



CANADA SILVER COBALT WORKS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months and Six Months Ended June 30, 2022 and 2021

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Canada Silver Cobalt Works Inc. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence in that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

CANADA SILVER COBALT WORKS INC.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

	Notes	As at June 30, 2022	As at December 31, 2021
		\$	\$
ASSETS			
Current assets			
Cash		2,891,514	4,217,908
Amounts receivable	4	470,445	385,571
Prepaid expenses	9	377,736	415,644
Marketable securities	5	488,255	916,320
Total current assets		4,227,950	5,935,443
Property, plant, and equipment	7	2,023,600	1,967,387
Due from Granada Gold Mine Inc.	4	1,462,957	862,957
Total assets		7,714,507	8,765,787
EQUITY AND LIABILITIES			
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	9	1,842,505	4,161,597
Total liabilities		1,842,505	4,161,597
Equity			
Share capital	8	58,056,731	53,533,544
Reserves	8	11,794,986	10,413,904
Contributed surplus		5,647,856	5,480,966
Deficit		(69,627,571)	(64,824,224)
Total equity		5,872,002	4,604,190
Total equity and liabilities		7,714,507	8,765,787

Nature of Business and Going Concern (Note 1), **Exploration and Evaluation Projects** (Note 6),
Commitments and Contingencies (Note 11) and **Subsequent Events** (Note 12)

APPROVED BY THE BOARD:

"Frank Basa"

Director

"Jacques Monette"

Director

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

CANADA SILVER COBALT WORKS INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three and Six Months Ended June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

	Notes	Three Months Ended		Six Months Ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		\$	\$	\$	\$
Expenses					
Exploration and evaluation	6	1,911,111	2,416,207	3,805,836	4,474,514
Corporate					
Accounting and audit		14,075	575	24,075	16,575
Admin and general expenses		101,128	33,286	184,087	49,249
Corporate development		73,230	-	169,230	60,000
Filing costs and shareholders' information		189,725	79,393	350,363	140,514
Legal fees		108,218	8,535	134,011	15,743
Marketing and communications		136,308	74,591	271,118	347,721
Consulting and professional fees		40,225	123,565	109,264	248,608
Salaries and wages		10,893	16,134	21,707	33,069
Temiskaming Testing Laboratory		106,712	151,558	248,043	373,091
Stock-based compensation	9	92,158	77,907	210,178	166,811
Travel, lodging and food		52,757	263	63,375	5,657
Total corporate expenses		925,429	565,807	1,785,451	1,457,038
Other items					
Other expenses		31,739	194,023	69,044	383,894
Premium on flow-through shares	7	-	(214,540)	(1,339,242)	(214,540)
Unrealized loss on marketable securities	5	411,790	52,500	543,590	670,750
Gain on disposal of equipment	7	(59,850)		(61,332)	-
Total other items		383,679	31,983	(787,940)	840,104
Total expenses		(3,220,219)	3,013,997	(4,803,347)	6,771,656
Net loss and comprehensive loss for the period		(3,220,219)	(3,013,997)	(4,803,347)	(6,771,656)
Net loss per share – basic and diluted		(0.016)	(0.024)	(0.026)	(0.055)
Weighted average number of shares outstanding - basic and diluted		199,128,320	123,823,089	188,346,767	122,614,487

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

CANADA SILVER COBALT WORKS INC.

