

SILVERSTAR MINING CORP.  
Form 10-K  
January 13, 2015

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 10-K**

(Mark One)

ANNUAL  
REPORT  
PURSUANT  
TO SECTION  
13 OR 15(d)  
OF THE  
SECURITIES  
EXCHANGE  
ACT OF 1934

For the fiscal year ended **September 30, 2014**

TRANSITION  
REPORT  
UNDER  
SECTION 13  
OR 15(d) OF  
THE  
SECURITIES  
EXCHANGE  
ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number **333-140299**

**SILVERSTAR MINING CORP.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation or organization)

**98-0425627**

(I.R.S. Employer Identification No.)

**1489 West Warm Springs Road, Ste. 110,  
Henderson, Nevada**

(Address of principal executive offices)

**89014**

(Zip Code)

Registrant's telephone number, including area code: **(775) 473-9400**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

**N/A**

Name of Each Exchange On Which Registered

**N/A**

Securities registered pursuant to Section 12(b) of the Act: **None.**

Name of each exchange on which registered: **None.**

Securities registered pursuant to Section 12(g) of the Act: **Common Stock**

Indicate by check mark if the registrant is a well-seasoned issuer, as defined in Rule 405 of the Securities Act "Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15d of the Act "Yes  No

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or such shorter period of that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No "

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the previous 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes x No "

Indicate by checkmark if disclosure of delinquent filers to Item 405 of Regulation S-K (§229.405) is not contained herein and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

|                         |                          |                           |                                     |
|-------------------------|--------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer         | <input type="checkbox"/>            |
| Non-accelerated filer   | <input type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |

(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act,) Yes " No x

The number of shares outstanding of the Company's \$.001 Par Value Common Stock as of January 2, 2015 was 12,959,200. The aggregate number of shares of the voting stock held by non-affiliates on January 2, 2015 was 1,047,620 with a market value of \$2,514,288. For the purposes of the foregoing calculation only, all directors and executive officers of the registrant have been deemed affiliates.

DOCUMENTS INCORPORATED BY REFERENCE: None.

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## **FORWARD-LOOKING STATEMENTS**

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Various statements in this Annual Report on Form 10-K, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. The forward-looking statements may include projections and estimates concerning the timing and success of our business activities, our revenues, income and capital spending. We generally identify forward-looking statements with the words “believe,” “intend,” “expect,” “seek,” “may,” “should,” “anticipate,” “could,” “estimate,” “plan,” “predict,” “project” or other similar expressions. All statements we make relating to our estimated timelines and commencement of operations, and our projected earnings, costs, expenditures, cash flows, and financial results or to our expectations regarding future industry trends are forward-looking statements.

These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. The forward-looking statements contained in this Form 10-K are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors and it is impossible for us to anticipate all factors that could affect our actual results. In addition, management's assumptions about future events may prove to be inaccurate. We caution all readers that the forward-looking statements contained in this Form 10-K are not guarantees of future performance, and we cannot assure any reader that such statements will prove correct or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to the numerous risks and uncertainties as described elsewhere in this Form 10-K.

## **PART I**

### **ITEM 1: BUSINESS.**

#### **Overview**

The address of our principal executive office is located at 1489 West Warm Springs Road, Suite 110, Henderson, NV. Our telephone number is (775) 473-9400. Our company was incorporated in the State of Nevada on December 5, 2003 under the name Computer Maid, Inc. Our company was inactive until February 2006, when we changed our name to Rose Explorations Inc. and became engaged in the exploration of mining properties.

On March 4, 2008, our company completed a merger with our wholly-owned subsidiary, Silverstar Mining Corp., which was incorporated solely to effect the name change of our company to Silverstar Mining Corp.

On March 4, 2008, we effected a 3 for 1 forward stock split of our authorized, issued and outstanding common stock. As a result, our authorized capital increased from 75,000,000 shares of common stock with a par value of \$0.001 to 225,000,000 shares of common stock with a par value of \$0.001.

On April 13, 2011, we incorporated a wholly owned subsidiary, Silverstar Mining (Canada) Inc., under the federal laws of Canada. The subsidiary's main purpose is to hold title to mineral property rights situated in Canada as the laws of that country require that only local entities can hold title to mineral property rights situated within its borders.

