(Formerly BRS Ventures Ltd.)
Consolidated Annual Financial Statements

For the fourteen months ended December 31, 2016
and the twelve months ended October 31, 2015
(Expressed in Canadian dollars)

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Independent Auditor's Report

To the Shareholders of Silver One Resources Inc.

We have audited the accompanying consolidated financial statements of Silver One Resources Inc., which comprise the consolidated statement of financial position at December 31, 2016 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the 14-month period ended December 31, 2016 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Silver One Resources Inc. as at December 31, 2016 and its consolidated financial performance and cash flows for the 14-month period ended December 31, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has not generated revenues from operations, is currently in the exploration and development stage and has an accumulated deficit of $2,165,449. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

Other Matter

The consolidated financial statements of Silver One Resources Inc. for the year ended October 31, 2015 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on February 18, 2016.

(signed) "BDO CANADA LLP"

Chartered Professional Accountants
Vancouver, Canada
April 21, 2017

Silver One Resources Inc.
(Formerly BRS Ventures Ltd.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	December 31 2016	October 31 2015
		$	$
Assets			
Current			
Cash		2,423,334	31,253
Receivables and prepaid expenditures	**5**	50,801	875
		2,474,135	32,128
Non-current			
Mineral properties	**6**	6,481,798	-
Equipment		4,331	-
Value-added tax receivable	**7**	19,914	-
Total Assets		**8,980,178**	**32,128**
Liabilities			
Current			
Accounts payable and accrued liabilities	**8**	65,451	14,861
Shareholders' Equity			
Share capital	**9(b)**	10,351,498	988,145
Contributed surplus	**9(c)**	636,398	92,150
Accumulated other comprehensive income		92,280	-
Accumulated deficit		(2,165,449)	(1,063,028)
		8,914,727	17,267
Total Liabilities and Shareholders' Equity		**8,980,178**	**32,128**

Nature of operations and going concern – Note 1
Commitments – Note 16
Subsequent events – Notes 6 and 17

APPROVED BY THE DIRECTORS

"Claudia Tornquist" Director *"Barry Girling"* Director

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

Silver One Resources Inc.
(Formerly BRS Ventures Ltd.)
Consolidated Statements of Loss and Comprehensive Loss
For the fourteen months ended December 31, 2016 and the twelve months ended October 31, 2015
(Expressed in Canadian dollars)

	Note	Fourteen months ended December 31 2016	Twelve months ended October 31 2015
		$	$
Expenses			
Administrative and office		28,330	217
Consulting		20,521	-
Depreciation		642	-
Exploration and evaluation		180	-
Foreign exchange loss		2,956	-
GST/HST recovery		-	(9,144)
Listing fees		100,744	11,890
Professional fees		131,596	20,510
Salaries and benefits		58,881	-
Share-based payments	**9(c)**	590,969	-
Shareholder communications		74,856	-
Travel and related costs		67,559	-
		(1,077,234)	(23,473)
Write-down of mineral property	**6**	(25,187)	-
Net loss for the period		(1,102,421)	(23,473)
Other comprehensive income for the period			
Currency translation adjustment		92,280	-
Comprehensive loss for the period		(1,010,141)	(23,473)
Loss per share			
Basic and diluted		(0.02)	(0.00)
Weighted average number of shares outstanding			
Basic and diluted		52,293,146	38,824,977

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

Silver One Resources Inc.
(Formerly BRS Ventures Ltd.)
Consolidated Statements of Cash Flows
For the fourteen months ended December 31, 2016 and the twelve months ended October 31, 2015
(Expressed in Canadian dollars)

	Note	Fourteen months ended December 31 2016	Twelve months ended October 31 2015
		$	$
Cash (used in) provided by:			
Operating activities			
Net loss for the period		(1,102,421)	(23,473)
Depreciation		642	-
Share-based payments	**9(c)**	590,969	-
Unrealized foreign exchange and other		(854)	-
Write-down of mineral property		25,187	-
Changes in non-cash working capital items			
Receivables and prepaid expenses		(49,926)	875
Accounts payable and accrued liabilities		39,529	(16,807)
		(496,874)	(39,405)
Investing activities			
Mineral property expenditures		(32,747)	-
Acquisition of equipment		(4,973)	-
Acquisition of KCP, net of cash		(19,957)	-
		(57,677)	-
Financing activities			
Issuance of shares pursuant to private placements	**9(b)**	2,925,000	-
Share issuance costs		(25,368)	-
Proceeds from exercise of options	**9(c)**	47,000	-
		2,946,632	-
Increase (decrease) in cash		2,392,081	(39,405)
Cash - beginning of period		31,253	70,658
Cash - end of period		2,423,334	31,253