Condensed Interim Consolidated Statements of Changes in Equity

	Number of Shares	Share Capital	Reserves	Contributed Surplus	Deficit	Total Equity (Deficit)
		\$	\$	\$	\$	\$
Balances, December 31, 2020	120,917,064	43,818,244	8,345,327	4,844,479	(48,410,910)	8,597,140
Private placement	6,026,282	2,408,962	411,021	-	-	2,819,983
Exercise of warrants	15,000	8,250	-	-	-	8,250
Exercise of options	968,000	237,150	-	-	-	237,150
Exercise of warrants – book value	-	1,140	(1,140)	-	-	-
Exercise of options – book value	-	237,897	(237,897)	-	-	-
Options and warrants cancelled or expired	-	-	(564,627)	564,627	-	-
Stock-based compensation	-	-	166,811	-	-	166,811
Share issue costs	-	(264,043)	57,543	-	-	(206,500)
Net loss for the period	-	-	-	-	(6,771,656)	(6,771,656)
Balances, June 30, 2021	127,926,346	46,447,600	8,177,037	5,409,106	(55,182,566)	4,851,178
Private placements	48,816,470	9,289,429	1,736,665	-	-	11,026,094
Flow-through share premium	-	(1,354,654)	-	-	-	(1,354,654)
Exercise of warrants	150,000	82,500	-	-	-	82,500
Exercise of options	445,000	110,100	-	-	-	110,100
Exercise of warrants –book value	-	11,310	(11,310)	-	-	-
Exercise of options – book value	-	80,594	(80,594)	-	-	-
Options and warrants cancelled or expired	-	-	(71,860)	71,860	-	-
Issued for equipment and exploration and evaluation projects	-	42,500	-	-	-	42,500
Stock-based compensation	150,000	-	393,873	-	-	393,873
Share issue costs	-	(1,175,925)	270,182	-	-	(905,743)
Net loss for the period	-	-	-	-	(9,641,658)	(9,641,658)
Balances, December 31, 2021	177,487,816	53,533,544	10,413,904	5,480,966	(64,824,224)	4,604,190
Private placements	22,460,500	4,432,175	1,609,000	-	-	6,041,175
Flow-through share premium	-	(426,050)	-	-	-	(426,050)
Exercise of warrants	2,800,000	692,000	-	-	-	692,000
Exercise of warrants –book value	-	148,102	(148,102)	-	-	-
Issued for exploration and evaluation projects	100,000	53,750	-	-	-	53,750
Options expired	-	-	(166,890)	166,890	-	-
Stock-based compensation	-	-	210,178	-	-	210,178
Share issue costs	-	(376,790)	(123,104)	-	-	(499,894)
Net loss for the period	-	-	-	-	(4,803,347)	(4,803,347)
Balances, June 30, 2022	202,848,316	58,056,731	11,794,986	5,647,856	(69,627,571)	5,872,002

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

CANADA COBALT WORKS INC.
Condensed Interim Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

	Notes	June 30, 2022	June 30, 2021
		\$	\$
OPERATING ACTIVITIES			
Loss before tax		(4,803,347)	(6,771,656)
Adjustments for:			
Amortization		144,631	134,153
Flow-through premium		(1,339,242)	(214,540)
Stock-based compensation		210,178	166,811
Gain on sale of equipment		(61,332)	-
Unrealized loss on marketable securities	5	543,590	670,750
Shares issued for exploration and evaluation projects		53,750	-
Operating cash flows before movements in working capital			
Amounts receivable		(84,874)	675,788
Prepaid expenses		37,908	66,585
Current liabilities		(1,487,691)	319,993
Cash used in operating activities		(6,786,429)	(4,952,116)
INVESTING ACTIVITIES			
Advances from Granada Gold Mine Inc.		100,000	700,000
Advances to Granada Gold Mine Inc.		(700,000)	-
Proceeds on disposal of equipment	7	65,850	-
Purchase of property, plant, and equipment	7	(123,571)	(329,007)
Purchase of marketable securities	5	(115,525)	(2,193,250)
Cash used in investing activities		(773,246)	(1,822,257)
FINANCING ACTIVITIES			
Issuance of units on private placement		6,041,175	819,983
Share issue costs		(499,894)	(206,500)
Option and warrant exercise		692,000	245,400
Cash from financing activities		6,233,281	858,883
Decrease in cash		(1,326,394)	(5,915,490)
Cash – beginning of period		4,217,908	6,421,345
Cash – end of period		2,891,514	505,855

Supplemental Cash Flow Information

	June 30, 2022	June 30, 2021
Finders warrants	125,000	-

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

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Nature of business

Canada Silver Cobalt Works Inc. ("CCW" or the "Company") was incorporated on April 29, 2005 pursuant to the Canada Business Corporations Act. The address of the Company's head office is 3028 Quadra Court, Coquitlam, BC V3B 5X6. CCW's principal business activities are the acquisition, evaluation, exploration and development of mineral properties. To date, the Company has not realized any revenues from its properties.

These condensed interim consolidated financial statements were approved by the Board of Directors on August 31, 2022.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and evaluation activities, and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, government licensing requirements or regulations, social licensing requirements, non-compliance with regulatory and environmental requirements and aboriginal land claims.

