA\$.

The Company's financial instruments were denominated as follows as of December 31, 2022:

	CA\$	US\$
Cash	923,881	40,818
Amounts receivable	29,169	-
Deposits	5,000	-
Reclamation deposits	-	22,600
Accounts payable and accrued liabilities	(71,427)	(52,006)
	886,623	11,412
Rate to convert to \$1.00 CA\$	1.00	1.35
Equivalent to CA\$	886,623	15,453

Based on the above net exposures as at December 31, 2022, and assuming that all other variables remain constant, a 10% change of the CA\$ against the US\$ would change profit or loss by approximately \$1,500.

SILVER HAMMER MINING CORP.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the Three Months Ended December 31, 2022 and 2021
(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**Financial risk management (continued)****Market risk (continued)****Commodity price risk**

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to significant other price risk.

10. SUBSEQUENT EVENTS

On February 15, 2023, the Company announced the appointment of Peter A. Ball as President, CEO and Director of the Company, replacing Interim President and CEO Warwick Smith. Warwick Smith will continue as an Advisor to the Company.