Supplemental cash flow information – Note 13

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

Silver One Resources Inc.
(Formerly BRS Ventures Ltd.)
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Note	Number of common shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Accumulated deficit	Total
			$	$	$	$	$
Balance, October 31, 2014		38,824,977	988,145	92,150	-	(1,039,555)	40,740
Net loss for the period		-	-	-	-	(23,473)	(23,473)
Balance, October 31, 2015		38,824,977	988,145	92,150	-	(1,063,028)	17,267
Shares issued from private placement	**9(b)**	25,500,000	425,000	-	-	-	425,000
Less: Share issue costs		-	(6,608)	-	-	-	(6,608)
Shares issued from private placement	**9(b)**	10,000,000	2,500,000	-	-	-	2,500,000
Less: Share issue costs		-	(18,760)	-	-	-	(18,760)
Shares issued on the Margurete option agreement	**9(b)**	600,000	10,000	-	-	-	10,000
Shares issued on the acquisition of KCP	**9(b),4**	6,000,000	6,360,000	-	-	-	6,360,000
Share-based payments	**9(c)**	-	-	590,969	-	-	590,969
Exercise of options	**9(c)**	940,000	93,721	(46,721)	-	-	47,000
Net loss for the period		-	-	-	-	(1,102,421)	(1,102,421)
Cumulative translation adjustment		-	-	-	92,280	-	92,280
Balance, December 31, 2016		81,864,977	10,351,498	636,398	92,280	(2,165,449)	8,914,727

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

1. Nature of operations and going concern

Silver One Resources Inc. (formerly BRS Ventures Ltd.) (the "Company" or "Silver One") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 8, 2007 and completed its initial public offering as a Capital Pool Company ("CPC") on February 29, 2008. As a CPC, the Company's only business had been to identify and evaluate businesses or assets with a view of completing a Qualifying Transaction ("QT").

On July 27, 2016, the Company completed an option agreement (the "Option Agreement") with Anstag Mining Ltd. ("Anstag"), constituting its QT under the applicable policies of the TSX Venture Exchange ("TSX-V"). Upon completion of the QT, the Company became a Tier 2 mining issuer on the TSX-V under the symbol "BRV". The Company's name was changed to Silver One Resources Inc. on September 1, 2016, and the trading symbol was changed to "SVE".

Effective September 1, 2016, the Company completed a forward stock split of the common shares by way of a stock dividend on a basis of 3 post-split common shares for 1 pre-split common share (the "Split") (see Note 9(b)). On the Split date, the number of pre-split common shares was 21,641,659. The Split resulted in the number of post-split common shares being 64,924,977. As required by IAS 33, *Earnings per Share*, all references to share capital, common shares outstanding, and per share amounts in these consolidated financial statements and the accompanying notes for periods prior to the Split have been restated to reflect the Split.

The Company's principal activities include the acquisition, exploration and development of mineral properties. On September 26, 2016, the Company completed the acquisition of all issued and outstanding shares of KCP Minerals Inc. ("KCP"), and after this transaction holds three Mexican silver projects: Peñasco Quemado in the state of Sonora, La Frazada in the state of Nayarit, and Pluton in the state of Durango.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. As at December 31, 2016, the Company had an accumulated deficit of $2,165,449, and expects to incur further losses in the development of the business. These factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependant on its ability to obtain necessary financing to meet its corporate and deferred exploration expenditures and discharge its liabilities in the normal course of business. Although the Company has been successful in obtaining financing in the past, there can be no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Should the Company be unable to continue as a going concern, asset realization values may be substantially different from their carrying values. These consolidated financial statements do not give effect to adjustments that would be necessary to carrying values, and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

Silver One is a public company which is listed on the TSX-V under the symbol "SVE", on the OTC Pink under the symbol "SLVRF", and on the Frankfurt Stock Exchange under the symbol "BRK1".

The Company's corporate office is located at Suite 880, 580 Hornby Street, Vancouver, British Columbia V6C 3B6.

