



Condensed Interim Consolidated Financial Statements

(Unaudited - expressed in Canadian Dollars)
For the three and six months ended June 30, 2020 and 2019

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

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and reviewed by the Audit Committee and Board of Directors of the Company.

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

Silver One Resources Inc.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian dollars)

	Note	June 30 2020	December 31 2019
		\$	\$
Assets			
Current			
Cash		509,214	445,384
Short-term investments	4	4,999,080	2,600,000
Receivables and prepaid expenditures	5	358,369	253,955
Marketable securities		93,648	-
		5,960,311	3,299,339
Non-current			
Property and equipment	6	454,035	468,631
Mineral properties	7	17,544,216	14,373,356
Reclamation deposit		60,640	42,181
Value-added tax receivable	8	54,786	62,642
Total Assets		24,073,988	18,246,149
Liabilities			
Current			
Accounts payable and accrued liabilities	9	121,235	461,144
Shares to be issued		-	44,000
Deferred rent		22,328	26,649
Lease obligation – short-term	10	144,138	115,290
		287,701	647,083
Non-current			
Lease obligation – long-term	10	265,755	311,063
Total Liabilities		553,456	958,146
Shareholders' Equity			
Share capital	11(b)	30,168,941	24,262,551
Share-based payment reserve	11(c)	1,876,126	1,593,426
Accumulated other comprehensive income		664,158	(89,599)
Accumulated deficit		(9,188,693)	(8,478,375)
		23,520,532	17,288,003
Total Liabilities and Shareholders' Equity		24,073,988	18,246,149

Nature of operations and going concern – Note 1
Subsequent events – Note 18

APPROVED BY THE DIRECTORS

"Claudia Tornquist" Director

"Barry Girling" Director

Silver One Resources Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss For the three and six months ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

	Note	Three months ended June 30 2020	Three months ended June 30 2019	Six months ended June 30 2020	Six months ended June 30 2019
		\$	\$	\$	\$
Expenses					
Administrative and office		16,607	13,844	35,332	31,753
Consulting	13	35,956	42,463	77,069	83,297
Depreciation		40,249	36,106	78,540	72,212
Exploration and evaluation		589	1,860	1,719	4,755
Filing and listing fees		22,188	13,772	44,237	26,152
Professional fees	13	38,425	28,398	76,471	72,863
Salaries and benefits	13	60,000	60,000	124,097	135,555
Share-based payments	11(c),13	84,357	19,277	185,937	49,472
Shareholder communications		108,225	61,764	184,078	161,826
Travel and related costs		7,544	38,062	50,315	49,873
Loss before other items		(414,140)	(315,546)	(857,795)	(687,758)
Foreign exchange (loss) gain		(73,011)	(6,972)	39,063	(10,162)
Finance charge on leases		(7,393)	(9,643)	(16,339)	(19,735)
Gain on marketable securities		44,788	-	44,788	-
Income from sublease of office		29,771	34,911	57,699	64,326
Interest and other income		20,149	762	22,266	2,793
Net loss for the period		(399,836)	(296,488)	(710,318)	(650,536)
Other comprehensive (loss) income for the period					
Currency translation adjustment		(714,507)	(271,974)	753,757	(497,144)
Comprehensive (loss) income for the period		(1,114,343)	(568,462)	43,439	(1,147,680)
Loss per share					
Basic and diluted		(0.00)	(0.00)	(0.00)	(0.01)
Weighted average number of shares outstanding					
Basic and diluted		172,996,752	107,632,921	170,415,191	106,876,066

Silver One Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the six months ended June 30, 2020 and 2019
(Unaudited - expressed in Canadian dollars)

	Note	2020 \$	Six months ended June 30 2019 \$
Cash (used in) provided by:			
Operating activities			
Net loss for the period		(710,318)	(650,536)
Depreciation		78,540	72,212
Share-based payments	11(c),13	185,937	49,472
Unrealized foreign exchange		(34,901)	(1,658)
Unrealized gain on marketable securities		(44,788)	-
Changes in working capital items			
Receivables and prepaid expenditures		(153,274)	(35,493)
Accounts payable and accrued liabilities		(40,847)	8,655
Deferred rent		(4,321)	(4,321)
		(723,972)	(561,669)
Investing activities			
(Purchase) cash out of short-term investments	4	(2,355,830)	550,000
Mineral property expenditures		(2,347,757)	(490,995)
Property and equipment expenditures		(4,989)	-
Reclamation deposit		(17,053)	-
Value-added tax incurred		(507)	(29,656)
		(4,726,136)	29,349
Financing activities			
Repayment of lease obligation		(73,587)	(68,466)
Issuance of shares pursuant to private placement	11(b)	5,205,000	331,250
Cash share issuance costs		(164,959)	(11,874)
Shares to be issued		(44,000)	961,250
Proceeds from exercise of options	11(c)	-	9,000
Proceeds from exercise of warrants	11(d)	591,484	-
		5,513,938	1,221,160
Increase in cash		63,830	688,840
Cash - beginning of period		445,384	328,714
Cash - end of period		509,214	1,017,554