Going concern

As at June 30, 2022, the Company had not yet achieved profitable operations, had working capital of \$2,385,445 (December 31, 2021: \$1,773,846). For the six months ended June 30, 2022 the Company incurred a net loss of \$4,803,347 (six months ended June 30, 2021: \$6,771,656), had cash outflow from operations of \$6,786,429 (six months ended June 30, 2021: \$4,952,116), had accumulated losses of \$69,627,571 (six months ended June 30, 2021: \$55,182,566) and expects to incur future losses in the development of its business. These items represent material uncertainties which cast significant doubt about the ability of the Company to continue as a going concern. The Company is in the process of exploring its properties and has not yet determined whether these properties contain economically recoverable reserves. The continued operations of the Company are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the financing to complete the necessary exploration and development of such property and upon attaining future profitable production or proceeds from disposition of the properties. Management is actively pursuing additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

These condensed interim consolidated financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

Since January 1, 2020, the outbreak of the novel coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company, or on its ability to raise capital to fund exploration and operations, in future periods. While the Company has not been significantly impacted by the COVID-19 outbreak, it is not possible to reliably estimate the ongoing effect on the Company.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, as required by National Instrument 52-107 sec. 3.2(1)(b)(ii), and do not include all the information required for full annual financial statements by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These interim condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2021.

Basis of presentation and functional currency

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that have been measured at fair value. The condensed interim consolidated financial statements have been presented on an accrual basis except for cash flow information. The presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

Significant accounting estimates and judgments

The preparation of these condensed interim consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods when the revision affects both current and future periods.

In the process of applying the Company's accounting policies, management has made the same judgments, estimates, and assumptions which were set out in the Company's annual financial statements for the year ended December 31, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the Company's annual financial statements for the year ended December 31, 2021 have been applied consistently to these condensed interim consolidated financial statements.

4. AMOUNTS RECEIVABLE

The Company's amounts receivable are comprised of the following:

	<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
<u>Current</u>		
Sales tax receivable	\$ 470,445	\$ 385,571
<u>Long-Term</u>		
Due from Granada Gold Mine Inc.	\$ 1,462,957	\$ 862,957
	<u>\$ 1,933,402</u>	<u>\$ 1,248,528</u>

Amounts due from Granada Gold Mine Inc. ("Granada") are unsecured, non-interest bearing with no fixed terms of repayment. During the six months ended June 30, 2022, the Company advanced an aggregate of \$700,000 (year ended December 31, 2021 - \$1,238,554) to Granada, receiving an aggregate of \$100,000 (year ended December 31, 2021 - \$1,173,884) in repayments.

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

5. MARKETABLE SECURITIES

The Company's marketable securities are comprised of the following:

	As at June 30, 2022		As at December 31, 2021	
	Cost	FMV	Cost	FMV
	\$	\$	\$	\$
Granada Gold Mine Inc. 13,093,000 shares (December 31, 2021 - 11,454,000 shares)	2,393,675	488,255	2,278,150	916,320
Total marketable securities	2,393,675	488,255	2,278,150	916,320

During the six months ended June 30, 2022 the Company acquired an additional 1,639,000 shares of Granada, a related party and shareholder of the Company, with which there are common directors and officers. The shares acquired during the period were acquired on secondary markets between January 13 and February 17, 2022 at prices between \$0.065 and \$0.075 per share.

During the period ended June 30, 2021 the Company acquired 10,500,000 shares of Granada. 500,000 shares were acquired on secondary markets between February 5 and February 9, 2021 at prices between \$0.18 and \$0.20 per share. 5,000,000 units were acquired through a private placement on February 23, 2021 at \$0.20 per unit. Each unit comprising one common share of the Granada and one share purchase warrant. Each whole warrant entitling the Company to purchase one additional common share of Granada at an exercise price of \$0.22 per share for a period of three years from closing. 5,000,000 shares were acquired through the exercise of 5,000,000 common share purchase warrants at an exercise price of \$0.22 per warrant. As at June 30, 2022, there were no warrants outstanding.

6. EXPLORATION AND EVALUATION PROJECTS

Castle Silver Mine Project, Ontario

CCW holds a 100% interest in certain claims and parcels located in the Haultain and Nicol townships of Ontario. The property is subject to a sliding scale royalty on silver production which will start from 3% when the price of silver is US\$15 or lower per troy ounce and up to 5% when the price of silver is greater than US\$30 per troy ounce and a 5% gross overriding royalty on the sale of products derived from the property with a minimum annual payment of \$15,000 in the form of royalties on all future production from the property and a 1% net smelter return royalty ("NSR").