2. Basis of preparation

a) Change in year end

Effective in 2016, the Company has changed its financial year end from October 31 to December 31 in order to align the Company's year end with that of its subsidiary KCP, which holds a Mexican subsidiary company operating on a calendar year-end. Accordingly, these consolidated annual financial statements present the statements of financial position as at December 31, 2016 and October 31, 2015 and the results of operations for the fourteen months ended December 31, 2016 and twelve months ended October 31, 2015.

b) Statement of compliance and functional currency

These financial statements have been presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB') and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the period ended December 31, 2016.

These consolidated financial statements have been prepared on a historical cost basis. These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company's Canadian entities. The functional currency of the Company's foreign subsidiary is US dollars. The currency translation adjustment resulting from the translation of the foreign subsidiary's US dollar functional currency to the Company's Canadian dollar presentation currency is charged to other comprehensive income or loss, and included in accumulated other comprehensive income or loss within the shareholders' equity section of the statement of financial position.

The accounts of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated. The Company's principal material subsidiaries are as follows:

Name	Place of Incorporation	Ownership Percentage
KCP Minerals Inc.	Canada	100%
Minera Terra Plata, S.A. de C.V.	Mexico	100%

These consolidated financial statements were approved for issue by the Board of Directors on April 21, 2017.

3. Accounting policies

These consolidated financial statements have been prepared using the following accounting policies:

Financial assets

All financial assets are initially recorded at fair value and upon initial recognition are either designated as fair value through profit or loss ("FVTPL") or classified into one of the following three categories: held-to-maturity, available-for-sale, or loans and receivables.

Financial assets are designated as FVTPL to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Financial assets designated as FVTPL are measured at fair value with unrealized gains and losses recognized through income and loss.

3. Accounting policies (continued)

Financial assets (continued)

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost. Such losses are recorded in the statement of loss.

Transaction costs associated with FVTPL financial assets are expensed as incurred while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset and amortized to income or loss as part of the application of the effective interest method.

Financial liabilities

All financial liabilities are initially recorded at fair value and upon initial recognition are either designated as FVTPL or classified as other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities designated as FVTPL include financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as FVTPL unless they are designated as effective hedging instruments. Transaction costs on financial liabilities designated as FVTPL are expensed as incurred. Fair value changes on financial liabilities designated as FVTPL are recognized through income and loss.

De-recognition of financial assets and liabilities

Financial assets are de-recognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in income or loss.

Financial liabilities are de-recognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in income or loss.

Mineral properties

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as mineral concession taxes, option payments, wages and salaries, surveying, geological consulting and laboratory, field supplies, travel and administration. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they are incurred. Exploration and evaluation properties are not amortized during the exploration and evaluation stage.

3. Accounting policies (continued)

Mineral properties (continued)
Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'.

Impairment of non-financial assets
Non-financial assets, including mineral properties are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down to its recoverable amount. An impairment loss is charged to profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in income or loss.

The recoverable amount is the higher of the fair value less costs of disposal and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash generating units" or "CGU"s). These are typically the individual properties or projects.

Business combinations
Acquisitions of businesses are accounted for using the acquisition method. The consideration of each business combination is measured, at the date of the exchange, as the aggregate of the fair value of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Under the guidance of IFRS 10, *Consolidated Financial Statements*, control is established by having power over the acquiree, exposure or rights to variable returns from its involvement with the acquiree, and the ability to use its power over the acquiree to affect the amount of the acquiror's returns. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair value at the acquisition date. During the year ended December 31, 2016, the Company's acquisition of KCP was recorded as an asset acquisitions given that it was not considered to be a business when applying the guidance within IFRS 3*, Business Combinations* ("IFRS 3").

Reclamation provision
The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mine property, plant and equipment. These costs are depreciated on a basis consistent with the depreciation, depletion, and amortization of the underlying assets.

The obligation is accreted over time for the change in its present value, with this accretion charge recognized as a finance expense in profit or loss. Additional environment disturbances or changes in reclamation costs will be recognized as additions to the corresponding assets and reclamation provision in the year in which they occur. The Company has no material restoration, reclamation or environmental obligation as the disturbance to date is minimal.

3. Accounting policies (continued)

Reclamation provision (continued)

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur. The Company has no material restoration, rehabilitation or environmental obligation as the disturbance to date is minimal.