Supplemental cash flow information – Note 14

Silver One Resources Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - expressed in Canadian dollars)

	Note	Number of common shares	Share capital	Share-based payment reserve	AOCI	Accumulated deficit	Total
			\$	\$	\$	\$	\$
Balance, December 31, 2018		97,217,249	17,240,479	1,257,184	535,254	(6,847,913)	12,185,004
IFRS 16 transition adjustment on January 1, 2019	17	-	-	-	-	(16,139)	(16,139)
Balance, January 1, 2019 (restated)		97,217,249	17,240,479	1,257,184	535,254	(6,864,052)	12,168,865
Shares issued on the Candelaria option agreement	7(a)	5,827,338	1,329,700	-	-	-	1,329,700
Shares issued from private placement	11(b)	4,158,334	623,750	-	-	-	623,750
Less: Share issue costs		-	(11,874)	-	-	-	(11,874)
Shares issued for Net Smelter Agreement	7(b)	250,000	60,000	-	-	-	60,000
Share-based payments	11(c),13	-	-	49,472	-	-	49,472
Exercise of options	11(c)	180,000	17,947	(8,947)	-	-	9,000
Net loss for the period		-	-	-	-	(650,536)	(650,536)
Cumulative translation adjustment		-	-	-	(497,144)	-	(497,144)
Balance, June 30, 2019		107,632,921	19,260,002	1,297,709	38,110	(7,514,588)	13,081,233
Candelaria option agreement share value adjustment		-	(76,822)	-	-	-	(76,822)
Shares issued from private placement	11(b)	40,024,000	5,003,000	-	-	-	5,003,000
Less: Share issue costs		-	(203,849)	44,215	-	-	(159,634)
Share-based payments	11(c),13	-	-	273,828	-	-	273,828
Exercise of options	11(c)	437,499	43,619	(21,745)	-	-	21,874
Exercise of warrants	11(d)	1,180,102	236,601	(581)	-	-	236,020
Net loss for the period		-	-	-	-	(963,787)	(963,787)
Cumulative translation adjustment		-	-	-	(127,709)	-	(127,709)
Balance, December 31, 2019		149,274,522	24,262,551	1,593,426	(89,599)	(8,478,375)	17,288,003
Shares issued from private placement	11(b)	20,820,000	5,205,000	-	-	-	5,205,000
Less: Share issue costs		-	(189,598)	24,639	-	-	(164,209)
Share-based payments	11(c),13	-	-	185,937	-	-	185,937
Shares issued on the Candelaria option agreement	7(a)	871,000	278,720	84,572	-	-	363,292
Shares issued on mineral properties	7(a)	26,050	8,336	-	-	-	8,336
Exercise of warrants	11(d)	2,957,420	603,932	(12,448)	-	-	591,484
Net loss for the period		-	-	-	-	(710,318)	(710,318)
Cumulative translation adjustment		-	-	-	753,757	-	753,757
Balance, June 30, 2020		173,948,992	30,168,941	1,876,126	664,158	(9,188,693)	23,520,532

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

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

1. Nature of operations and going concern

Silver One Resources Inc. (the "Company" or "Silver One") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 8, 2007.

The Company's principal activities include the acquisition, exploration and development of mineral properties. The Company has an option agreement to acquire a 100% interest in the Candelaria Silver project (the "Candelaria Project") located in Nevada and has claims staked in eastern Nevada, including the Cherokee project ("Cherokee Project"). The Company also has an option agreement to acquire 100% interest in the Phoenix Silver property in Arizona ("Phoenix Silver Property") and has a 100% interest in 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 condensed interim 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 June 30, 2020, the Company had an accumulated deficit of \$9,188,693, and expects to incur further losses in the development of the business. 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 the 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 listed on the TSX-V under the symbol "SVE", on the OTCQX Marketplace under the symbol "SLVRF", and on the Frankfurt Stock Exchange under the symbol "BRK1".

The Company's corporate office is located at Suite 200-550 Denman St, Vancouver, British Columbia, V6G 3H1.

2. Basis of preparation

Statement of compliance and functional currency

These condensed interim consolidated 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 IFRS Interpretations Committee ("IFRIC"), applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.