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

Castle East Property, Ontario

In 2020, CCW entered into a Purchase and Sale Agreement with Granada, a related party with which there are common directors and officers, pursuant to which the Company repurchased from Granada a back-in option on five mining leases at Castle East, forming part of the Castle mine property near Gowganda, Ontario. In payment, CCW issued 2,941,000 common shares to Granada. Each of the shares were accompanied by one common share purchase warrant. Each warrant entitles Granada to acquire one additional common share of CCW for \$0.55 for a period of five years. The common shares issued were valued at \$1,764,600 based on a common share price of \$0.55, and the common share purchase warrants were valued at \$1,293,503 for total consideration of \$3,058,103. The warrants value is based on the Black Scholes option pricing model, using the following assumptions: share price of \$0.55, an exercise price of \$0.55, risk free interest rate of 0.38%, expected life of warrants of 5 years, expected volatility rate of 114%, and expected dividend rate of 0%.

Beaver Property, Ontario

The Company holds a 100% interest in the Beaver and Violet cobalt and silver properties located in the township of Coleman, in northern Ontario, which are subject to a 3% NSR royalty. Each 1% can be purchased for \$1,500,000.

Eby-Otto Property, Ontario

On July 28, 2021 the Company entered into an option agreement to acquire the Eby-Otto property in exchange for cash payments totalling \$364,000, payable over five years (\$90,000 paid) and the issuance of 800,000 common shares of the Company over a period of five years (100,000 issued and valued at \$33,000 based on the quoted market price of the Company's shares at the time of issuance). The Company will also be required to incur a total of \$2.4 million of exploration expenditures on the property during the five year period. The optionors will retain a 3% royalty on the property if the Company completes the entire option.

On August 30, 2021 the Company entered into an option agreement with a group of claimholders to acquire an additional property in exchange for, over a period of 5 years, cash payments totalling \$182,000 (\$20,000 paid), the issuance of 400,000 common shares of CCW (50,000 issued and valued at \$9,500 based on the quoted market price of the Company's share at the date of issuance) and incurring a total of \$1.2 million in exploration expenditures on the Property. In addition, the claim holders will retain a 3% royalty if CCW completes the entire option. CCW will be the operator and will manage all exploration work throughout the term of the option.

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

On February 8, 2022, the Company entered into an option agreement to acquire, over a period of 4 years, 100% of the property in return for cash payments totalling \$100,000 (\$25,000 – paid), the issuance of 400,000 common shares (100,000 issued, ascribed a fair value of \$53,750, based on the market price of the Company's shares at the date of issuance) and incurring a total of \$340,000 in exploration expenditures on the property. In addition, Allsopp will retain a 3% royalty which may be purchased by the Company for \$2 million.

Chute-des-Passes, Quebec

On November 22, 2021, the Company entered into an acquisition agreement for 100% ownership of the 16 Chute-des-Passes Property claims jointly owned by SOQUEM INC. ("SOQUEM") (50% ownership) and MINES COULON INC. ("Mines Coulon") (50% ownership). The agreement is for the acquisition of 100% of the Chute des Passes property in return of payment of \$10,000 in cash and each vendor will retain an NSR. In consideration for the purchase of its interest in the Chute-des-Passes Property, the Company granted SOQUEM the right to receive a royalty of 0.5% of the net smelter return (NSR) on the Chute-des-Passes Property, half of which is redeemable for an amount of \$125,000. In return for the transfer of its interest in the Chute-des-Passes Property, the Company granted Mines Coulon the right to receive a royalty of 0.5% of the net smelter income (net smelter return or NSR) on the Chute-des-Passes Property, half of which is redeemable for an amount of \$125,000. There is also an existing NSR of 1%, of which 0.5% is redeemable for \$500,000. The total NSR on the property is 2% where 1% is redeemable for the sum of \$750,000.

Other

On May 2, 2022, the Company announced it had signed a non-binding letter of Intent ("LOI") dated April 20, 2022 with Power Group Projects Corp. ("PGP"), which contemplates a transaction whereby PGP would sell its interest in specific Cobalt area properties (the "Property), located in Coleman, Bucke and Lorrain Townships in the Larder Lake Mining Division of Ontario to the Company. Under the terms of the LOI, the Company and PGP would enter into a formal agreement whereby the Company would purchase a 100% interest, subject to a 2% NSR in specific PGP Properties and the data related to the Property subject to a payment of \$75,000 cash and the issuance of 300,000 shares of the Company to PGP upon closing the transaction. To date, this transaction has not closed.