Share-based payments

Common shares issued for non-monetary consideration are recorded at the fair value of the goods or services received. When the value of goods or services received in exchange for share-based payments cannot be reliably estimated, the value is measured by reference to the trading price of the Company's shares on the TSX Venture Exchange ("the Exchange") on the date of the agreement to issue the shares. If market prices are not available, fair value is measured by use of a valuation model.

The Company has a stock option plan (Note 9(c)), whereby stock options are granted in accordance with the policies of regulatory authorities. The Company records a compensation cost attributable to all share purchase options granted at fair value at the grant date using the Black-Scholes valuation model and the fair value of all share purchase options are expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

Share capital

Costs incurred to issue shares are deferred until the shares are issued, at which time these costs are charged to share capital.

Income taxes

Income taxes comprises both current and deferred tax. Income tax is recognized in the statement of loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the income tax is also recognized in other comprehensive income or directly in equity.

Current income taxes are the expected taxes payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to taxes payable in respect of previous years.

The Company accounts for potential future net tax assets which are attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and which are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, no net asset is recognized. No potential income tax assets of the Company have been recognized.

Loss per share

Basic loss per share is calculated by dividing the net loss for the period available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. Basic and diluted loss per share are the same for the periods presented. The Company uses the treasury stock method of calculating fully diluted loss per share amounts, whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period.

3. Accounting policies (continued)

Segment reporting
The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief executive officer and the executive management, collectively the chief operating decision maker, in assessing performance and in determining the allocation of resources.

Critical judgments in applying accounting policies
The critical judgments that the Company's management has made in the process of applying the Company's accounting policies with the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

a) Functional currency
The functional currency for each of the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency involves certain judgements 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.

b) Impairment of mineral properties
Expenditures on mineral properties are capitalized. The Company makes estimates and applies judgment about future events and circumstances in determining whether the carrying amount of a mineral property exceeds its recoverable amount. The recoverability of amounts shown as mineral properties 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. Management reviews the carrying values of its mineral properties on an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's mineral properties may not be recoverable and there is a risk that these costs may be written down in future periods.

c) Determining if an acquisition is a business combination or an asset acquisition
With each acquisition, the Company has to determine whether it should be accounted for as a business combination or an asset acquisition. As dictated by IFRS 3, *Business Combinations*, the components of a business must include inputs, processes and outputs. Management has assessed its acquisitions and has concluded that each did not include all the necessary components of a business. As such, they have been recorded as asset acquisitions, being the purchase of mineral properties and/or working capital.

d) Determining amount and timing of rehabilitation costs
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*.

e) Going concern
In preparing these consolidated financial statements on a going concern basis, as is disclosed in Note 1 of these consolidated financial statements, Management's critical judgment is that the Company will be able to meet its obligations and continue its operations for the next twelve months.

3. Accounting policies (continued)

Key sources of estimation uncertainty

The preparation of consolidated financial statements requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Actual future outcomes could differ from present estimates and assumptions, potentially having material future effects on the Company's consolidated financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

a) Deferred income taxes

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as part of the provision for income taxes in the period that includes the enactment date. The recognition of deferred income tax assets is based on the assumption that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

b) Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and are expensed to the statement of loss and comprehensive loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility, expected life of the option, risk free interest rates, and forfeiture rates. Changes in these input assumptions can significantly affect the fair value estimate.

Accounting standards issued but not yet effective

The following new standard has been issued but not yet applied. The Company is currently evaluating the impact of these standards on its consolidated financial statements.

a) IAS 7 – Statement of Cash Flows

IAS 7 introduces amendments for changes in liabilities arising from financing activities are disclosed. One way fulfils the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position arising from financing activities. Finally, the amendments state that the changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities. This amendment will be mandatory for reporting periods beginning on or after January 1, 2017.

3. Accounting policies (continued)

Accounting standards issued but not yet effective (continued)

b) IFRS 9 – Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* ("IFRS 9") bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also amends some of the requirements of IFRS 7 *Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and the de-recognition of financial instruments. The mandatory effective date of IFRS 9 will be annual periods beginning on or after January 1, 2018, with early adoption permitted.

c) IFRS 15 - Revenue from Contracts with Customers
The new IFRS 15 Revenue from Contracts with Customers standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. This amendment will be mandatory for reporting periods beginning on or after January 1, 2018.

d) IFRS 16 – Leases. IFRS 16 Leases will replace IAS 17 Leases
This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard will be effective for annual periods beginning on or after January 1, 2019.