These condensed interim consolidated financial statements have been prepared on a historical cost basis. These condensed interim 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 subsidiaries is US dollars. The currency translation adjustment resulting from the translation of the foreign subsidiaries' 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.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

2. Basis of preparation (continued)

Statement of compliance and functional currency (continued)

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

COVID-19

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

These condensed interim consolidated financial statements were approved by the board of directors on August 12, 2020.

3. Accounting policies

These condensed interim consolidated financial statements have been prepared on a basis consistent with the significant accounting policies disclosed in the annual financial statements for the year ended December 31, 2019. Accordingly, they should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2019.

Accounting standards issued but not yet effective

There are no accounting pronouncements with future effective dates that are applicable or are expected to have a material impact on the Company's financial statements.

4. Short-term investments

Short-term investments include highly liquid, redeemable GIC investments in an active market with original maturities of one year or less.

5. Receivables and prepaid expenditures

	June 30 2020	December 31 2019
	\$	\$
Short-term receivables		
GST receivable	17,334	18,622
Other receivables ¹	162,058	160,142
Prepaid expenditures	178,977	75,191
	358,369	253,955

¹ Other receivables includes amounts due from the subleasing the Company's office space. Prepaid expenditures primarily include amounts in connection with insurance, investor relations conferences and marketing activities.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

6. Property and equipment

	Building ¹	Leasehold Improvements	Office Furniture and Equipment	Total
	\$	\$	\$	\$
Cost				
Balance at December 31, 2018	-	53,351	20,501	73,852
IFRS 16 transition adjustment (Note 17)	525,191	-	-	525,191
Additions	-	-	36,315	36,315
Foreign exchange	-	-	(656)	(656)
Balance at December 31, 2019	525,191	53,351	56,160	634,702
Additions	57,127	-	4,989	62,116
Foreign exchange	-	-	1,828	1,828
Balance at June 30, 2020	582,318	53,351	62,977	698,646
Accumulated depreciation				
Balance at December 31, 2018	-	(11,628)	(9,483)	(21,111)
Depreciation	(128,618)	(10,670)	(5,672)	(144,960)
Balance at December 31, 2019	(128,618)	(22,298)	(15,155)	(166,071)
Depreciation	(67,410)	(5,336)	(5,794)	(78,540)
Balance at June 30, 2020	(196,028)	(27,634)	(20,949)	(244,611)
Net – December 31, 2019	396,573	31,053	41,005	468,631
Net – June 30, 2020	386,290	25,717	42,028	454,035

¹The amount disclosed above under building relates solely to a right-of-use asset from the office rental lease.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

7. Mineral properties

a) US properties

	Balance June 30 2020 \$	Additions June 30 2020 \$	Balance December 31 2019 \$	Additions December 31 2019 \$	Transfers ¹ December 31 2019 \$	Balance December 31 2018 \$
Candelaria						
Option payments - shares	3,831,678	-	3,831,678	1,252,878	-	2,578,800
Acquisition costs - shares	384,572	371,628	12,944	-	-	12,944
Acquisition costs - cash	115,150	102,062	13,088	-	-	13,088
Consulting fees	958,175	253,244	704,931	339,209	-	365,722
Drilling	1,555,474	744,791	810,683	581,772	-	228,911
Field supplies and other costs	137,331	32,679	104,652	43,737	-	60,915
Laboratory and analysis fees	396,418	51,710	344,708	97,491	-	247,217
Land payments	623,508	21,500	602,008	212,901	-	389,107
Staking and survey costs	124,040	1,937	122,103	21,324	-	100,779
Travel and accommodation fees	159,973	33,983	125,990	36,855	-	89,135
Currency translation adjustment	412,155	339,836	72,319	(265,890)	-	338,209
	8,698,474	1,953,370	6,745,104	2,320,277	-	4,424,827
Cherokee						
Consulting fees	412,359	34,840	377,519	245,722	131,797	-
Field supplies and other costs	15,127	454	14,673	11,103	3,570	-
Laboratory and analysis fees	72,865	56,147	16,718	11,192	5,526	-
Land payments	635,123	-	635,123	210,983	424,140	-
Staking and survey costs	125,379	-	125,379	-	125,379	-
Travel and accommodation fees	91,440	4,275	87,165	65,928	21,237	-
Currency translation adjustment	69,881	62,946	6,935	(45,697)	52,632	-
	1,422,174	158,662	1,263,512	499,231	764,281	-
Eastern Nevada						
Consulting fees	153,019	16,381	136,638	38,055	(131,797)	230,380
Field supplies and other costs	5,330	733	4,597	1,533	(3,570)	6,634
Laboratory and analysis fees	2,482	-	2,482	-	(5,526)	8,008
Land payments	113,647	-	113,647	46,663	(424,140)	491,124
Staking and survey costs	8,970	-	8,970	-	(125,379)	134,349
Travel and accommodation fees	25,968	856	25,112	6,035	(21,237)	40,314
Currency translation adjustment	17,982	14,500	3,482	(12,015)	(52,632)	68,129
	327,398	32,470	294,928	80,271	(764,281)	978,938
Phoenix Silver						
Acquisition costs - cash	487,609	487,609	-	-	-	-
Consulting fees	78,610	78,610	-	-	-	-
Field supplies and other costs	17	17	-	-	-	-
Laboratory and analysis fees	1,226	1,226	-	-	-	-
Land payments	33,266	33,266	-	-	-	-
Staking and survey costs	39,137	39,137	-	-	-	-
Travel and accommodation fees	2,845	2,845	-	-	-	-
Currency translation adjustment	33,486	33,486	-	-	-	-
Total	676,196	676,196	-	-	-	-
USA total	11,124,242	2,820,698	8,303,544	2,899,779	-	5,403,765