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

7. PROPERTY, PLANT, AND EQUIPMENT

	Land	Building, machinery & equipment	Vehicles	Total
	\$	\$	\$	\$
COST				
As at December 31, 2020	210,312	1,596,890	211,988	2,019,190
Additions	-	372,271	84,199	456,470
As at December 31, 2021	210,312	1,969,161	296,187	2,475,660
Additions	-	81,791	123,571	205,362
Dispositions	-	-	(21,525)	(21,525)
As at June 30, 2022	210,312	2,050,952	398,233	2,659,497
ACCUMULATED AMORTIZATION				
As at December 31, 2020	-	228,634	15,895	244,529
Accumulated amortization	-	204,895	58,849	263,744
As at December 31, 2021	-	433,529	74,744	508,273
Accumulated amortization	-	110,203	34,428	144,631
Dispositions	-	-	(17,007)	(17,007)
As at June 30, 2022	-	543,732	92,165	635,897
NET BOOK VALUE				
As at December 31, 2020	210,312	1,368,256	196,093	1,774,659
As at December 31, 2021	210,312	1,535,632	221,443	1,967,387
As at June 30, 2022	210,312	1,507,220	306,068	2,023,600

During the six months ended June 30, 2022, certain equipment with a carrying value of \$4,518 was disposed of for gross proceeds of \$65,850. A gain on disposal of \$61,332 has been recorded on the Company's condensed interim statements of loss and comprehensive loss for the six months ended June 30, 2022.

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

8. SHARE CAPITAL

8.1 Authorized share capital

The Company has an authorized share capital of an unlimited number of shares with no par value.

As at June 30, 2022, the Company had 202,848,316 common shares issued and outstanding (June 30, 2021: 127,926,346).

8.2 Share issuance

a). Exercise of Warrants

During the period ended June 30, 2022, the Company issued 2,800,000 common shares related to the exercise of 2,800,000 warrants at an exercise price between \$0.21 and \$0.25 per share, for total consideration of \$692,000.

b). Other

During the period ended June 30, 2022 the Company issued 100,000 common shares ascribed a fair value of \$53,750 in accordance with a property option agreement related to the Company's Eby-Otto property. The shares were valued based on the quoted market price on the date of issuance.

c). Private Placement

On April 14, 2022, the Company closed a brokered private placement by raising gross proceeds of approximately \$6.04 million, including the partial exercise of an option to increase the size of the offering by Research Capital Corporation and Canaccord Genuity Corp, the co-lead agents of the offering. At the closing the Company issued 7,468,000 units ("Units") at a price of \$0.25 per Unit, 8,682,500 flow-through units ("FT Units") at a price of \$0.27 per FT Unit, and 6,310,000 Quebec flow-through units ("QFT Units") at a price of \$0.29 per QFT Unit. Each Unit consists of one common share (a "Common Share") and one common share purchase warrant (a "Warrant"). Each FT Unit consists of one flow-through Common Share (a "FT Share") and one Warrant. Each QFT Unit consists of one Quebec flow-through Common Share (a "QFT Share") and one Warrant. Each Warrant entitles its holder to purchase one additional Common Share at an exercise price of \$0.32 per share at any time up to 36 months following the closing of the offering. In connection with the offering, the Company paid the agents a cash commission of \$422,882 and incurred other cash costs of issue of \$77,012, and broker warrants entitling the agents to purchase up to 1,572,235 Units at an exercise price of \$0.25 for a period of three years from closing of the Offering.

Each warrant entitles the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.32 per share, for a period of three years from closing and have been recorded at an estimated value of \$1,484,000, based on the Black Scholes option pricing model, using the following assumptions: share price of \$0.28, an exercise price of \$0.32, risk free interest rate of 2.47%, expected life of warrants of 3 years, expected volatility rate of 82% and expected dividend rate of 0%.

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

Each finder warrant entitles the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.25 per share, for a period of three years from closing and have been recorded at an estimated value of \$125,000, based on the Black Scholes option pricing model, using the following assumptions: share price of \$0.28, an exercise price of \$0.25, risk free interest rate of 2.47%, expected life of warrants of 3 years, expected volatility rate of 82% and expected dividend rate of 0%.