(Expressed in Canadian dollars)

4. Acquisition of KCP Minerals Inc.

On September 26, 2016, the Company closed its acquisition of the issued and outstanding shares of KCP Minerals Inc. ("KCP"), a subsidiary of First Mining Finance Corp. ("First Mining") for 6,000,000 post-split common shares, resulting in KCP becoming a wholly-owned subsidiary of the Company. KCP, through its Mexican subsidiary Minera Terra Plata S.A. de C.V. ("MTP"), owns three Mexican silver projects: Peñasco Quemado in the state of Sonora, La Frazada in the state of Nayarit, and Pluton in the state of Durango.

Upon closing of the transaction and the financing, First Mining owned 7.2% of the issued and outstanding shares of the Company. First Mining also retains a 2.5% net smelter return royalty ("NSR") on each of the properties. The Company has the right to purchase 1.5% of the NSR for US$1,000,000.

For accounting purposes, the acquisition of KCP has been recorded as an asset acquisition as KCP is not considered to be a business when applying the guidance within IFRS 3.

Consideration paid:

	$
Fair value of 6,000,000 common shares issued	6,360,000
Transaction costs incurred by the Company	21,222
Total consideration paid	6,381,222

The fair value of identifiable assets acquired and liabilities assumed from KCP were as follows:

	$
Cash	1,265
Value-added tax receivable	18,605
Mineral properties	6,372,413
Accounts payable	(11,061)
Total identifiable assets acquired	6,381,222

5. Receivables and prepaid expenditures

	December 31 2016	October 31 2015
	$	$
GST receivable	10,509	-
Prepaid expenditures	40,292	875
	50,801	875

Prepaid expenditures primarily include amounts in connection with insurance, investor relations conferences, and marketing activities.

(Expressed in Canadian dollars)

6. Mineral properties

	Balance October 31, 2015	Fourteen months ended December 31, 2016	Balance December 31, 2016
	$	$	$
Mexico			
La Frazada			
Acquisition costs	-	2,086,202	2,086,202
Consulting fees	-	2,321	2,321
Travel and accommodation fees	-	3,159	3,159
Field supplies and other costs	-	110	110
Currency translation adjustment	-	30,063	30,063
Total	-	2,121,855	2,121,855
Peñasco Quemado			
Acquisition costs	-	3,194,966	3,194,966
Consulting fees	-	2,911	2,911
Laboratory and analysis fees	-	1,410	1,410
Travel and accommodation fees	-	4,294	4,294
Field supplies and other costs	-	3,156	3,156
Currency translation adjustment	-	46,038	46,038
Total	-	3,252,775	3,252,775
Pluton			
Acquisition costs	-	1,091,245	1,091,245
Warehouse and storage costs	-	199	199
Currency translation adjustment	-	15,724	15,724
Total	-	1,107,168	1,107,168
Mexico total	-	6,481,798	6,481,798
Canada			
Margurete Gold Property			
Option payments - cash	-	10,000	10,000
Option payments - shares	-	10,000	10,000
Geological consulting	-	5,187	5,187
Total	-	25,187	25,187
Impairment		(25,187)	(25,187)
Canada total	-	-	-
Mineral properties total	-	6,481,798	6,481,798

Margurete Gold Property

On July 27, 2016, the Company closed an option agreement (the “Option Agreement”) with Anstag Mining Ltd., a private British Columbia company (the “Optionor”), whereby the Optionor has granted an option to the Company to acquire a 100% interest in the Margurete Gold Property located in the Phillips Arm area, approximately 210 kilometres northwest of Vancouver in southwest British Columbia.

(Expressed in Canadian dollars)

6. Mineral properties (continued)

Margurete Gold Property (continued)
Under the terms of the Option Agreement, the Company is required to make the following payments and incur the following exploration expenditures to earn a 100% interest:

- pay $10,000 and issue 600,000 shares (200,000 pre-split shares) valued at $10,000 within 5 days of TSX-V approval (paid); and
- incur $1,000,000 of exploration expenditures on the Margurete Gold Property within 5 years of signing the Option Agreement.

During the term of the Option Agreement, the Company is responsible for the annual claim maintenance fees. The Company has also granted the Optionor a 1% Gross Overriding Royalty ("the Royalty") on the Margurete Gold Property. The Company has the option of purchasing one-half of the Royalty for $1,000,000.