¹The transfers above relate to the separation of Eastern Nevada costs into both Eastern Nevada and Cherokee. This was completed in order to more accurately disclose the area in which the costs were incurred.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

7. Mineral properties (continued)

a) US properties (continued)

Candelaria Option Agreement

On January 16, 2017, the Company entered into an option agreement (the "Option Agreement") with a subsidiary of SSR Mining Inc. ("SSR") (formerly Silver Standard Resources Inc.), to acquire a 100% interest in the Candelaria silver project (the "Candelaria Project") located in Nevada, USA.

In order to exercise the option, the Company is required to:

- issue USD \$1,000,000 in shares to SSR on the date that the parties satisfy the conditions to the Agreement, including obtaining final approval of the TSX-V (the "Effective Date") (paid);
- issue an additional USD \$1,000,000 in shares on each of the three anniversaries of the Effective Date (first and second year anniversary payments paid); and
- assume the USD \$2,000,000 reclamation bond on the property immediately prior to exercise of the option.

The Company issued 1,332,900 common shares at a fair value price of \$1.00 per share to satisfy the initial option payment of USD \$1,000,000, the Company issued 2,828,636 common shares at a fair value of \$0.44 per share in order to satisfy the first anniversary payment of USD \$1,000,000, and the Company issued 5,827,338 common shares at a fair value of \$0.215 to satisfy the second anniversary 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.

On July 25, 2019, the Company amended the Candelaria Option Agreement ("Amended Agreement"). The Amended Agreement deferred the assumption of the USD \$2,000,000 bond obligation by the Company until January 2023.

On April 14, 2020, the Company further amended the Candelaria Option. The Company agreed with each of SSR Mining Inc. ("SSR Mining") and Maverix Metals Inc. ("Maverix") whereby the Company will reduce its payment obligation under its Candelaria Option Agreement (the "Amended Candelaria Option Agreement") with SSR Mining and, in consideration of which, assume a future production payment due to Maverix.

Under the Amended Candelaria Option Agreement:

- The Company agreed to assume the obligation to pay Maverix US\$1,000,000 upon Candelaria achieving commercial production of not less than 2,500,000 ounces of silver per annum (the "Production Payment");
- In consideration of the Company assuming the Production Payment, SSR Mining agreed to relinquish the option payment of US\$1,000,000 in shares of Silver One and instead agreed to receive US\$100,000 in units of Silver One (issued);
- In consideration of Maverix agreeing to the Company's assumption of the Production Payment, Maverix received US \$100,000 in units of Silver One (issued); and
- Maverix agreed to amend the Production Payment so that the Company may satisfy it with US\$500,000 cash and \$500,000 in shares of the Company on the first anniversary after commencement of commercial production at Candelaria.

Each unit was comprised of one share and one-half of one share purchase warrant (each a "Warrant") with each whole warrant entitling the holder to purchase one additional share at a price of \$0.40 per share for a period of three years from the date of issue.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

7. Mineral properties (continued)

a) US properties (continued)

Additional Candelaria claims acquired

In March 2018, the Company entered into an agreement to acquire 10 non-patented mineral claims located along the eastern structural projection of the Candelaria mineralized system. These claims are located immediately east of the former producing Mount Diablo open pit. Silver One has acquired these claims for the consideration of USD \$10,000 plus the issuance of 38,235 common shares at a fair value of \$0.34 per share (total of USD \$10,000).

In November 2019, the Company acquired an additional three patented claims, located within the company's claims. Consideration for these patents consisted of USD \$75,000 cash and USD \$5,000 in shares, subject to a 2% NSR that can be purchased for USD \$50,000 plus USD \$ 5,000 in Silver One's shares issued at market price on the date of the issuance.