8.3 Stock Option Plan

The Company has in place a stock option plan (the "Plan") under which officers, directors, employees and consultants are eligible to receive incentive stock options.

The aggregate number of common shares reserved for issuance under the Plan and common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed in aggregate 10% of the Company's common shares issued and outstanding at the time of grant. The term of any options granted under the Plan will be fixed by the Board of Directors and may not exceed ten years, but so long as the Company remains a "Tier 2" issuer under the policies of the Toronto Stock Exchange, options may not exceed a term of five years. The exercise price of options granted under the Plan will be determined by the Board of Directors, provided that it is not lower than the fair market value of the option shares on the date of the grant of the option.

The terms of the plan are as follows:

- (i) the maximum number of shares that can be received by a beneficiary during any 12 month period is limited to 5% of issued and outstanding shares;
- (ii) the maximum number of shares that can be reserved for a consultant during any 12 month period is limited to a 2% of issued and outstanding shares; and
- (iii) the maximum number of shares that can be reserved for a supplier of investor relations services during any 12-month period is limited to 2% of issued and outstanding shares; moreover, the options granted may be exercised on a 12 month period after the grant, at the rate of 25% per quarter.

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

The following is a summary of the changes in the Company's stock option activities for the period ended June 30, 2022 and year ended December 31, 2021:

	June 30, 2022		December 31, 2021	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
Outstanding, beginning of period	10,558,000	\$ 0.317	9,351,000	\$ 0.343
Granted	2,145,335	0.25	4,120,000	0.262
Exercised	-	-	(1,413,000)	0.246
Expired	(975,000)	0.25	(1,500,000)	0.403
Outstanding, end of period	11,728,335	0.309	10,558,000	0.317
Exercisable, end of period	11,728,335	0.309	10,558,000	0.317

The following table summarizes information regarding stock options outstanding and exercisable as at June 30, 2022:

Exercise price	Number of options outstanding	Number of options exercisable	Weighted-average remaining contractual life (years)	Weighted-average exercise Price(\$)
Options				
\$0.050 - \$0.200	100,000	100,000	0.24	0.200
\$0.210 - \$0.300	7,185,335	7,110,335	1.55	0.248
\$0.310 - \$0.400	2,130,000	2,130,000	1.95	0.336
\$0.410 - \$0.700	2,313,000	2,313,000	2.74	0.479
Total	11,728,335	11,653,335	1.84	0.309

The weighted average fair value of the options granted the six months ended June 30, 2022 was estimated at \$0.102 per option at the grant date using the Black-Scholes option pricing model.

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

The weighted average assumptions used for the calculation were:

	June 30 2022	December 31, 2021
Risk free interest rate	1.46%	0.99%
Expected life	2.02	2.9 years
Expected volatility	82%	82.50%
Stock price	0.23	0.26
Expected dividend per share	-	-

Expected volatility was calculated using historical daily closing share prices for the Company's common shares using the same time period as the life of the option.

8.4 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the period ended June 30 2022 and year ended December 31, 2021:

	June 30, 2022		December 31, 2021	
	Number of warrants	Weighted- average exercise price	Number of warrants	Weighted- average exercise price
Outstanding, beginning of period	67,964,803	\$ 0.282	27,187,793	\$ 0.739
Granted	24,032,735	0.320	41,033,010	0.276
Exercised	(2,800,000)	0.250	(165,000)	0.550
Expired	(1,156,665)	0.200	(91,000)	0.500
Outstanding, end of period	88,040,873	0.39	67,964,803	0.282

During the six months ended June 30, 2022, the Company issued 24,032,235 warrants. See Note 8(2)(c).

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

The following table summarizes information regarding share purchase warrants outstanding and exercisable as at June 30, 2022:

Exercise price	Number of warrants outstanding	Weighted-average remaining contractual life (years)	Weighted-average exercise price
\$0.21	2,097,425	1.32	\$0.21
\$0.24	984,595	1.47	\$0.24
\$0.25	33,288,244	1.38	\$0.25
\$0.32	22,460,500	2.79	\$0.32
\$0.50	2,785,493	1.67	\$0.50
\$0.55	6,507,071	2.17	\$0.55
\$0.58	1,152,128	0.77	\$0.58
\$0.60	2,282,853	0.99	\$0.60
\$0.65	12,485,231	1.15	\$0.65
\$0.80	3,997,333	0.40	\$0.80
Total	88,040,873		

9. RELATED PARTY TRANSACTIONS

The Company has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Company.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the three and six months ended June 30, 2022 was \$129,000 and \$282,999, respectively (three and six months ended June 30, 2021 - \$153,999 and \$310,551, respectively) and share based payments valued at \$53,680 (three and six months ended June 30, 2021 - \$31,163).