With the acquisition of the Mexican Silver properties from First Mining Finance and the subsequent option agreement with Silver Standard Resources Inc. on the Candelaria Property in Nevada, the company has changed its focus to silver properties in silver rich states. On March 1, 2017, Silver One terminated its option to acquire the Margurete Gold Property. Total capitalized mineral property costs of $25,187 were written off.

7. Value-added tax receivable

The Company, through its Mexican subsidiary, MTP, pays value-added tax on the purchases of goods and services at a rate of 16%. The amount paid or payable is recoverable and MTP has been successful in applying for and receiving refunds in the past from the local tax authorities. However, there is no guarantee that this will continue and, as such, the value-added tax receivable has been recorded as a non-current asset.

8. Accounts payable and accrued liabilities

	December 31 2016	October 31 2015
	$	$
Accounts payable	33,451	505
Accrued liabilities	32,000	14,356
	65,451	14,861

9. Share capital

a) Authorized: Unlimited common shares without par value.

b) Shares issued

Common shares: 81,864,977 (October 31, 2015 – 38,824,977).

During the fourteen months ended December 31, 2016, the Company:

- completed a non-brokered private placement by issuing 25,500,000 post-split common shares (8,500,000 pre-split common shares) at a price of $0.017 per post-split common share ($0.05 per pre-split common share) for gross proceeds of $425,000;

(Expressed in Canadian dollars)

9. Share capital (continued)

Shares issued (continued)

- issued 600,000 post-split common shares (200,000 pre-split common shares) at a price of $0.017 per post-split common share ($0.05 pre-split common share) with a value of $10,000 pursuant to the Option Agreement with Anstag Mining Ltd. for the Margurete Gold Property (see Note 6);

- issued 6,000,000 post-split common shares at a fair value of $6,360,000 in the acquisition of KCP (see Note 4);

- completed a non-brokered private placement by issuing 10,000,000 post-split common shares at a price of $0.25 per common share for gross proceeds of $2,500,000; and

- issued 940,000 common shares for the exercise of options in the amount of $47,000.

During the twelve months ended December 31, 2015 no shares were issued.

Share split

Effective September 1, 2016, the Company completed a forward stock split of the common shares by way of a stock dividend on a basis of 3 post-split common shares for 1 pre-split common share (the “Split”). As required by IAS 33, *Earnings per Share*, all information with respect to the number of common shares and issuance prices for time periods prior to the Split have been restated to reflect the Split.

Escrow shares

Pursuant to the regulatory requirements as at December 31, 2016, 1,957,500 issued and outstanding post-split common shares were held in escrow under the CPC Escrow Agreement (October 31, 2015 - 2,174,991). Under the CPC Escrow Agreement 10% of the shares were released on the issuance of the Final Exchange Bulletin on August 4, 2016 (the “Initial Release”). An additional 15% will be released every 6 months following the Initial Release.

c) Options

The Company has adopted a share option plan that allows for the issuance of up to 10% of the issued and outstanding shares as incentive share options to directors, officers, employees and consultants to the Company. Share options granted under the plan may be subject to vesting provisions as determined by the Board of Directors.

Options granted during the period vested immediately. However, on October 3, 2016, the options were modified to include vesting provisions. The vesting provisions of all options are the following: 25% - 6 months from the grant date, 35% - 1 year from the grant date, and 40% - 1.5 years from the grant date.

The Company granted the following options to directors, officers and consultants during the fourteen months ended December 31, 2016:

	Number	**Weighted average exercise price**
		$
Balance as at October 31, 2015	**-**	**-**
Granted – August 5, 2016	5,559,996	0.05
Granted – August 31, 2016	930,000	0.33
Granted – December 2, 2016	100,000	0.85
Exercised	(940,000)	0.05
Balance as at December 31, 2016	5,649,996	0.11

(Expressed in Canadian dollars)

9. Share capital (continued)

c) Options (continued)

The total share-based payment expense recorded during the fourteen months ended December 31, 2016 was $590,969 (2015: $nil).