Signing of lease/purchase agreement on five patented claims at the Cherokee Project in eastern Nevada

In July 2018, the Company entered into a lease/purchase agreement with Castelton Park LLC ("Castelton") of Sparks, Nevada to acquire five patented claims at its Cherokee Project. These patents lie within the Company's Cherokee claim holdings in Lincoln County located in eastern Nevada.

The terms of the Lease/Purchase Agreement include three payments over a 2-year lease, consisting of a payment for USD \$23,125 upon execution of the agreement (paid), USD \$34,688 on the first anniversary (paid) and USD \$24,687 on the second anniversary (paid). This provides Silver One with a 100% interest in all patented claims. Castelton will also receive a payment of USD \$100,000 for every 7.5 million silver equivalent ounces of mineral resources calculated on the property, subject to a maximum of USD \$1,000,000.

Phoenix Silver Acquisition

On February 4, 2020 the Company entered into an agreement (the "Agreement") with Granite-Solid LLC (the "Optionor") whereby the Company has the option to acquire a 100% interest in the Phoenix Silver property. The Phoenix Silver property consists of 86 unpatented lode claims and 2 unpatented placer claims, located in Gila County, Arizona.

The Company may exercise the option by making the following cash payments and share issuances:

- paying the Optionor US \$350,000 within five days of TSX Venture Exchange acceptance of the Agreement (the "Effective Date") (paid); and
- issuing the Optionor: (i) 500,000 shares on the date that is six (6) months from the Effective Date; (ii) 1,000,000 shares on the date that is twelve months from the Effective Date; (iii) 2,500,000 shares on the date that is twenty-four months from the Effective Date; (iv) 3,000,000 shares on the date that is thirty-six months from the Effective Date; and (v) 3,000,000 shares on the date that is forty-eight months from the Effective Date.

The Agreement is subject to a five-mile area of interest. Further, after two years of the Effective Date, Silver One has the right to require the Optionor to include other unpatented placer claims under this Agreement for no additional consideration.

The Phoenix Silver property is subject to an underlying 2% Net Smelter Royalty ("NSR") to the original prospectors of the project. Each 1% NSR may be purchased for US \$500,000 resulting in a total of US \$1,000,000 for the entire underlying NSR.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

7. Mineral properties (continued)

b) Mexican properties

	Balance June 30 2020 \$	Additions June 30 2020 \$	Balance December 31 2019 \$	Additions December 31 2019 \$	Balance December 31 2018 \$
Peñasco Quemado					
Acquisition costs	3,194,966	-	3,194,966	-	3,194,966
Consulting fees	121,890	-	121,890	42,051	79,839
Drilling	151,520	-	151,520	151,520	-
Field supplies and other costs	25,036	-	25,036	16,130	8,906
Laboratory and analysis fees	22,459	873	21,586	6,608	14,978
Land payments	312,026	45,615	266,411	85,841	180,570
Royalty payments	37,692	-	37,692	37,692	-
Geophysics	112,416	-	112,416	-	112,416
Travel and accommodation fees	33,828	-	33,828	7,323	26,505
Currency translation adjustment	130,295	192,930	(62,635)	(187,240)	124,605
	4,142,128	239,418	3,902,710	159,925	3,742,785
La Frazada					
Acquisition costs	2,086,202	-	2,086,202	-	2,086,202
Consulting fees	27,865	156	27,709	7,457	20,252
Laboratory and analysis fees	8,150	-	8,150	-	8,150
Land payments	20,238	3,642	16,596	6,857	9,739
Royalty payments	22,156	-	22,156	22,156	-
Travel and accommodation	7,140	-	7,140	966	6,174
Field supplies and other costs	3,473	-	3,473	33	3,440
Currency translation adjustment	64,850	105,069	(40,219)	(106,269)	66,050
	2,240,074	108,867	2,131,207	(68,800)	2,200,007
Pluton					
Acquisition costs	1,091,245	-	1,091,245	-	1,091,245
Consulting fees	2,517	-	2,517	350	2,167
Land payments	65,290	-	65,290	-	65,290
Royalty payments	361	-	361	361	-
Warehouse and storage costs	4,029	107	3,922	1,136	2,786
Impairment	(1,069,799)	-	(1,069,799)	-	(1,069,799)
Currency translation adjustment	(55,871)	1,770	(57,641)	(1,755)	(55,886)
	37,772	1,877	35,895	92	35,803
Mexico total	6,419,974	350,162	6,069,812	91,217	5,978,595

Restructure of net smelter return agreements on Mexican properties

On December 17, 2018, The Company entered into agreements with First Mining Gold Corp. ("First Mining") regarding the restructuring of the Net Smelter Return ("NSR") agreements associated with the Peñasco Quemado, La Frazada and Pluton properties that were acquired from First Mining in 2016. The original NSR agreements granted to First Mining were a 2.5% NSR on each property, with a buyback of up to 1.5% for USD \$ 1,000,000 per property. The new NSR agreements grant a 1.5% NSR per property with a buyback of 1% for USD \$500,000. On January 16, 2019, Silver One issued 250,000 common shares at a value of \$60,000 as consideration for this reduction of the NSR agreements.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

8. 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.