As at June 30, 2022, \$29,672 due to related parties was included in trade payables and accrued liabilities related to consulting fees and reimbursable expenses (December 31, 2021 - \$nil).

At June 30, 2022 the Company was owed \$1,462,957 (December 31, 2021 - \$862,957) from Granada, a related party with which there are common directors and officers.

Included in exploration and evaluation expenses for the six months ended June 30, 2022 was \$75,100 (six months ended June 30, 2021 - \$nil) in equipment rental costs from Granada. As at June 30, 2022, \$7,345 was included in trade payables and accrued liabilities related to this rental (December 31, 2021 - \$nil).

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

Included in prepaid expenses is \$170,000 (December 31, 2021 - \$200,000) in prepaid rent paid to a company controlled by a family member of one of the directors and officers of the Company. During the six months ended June 30, 2022, \$30,000 in facility rent was charged to exploration and evaluation expenses (six months ended June 30, 2021 - \$nil)

See also notes 4, 5, 11 and 12.

The Company's Capital Management policies set out in the Company's annual financial statements for the year ended December 31, 2021 have been applied consistently for the period ended June 30, 2022.

10. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company is exposed to credit risk on its cash and amounts receivable. The Company has deposited its cash with reputable financial institutions, from which management believes the risk of loss is minimized. As at June 30, 2022 and December 31, 2021 cash was held with major Canadian financial institutions. Management believes that the risk of loss from amounts receivable is low. The Company is also exposed to credit risk with risk with respect to the amount owing from Granada. Refer to note 4 for details.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, existing shareholders ownership may be diluted.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

(a) Interest rate risk

The Company is not exposed to interest rate risk as it does not have interest bearing debt.

(b) Commodity price risk

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market prices of silver, cobalt and nickel.

(c) Share price risk

The Company is exposed to share price risk related to the common shares of Granada. A 10% change in the share price of the Company's marketable securities would result in a corresponding change to net loss in the amount of \$49,000 for the six months ended June 30, 2022.

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

Currency Risk

As the Company transacts business in Canadian dollars, there is minimal foreign currency risk at June 30, 2022 and December 31, 2021.

11. COMMITMENTS AND CONTINGENCIES

(a) Environmental Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(b) Flow-Through Shares

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that may become payable by the subscribers as a result of the Company not meeting this expenditure commitment. As at June 30, 2022 the Company has a remaining commitment to incur \$8,140,798 of expenses as required under the flow-through share offerings during 2021 and 2022. \$3,966,623 of these expenses must be incurred prior to December 31, 2022 and \$4,174,175 prior to December 31, 2023, respectively.

(c) Management Contracts

The Company is party to multiple management contracts. Upon the occurrence of certain events such as a change in control, the contract requires payment of up to \$604,000. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

The Company has entered into a Memorandum of Understanding ("MOU") with the Matachewan First Nation community in connection with certain exploration and evaluation programs in their area; to support the engagement process two per cent of the exploration costs are provided to the First Nation, calculated and paid on an annual basis following the end of the calendar year.

In addition, the Company has entered into a second MOU with both Temagami First Nation and Teme-Augama Nation to provide a framework process for consultation during the life of the project.

The MOUs also include terms outlining environmental protection, employment, training and business opportunities, and mitigation of impacts on the traditional pursuits of the members of the First Nation communities.

CANADA SILVER COBALT WORKS INC.
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2022 and 2021
(Unaudited - expressed in Canadian Dollars)

12. SUBSEQUENT EVENT

On August 25, 2022, the Company closed its acquisition to acquire a 10-acre (4 hectare) property fronting Highway 11 near Cobalt, ON, that will be used as the central hub for all of the Company's Ontario and Quebec operations for a cash consideration of \$265,000 which sum represents the value of the property of \$465,000, less \$200,000 in previously paid lease payments. The vendor of the property is a company controlled by a family member of one of the directors and officers of the Company.