The following table summarizes information about the share options as at December 31, 2016:

Exercise price per share of options outstanding	Number of options outstanding	Weighted average remaining life (years) options outstanding	Weighted exercise price of options exercisable	Number of options exercisable	Expiry date
$0.05	4,619,996	4.60	-	-	August 5, 2021
$0.33	930,000	4.67	-	-	August 31, 2021
$0.85	100,000	4.92	-	-	December 2, 2021

The Black-Scholes Pricing Model was used to estimate the fair value of the share options using the following assumptions on the grant date of the options:

Issue date	Expected 0ption life (years)	Risk free interest rate	Dividend yield	Expected volatility	Weighted average fair value
August 5, 2016	5.00	1.38%	nil	244.97%	$0.05
August 31, 2016	5.00	1.38%	nil	249.61%	$0.34
December 2, 2016	5.00	1.45%	nil	245.04%	$0.87

10. Segment information

The Company operates in a single reportable operating segment, being the acquisition, exploration and retention of mineral property assets. Geographic segment information of the Company's non-current assets as at December 31, 2016 and October 31, 2015 is as follows:

Non-current assets	December 31 2016	October 31 2015
	$	$
Canada	4,331	-
Mexico	6,501,712	-
Total	6,506,043	-

(Expressed in Canadian dollars)

11. Income taxes

The tax expense differs from the theoretical amount that would arise using the tax rate applicable to profits of the Company for the fourteen months ended December 31, 2016 and the twelve months ended October 31, 2015 as follows:

	2016	2015
	$	$
Loss for the period before income tax recovery	(1,077,234)	(23,473)
Average statutory rate	26.00%	26.00%
Recovery of income taxes based on statutory rates	280,000	6,100
Increase (decrease) in income tax recovery resulting from:		
Share issue cost adjustment	-	(2,900)
Other non-deductible expenses	(155,000)	-
Impact of asset acquisitions	1,588,000	-
Change in non-recognized deferred tax assets	(1,713,000)	9,000
Income tax recovery	-	-

Deferred income tax assets are only recognized to the extent that the realization of tax loss carry-forwards is determined to be probable. As at December 31, 2016, the Company has not recognized any income tax assets.

The company has unrecognized deferred tax assets as follows:

	December 31 2016	October 31 2015
	$	$
Deferred tax assets		
Losses carried forward	2,051,000	275,000
Mineral properties	75,000	-
Equipment	7,000	-
Undeducted financing costs and other	165,000	3,000
Unrecognized deferred tax assets	(2,298,000)	(278,000)
Total deferred tax assets	-	-

For income tax purposes, as at December 31, 2016, the Company had $4,786,000 (2015 - $1,057,000) of Canadian federal net operating losses carry-forward of which expire as follows:

Year	$
2028	90,000
2029	486,000
2030	586,000
2031	622,000
2032	697,000
2033	388,000
2034	437,000
2035	794,000
2036	686,000
	4,786,000

As at December 31, 2016, the Company's Mexican subsidiary had approximately $2,688,000 in non-capital losses (2015 - $nil).

(Expressed in Canadian dollars)

12. Related party transactions

The Company's related parties consist of the Company's directors and officers, and any companies associated with them. The Company incurred the following charges during the fourteen months ended December 31, 2016 and twelve months ended October 31, 2015:

Service or item	Fourteen months ended December 31 2016	Twelve months ended October 31 2015
	$	$
Consulting fees	25,314	-
Professional fees	14,280	8,781
Salaries and benefits	59,625	-
Share-based payments	295,749	-

Professional fees include amounts paid to Malaspina Consultants Inc., a company owned by Robert McMorran, a previous director of the Company. Malaspina Consultants Inc. ceased to be a related party on September 23, 2016 as Robert McMorran stepped down from being a director of the Company.

Salaries and benefits include amounts paid to Greg Crowe, President and Chief Executive Officer of the Company.

Share-based payments include options granted to directors and officers of the Company during the period.

As at December 31, 2016, directors, officers or their related companies were owed $12,665 (October 31, 2015 - $229) in respect of services. The amounts due to related parties are unsecured, non-interest-bearing and due on demand.

Key management includes directors and executive officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

13. Supplemental cash flow information

Investing and financing activities that do not have a direct impact on the current cash flows are excluded from the cash flow statements. The following transactions were excluded from the consolidated statement of cash flows:

During the fourteen months ended December 31, 2016:

- The issuance of 600,000 post-split common shares valued at $10,000 pursuant to the Option Agreement for the Magurete Gold Property (see Note 6); and

- The issuance of 6,000,000 post-split common shares valued at $6,360,000 pursuant to the acquisition of KCP (see Note 4).

During the twelve months ended October 31, 2015, the Company had no non-cash investing and financing activities.

The Company paid or accrued $nil for income taxes during the fourteen months ended December 31, 2016 (2015 - $nil).