9. Accounts payable and accrued liabilities

	June 30 2020	December 31 2019
	\$	\$
Accounts payable	104,985	428,644
Accrued liabilities	16,250	32,500
	121,235	461,144

Accounts payable include amounts owing for consulting, exploration, and general corporate expenditures. Accrued liabilities include an accrual of audit fees and other administrative expenses.

10. Lease obligation

The Company entered into office leases on February 2018 and June 2020. The terms and the outstanding balances as at June 30, 2020 and December 31, 2019 are as follows:

	June 30 2020	December 31 2019
	\$	\$
Right-of-use asset from office lease repayable in monthly instalments between \$10,676 and \$14,878, an interest rate of 7.71% per annum and an end date of January 2023.	409,893	426,353
Right-of-use asset from office lease repayable in monthly instalments of \$2,500, an interest rate of 7.72% per annum and an end date of May 2022.	54,626	-
Total lease obligation	409,892	426,353
Less: Current portion	(144,138)	(115,290)
Non-current portion	265,755	311,063

The following is a schedule of the Company's future minimum lease payments related to the office lease obligation:

	\$
2020	80,413
2021	188,418
2022	171,148
2023	13,169
Total minimum lease payments	453,148
Less: imputed interest	(43,255)
Total present value of minimum lease payments	409,893
Less: Current portion	(144,138)
Non-current portion	265,755

The Company subleases part of their office space on a month-to-month basis to other companies. The total lease income from the subleasing of the office for the three and six months ended June 30, 2020 was \$29,771 and \$57,699 (2019 - \$34,911 and \$64,326).

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

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11. Share capital

a) **Authorized:** Unlimited common shares without par value.

b) Shares issued

Common shares: 173,948,992 (December 31, 2019 – 149,274,522).

During the period ended June 30, 2020, the Company:

- Issued 20,820,000 units ("Units") at a price of \$0.25 per Unit for gross proceeds of \$5,205,000 as part of a private placement. Under the private placement, each Unit consists of one common share in the capital of the Company and one-half of one share purchase warrant. (each whole warrant being a "Warrant" of the Company). Each whole Warrant will entitle the holder to purchase one share at an exercise price of \$0.40 per share for a period of three years from the date of the issue of the Warrants. Under the financing, the Company paid finders' fees totaling \$188,848, \$164,209 cash and 156,000 warrants (\$24,639); and
- Issued 26,050 common shares to stake additional claims at the Candelaria Project; and
- Issued 871,000 units ("Units") valued at \$363,292 pursuant to the Amended Candelaria Option Agreement (see Note 7(a)). Each Unit consists of one share and one-half of one share purchase warrant (each a "Warrant") with each whole warrant entitling the holder to purchase one additional share at a price of \$0.40 per share for a period of three years from the date of issue.
- Issued 2,957,420 common shares for the exercise of warrants in the amount of \$591,484. A value of \$12,448 was transferred from the share-based payment reserve to share capital as a result.

During the year ended December 31, 2019, the Company:

- Issued 39,808,000 units ("Units") at a price of \$0.125 per unit for gross proceeds of \$4,976,000 as part of a private placement. Under the private placement, each Unit consists of one common share in the capital of the Company and one-half of one share purchase warrant. (each whole warrant being a "Warrant" of the Company). Each whole Warrant will entitle the holder to purchase one share at an exercise price of \$0.20 per share for a period of three years from the date of the issue of the warrants. Under the financing, the Company paid finders' fees totaling \$46,290, 216,000 shares (\$27,000) and 502,320 warrants (\$44,215);
- issued 4,158,334 units ("Units") at a price of \$0.15 per Unit for gross proceeds of \$623,750 as part of a private placement. Under the private placement, each Unit consists of one common share in the capital of the Company and one-half of one share purchase warrant (each whole warrant being a "Warrant" of the Company). Each whole Warrant will entitle the holder to purchase one share at an exercise price of \$0.20 per share for a period of three years from the date of the issue of the Warrants. As at December 31, 2018, \$292,500 in shares to be issued was recorded as a liability related to this private placement;
- issued 5,827,338 common shares valued at USD \$1,000,000 (\$1,252,878) pursuant to the Option Agreement for the Candelaria Project (see Note 7(a));
- issued 250,000 common shares as consideration for this reduction of the NSR agreements on the Company's Mexican properties valued at \$60,000 (see Note 7(b));
- issued 617,499 common shares for the exercise of options in the amount of \$30,874. A value of \$30,692 was transferred from the share-based payment reserve to share capital as a result; and
- Issued 1,180,102 common shares for the exercise of warrants in the amount of \$236,020. A value of \$581 was transferred from the share-based payment reserve to share capital as a result.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

11. Share capital (continued)

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.

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's share options outstanding as at June 30, 2020 and December 31, 2019 and the changes for the periods then ended are as follows:

	Number	Weighted average exercise price
		\$
Balance as at December 31, 2018	7,547,496	0.22
Exercised	(617,499)	0.05
Granted – March 15, 2019	200,000	0.22
Granted – July 19, 2019	2,435,000	0.26
Granted – October 15, 2019	150,000	0.30
Forfeited – May 29, 2019	(275,000)	0.45
Balance as at December 31, 2019 and June 30, 2020	9,439,997	0.24

The total share-based payment expense recorded during the three and six months ended June 30, 2020 was \$84,357 and \$185,937 (2019: \$19,277 and \$49,472).

The following table summarizes information about the share options as at June 30, 2020:

Exercise price per share of options outstanding	Number of options outstanding	Weighted average remaining life (years)	Number of options exercisable	Expiry date
\$0.05	3,599,997	1.10	3,599,997	August 5, 2021
\$0.33	615,000	1.17	615,000	August 31, 2021
\$0.22	200,000	1.71	200,000	March 15, 2022
\$0.58	575,000	1.82	575,000	April 27, 2022
\$0.57	200,000	1.96	200,000	June 15, 2022
\$0.45	200,000	2.32	200,000	October 24, 2022
\$0.45	150,000	2.53	150,000	January 8, 2023
\$0.40	1,315,000	2.88	1,315,000	May 17, 2023
\$0.26	2,435,000	4.05	608,750	July 19, 2024
\$0.30	150,000	4.30	37,500	October 15, 2024

The fair value of options recognized in the period has been estimated using the Black-Scholes Pricing Model with the following assumptions on the grant date of the options:

Issue date	Expected Option life (years)	Risk free interest rate	Dividend yield	Expected volatility ¹	Weighted average fair value
March 15, 2019	3.00	1.61%	nil	80%	\$0.08
July 19, 2019	5.00	1.36%	nil	87%	\$0.21
October 15, 2019	5.00	1.56%	nil	89%	\$0.18

Note 1: The volatility used is the Company's own share volatility for a period equal to the life of the options.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

11. Share capital (continued)

d) Warrants

The Company's warrants outstanding as at June 30, 2020 and December 31, 2019 and the changes for the periods then ended are as follows:

	Number	Weighted average exercise price
		\$
Balance as at December 31, 2018	5,375,001	0.60
Granted – January 7, 2019	2,079,170	0.20
Granted – July 10, 2019	19,904,000	0.20
Granted (finders' warrants) – July 10, 2019	502,320	0.20
Exercised	(1,180,102)	0.20
Balance as at December 31, 2019	26,680,389	0.28
Granted – January 13, 2020	5,650,000	0.40
Granted – January 17, 2020	4,916,000	0.40
Granted – April 14, 2020	435,500	0.40
Exercised	(2,957,420)	0.20
Balance as at June 30, 2020	34,724,469	0.33

The balance of warrants outstanding as at June 30, 2020 is as follows:

Expiry Date	Exercise Price \$	Remaining Life (Years)	Warrants Outstanding
October 23, 2020	0.60	0.32	5,375,001
January 7, 2022	0.20	1.52	1,055,668
July 10, 2022	0.20	2.03	17,292,300
January 13, 2023	0.40	2.54	5,650,000
January 17, 2023	0.40	2.55	4,916,000
April 14, 2023	0.40	2.79	435,500

The fair value of finders' warrants recognized in the period has been estimated using the Black-Scholes Pricing Model with the following assumptions on the grant date of the options:

Issue date	Expected Warrant life (years)	Risk free interest rate	Dividend yield	Expected volatility ¹	Weighted average fair value
July 10, 2019	3.00	1.80%	nil	86%	\$0.09
January 17, 2020	3.00	1.57%	nil	88%	\$0.16
April 14, 2020	3.00	0.34%	nil	98%	\$0.19

Note 1: The volatility used is the Company's own share volatility for a period equal to the life of the warrants.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