14. Financial instruments

Classification of financial instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. The Company classified its cash as loans and receivables. The accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The classification of the financial instruments as well as their carrying values as at December 31, 2016 and October 31, 2015 is shown in the table below:

At December 31, 2016	**Loans and receivables**	**Other financial liabilities**	**Total**
	$	**$**	**$**
Financial assets			
Cash	2,423,334	-	2,423,334
Total financial assets	2,433,843	-	2,433,843
Financial liabilities			
Accounts payable and accrued liabilities	-	65,451	65,451
Total financial liabilities	-	65,451	65,451

At October 31, 2015	**Loans and receivables**	**Other financial liabilities**	**Total**
	$	**$**	**$**
Financial assets			
Cash	31,253	-	31,253
Total financial assets	31,253	-	31,253
Financial liabilities			
Accounts payable and accrued liabilities	-	14,861	14,861
Total financial liabilities	-	14,861	14,861

Financial and capital risk management

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include foreign currency risk, interest rate risk, credit risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Discussions of risks associated with financial assets and liabilities are detailed below:

a) Foreign currency risk
The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Mexico and a portion of the Company's expenses are incurred in Canadian dollars ("CAD"), US dollars ("USD"), and Mexican Pesos ("MXN"). A significant change in the currency exchange rates between the Canadian, US and Mexican currencies, could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

14. Financial instruments

Financial and capital risk management (continued)

a) Foreign currency risk (continued)

As at December 31, 2016, the Company is exposed to currency risk on the following financial assets and liabilities denominated in USD and MXN. The sensitivity of the Company's net earnings due to changes in the exchange rate between the USD and MXN against the Canadian dollar is included in the table below in Canadian dollar equivalents:

	USD amount	MXN amount	Total
	$	**$**	**$**
Cash	8,934	1,179	10,113
Accounts payable and accrued liabilities	-	(1,257)	(1,257)
Net exposure	8,934	(78)	8,856
Effect of +/- 10% change in currency	893	(8)	885

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a cash loss is limited as the Company's liabilities are non-interest bearing. The Company considers this risk to be immaterial.

c) 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. Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company considers credit risk with respect to its cash to be immaterial as cash is mainly held through large Canadian financial institutions.

d) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities. Accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand, and are subject to normal trade terms. The Company has working capital of $2,408,684 as at December 31, 2016.

15. 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 exploration of and retention of its mineral properties. In the management of capital, the Company includes its components of shareholders' equity.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital and deficit.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and controlling the capital expenditures program. The Company is not subject to externally imposed capital requirements.

15. Management of capital (continued)

The Company does not have a source of revenue. As such, the Company is dependent on external financing to fund its activities. In order to pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management policies on an ongoing basis. There were no changes in the Company's approach to capital management during the fourteen months ended December 31, 2016.

16. Commitments

On September 8, 2016, the Company entered into an office lease agreement in the amount of $1,300 per month until September 30, 2017. The amount of the total lease payments committed is $11,700 for the fiscal year ended December 31, 2017.

17. Subsequent events

a) Option agreement with Silver Standard Resources Inc. to acquire 100% interest in the Candelaria Mine Project, Nevada

On January 17, 2017, the Company entered into an Option Agreement ("Option Agreement" or "Agreement") with a subsidiary of Silver Standard Resources Inc. ("Silver Standard") to acquire a 100% interest in the Candelaria Silver project located in Nevada.

In order to exercise the option, Silver One will be required to:

- issue USD $1,000,000 in shares to Silver Standard on the date that the parties satisfy the conditions to the Agreement, including obtaining final approval of the TSX Venture Exchange (the "Effective Date");
- issue an additional USD $1,000,000 in shares on each of the three anniversaries of the Effective Date; and
- assume the reclamation bond on the property immediately prior to exercise of the option.

Subsequent to December 31, 2016, the Company issued 1,332,900 common shares at a deemed price of $1.00 per share in order to satisfy the initial option payment of USD $1,000,000.

Upon satisfying the terms set forth above, the Company will have earned a 100% interest in the property subject to a 3% net smelter returns royalty payable to Teck Resources USA on production from a certain claims group of the property and a charge of $0.01 per ton payable for waste rock dumped on certain claims.

b) Exercise of options

Subsequent to December 31, 2016, a total of 20,000 options of the Company were exercised for gross proceeds of $1,000.