12. 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 June 30, 2020 and December 31, 2019 is as follows:

Non-current assets	June 30 2020	December 31 2019
	\$	\$
Canada	416,909	434,149
USA	11,222,007	8,380,207
Mexico	6,474,761	6,132,454
Total	18,113,677	14,946,810

13. 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 three months ended June 30, 2020 and 2019:

	Three months ended		Six months ended	
	2020	June 30 2019	2020	June 30 2019
	\$	\$	\$	\$
Consulting fees	45,000	35,548	90,000	80,584
Professional fees	13,176	11,076	29,303	28,261
Salaries and benefits	60,000	60,000	124,097	123,953
Share-based payments	40,072	4,864	86,896	13,359

Consulting fees include amounts paid to Raul Diaz, a director of the Company, for geological consulting services. Included in the amounts above is \$21,944 and \$53,200 in consulting fees for the three and six months ended June 30, 2020 that was capitalized to mineral properties (2019 - \$18,718 and \$47,508).

Professional fees include amounts paid to Malaspina Consultants Inc., a company in which the CFO, Carmen Amezcua Hernandez, is an associate.

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

Share-based payments include options granted to officers and directors.

During the three and six months ended June 30, 2020, the Company received lease income from a related company with common directors in the amount of \$9,120 and \$17,675 respectively (2019 - \$17,455 and \$32,163).

As at June 30, 2020, directors, officers or their related companies owed the Company \$96,289 (December 31, 2019 - \$79,133) and were owed \$2,120 (December 31, 2019 - \$17,937) 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.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

14. 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 period ended June 30, 2020:

- The issuance of 26,050 common shares valued at \$8,336 as payment for extra claims staked at the Candelaria Project; and
- The issuance of 871,000 units ("Units") valued at \$363,292 pursuant to the Amended Candelaria Option Agreement (see Note 7(a)). Each Unit consists of one share and one-half of one share purchase warrant (each a "Warrant") with each whole warrant entitling the holder to purchase one additional share at a price of \$0.40 per share for a period of three years from the date of issue; and
- Marketable securities received as a shares-for-debt payment of \$48,860 on receivables outstanding; and
- Recognition of a right-of-use asset and related lease obligation in the amount of \$57,127 related to an office lease (see note 10); and
- Movement of \$299,062 in mineral property exploration expenditures in accounts payable and accrued liabilities.

During the period ended June 30, 2019:

- The issuance of 5,827,338 common shares valued at \$1,329,700 pursuant to the Option Agreement for the Candelaria Project (see Note 7(a));
- The issuance of 250,000 common shares as consideration for this reduction of the NSR agreements on the Company's Mexican properties valued at \$60,000 (see Note 7(b)); and
- Movement of \$179,757 in mineral property exploration expenditures in accounts payable and accrued liabilities.

The Company paid or accrued \$nil for income taxes during the year ended December 31, 2019 (2018 - \$nil).

15. Financial instruments

Classification of financial instruments

The Company's financial instruments consist of cash, short-term investments, reclamation deposit, accounts receivable, accounts payable and accrued liabilities, and lease obligation. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

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.

There have been no changes in any risk management policies since December 31, 2019.

16. 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.

Silver One Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - expressed in Canadian dollars)

16. 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 six months ended June 30, 2020.

17. Adoption of New IFRS Pronouncements

On January 1, 2019, the Company adopted IFRS 16 using the modified retrospective application method, where the 2018 comparatives are not restated and a cumulative catch up adjustment is recorded on January 1, 2019 for any differences identified, including adjustments to the opening accumulated deficit balance.

On the date of transition, the Company recorded a right-of-use asset of \$525,191 related to the office rent in property and equipment, and the lease obligation of \$541,330 was recorded as at January 1, 2019, discounted using the Company's incremental borrowing rate of 7.71%, and measured at an amount equal to the lease obligation as if IFRS 16 had been applied since the commencement date. The net difference between right-of-use assets and lease liabilities on the date of transition was recognized as an accumulated deficit adjustment of \$16,139 on January 1, 2019.

18. Subsequent events

Private placement

On July 14, 2020, the Company closed a private placement by issuing 21,111,111 units ("Units") at a price of \$0.45 per Unit for gross proceeds of \$9,500,000 (the "Financing"). Each Unit is comprised of one common share and one-half of one common share purchase warrant ("Warrant"), with each whole Warrant entitling the holder to purchase one additional common share at \$0.65 per share for a period of three years from the date of issue.

Exercise of warrants

Subsequent to year end, 1,728,800 warrants of the Company were exercised for gross proceeds of \$759,360.

Exercise of options

Subsequent to year end, 264,499 options of the Company were exercised for gross proceeds of \$54,170.