Effective September 26, 2011, we effected a reverse split our common stock on a 1,000 for 1 basis. As a result of the foregoing, we reduced the number of authorized shares of our common stock from 225,000,000 to 225,000.

On February 29, 2012, we filed a Certificate of Amendment to our company's Articles of Incorporation with the Nevada Secretary of State increasing the number of authorized shares from 225,000 to 225,000,000 shares of common stock \$0.001 par value.

On July 22, 2013 we entered into settlement agreements with four debt holders of our company pursuant to which we restructured outstanding demand loans payable in the aggregate amount of \$175,028 (inclusive of accrued interest) as

convertible debentures.

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On February 15, 2013, we closed a Share Exchange Agreement pursuant to which we intended to acquire a wholly owned subsidiary, Arriba Resources Inc. However, effective November 13, 2013 our Board of Directors approved the cancellation and reversal of the Share Exchange Agreement due to a failure of consideration on the part of the seller. As a result of the cancellation and reversal of the Share Exchange Agreement, 2,139,926 shares of our common stock and warrants to acquire 2,078,477 shares of our common stock which were previously authorized (but not issued from treasury) have been cancelled with immediate effect. Consequently, the change of control announced in our current report on Form 8-K filed on May 21, 2013 has been reversed.

As a result of the cancellation and reversal of the Share Exchange Agreement with Arriba, the consolidated financial statements of our Company for the quarterly periods ended March 31, 2013 (filed with the SEC on August 14, 2013) and June 30, 2013 (filed with the SEC on May 20, 2013) may no longer be relied upon owing to their inclusion of the financial information of Arriba. We informed our independent accountants of the cancellation and reversal of the Share Exchange Agreement and intend to file amendments to our Quarterly Reports on Form 10-Q for the periods ended March 31 and June 30, 2013 to reflect our financial condition without consolidation of the financial information of Arriba. The financial statements contained in this current report accurately reflect the deconsolidation of the financial information of Arriba.

## **Current Business**

### *Mineral Exploration*

On May 16, 2011, we entered into an Agreement of Purchase and Sale with Jaime Mayo to acquire a 100% in three 3 mineral claims known as the Abhau Lake Property (constituting approximately 1,006 hectares) located in the Caribou Mining District near the city of Quesnel, in east-central British Columbia, Canada. In consideration of the property, we paid \$10,000 cash as a deposit and issued 2,000 (now 2,000,000 post-split) common shares upon closing. The claims are subject to a 2% NSR (Net Smelter Royalty). We have an option to purchase 1% of the NSR for \$1 million and an additional 0.5% of the NSR \$500,000.

On February 7, 2012 we paid Terracad Geoscience Services \$4,040 to re-stake the claims, which had expired, in the name of Silverstar Mining Corp.

On June 12, 2012 we paid Terracad Geoscience Services \$10,000 as a pre-payment against an estimated \$15,000 charge to prepare the National Instrument 43-101 compliant technical report for the Quesnel property. The work was completed and we received final invoicing for the work on October 1, 2012 in the amount of \$15,533 which was recorded as Investment in Mineral Property.

As at the date of this report, the Abhau Lake Property is currently our sole asset. The work on the property has been expensed and not capitalized.

Concurrently with our mineral exploration activities, we are seeking to expand our business to include oil and natural gas exploration and development, in addition to mineral exploration services and oil & gas exploration services, including hard rock drilling services, seismic drilling services, and oil & gas waste disposal.

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### *Prospective Business Activities*

We are currently seeking to diversify our business into oil and gas exploration and waste disposal. With respect to prospective oil & gas exploration, we are identifying and conducting due diligence on acreages located in Texas and Alberta, Canada for the purposes of potential acquisition and exploration. We have not entered into any definitive arrangements regarding these prospective business activities and there is no guarantee that we will be successful in this regard.

### **Market, Customers and Distribution Methods**

Although there can be no assurance, large and well capitalized markets are readily available for energy throughout the world. A very sophisticated futures market for the pricing and delivery of future production also exists. The price for energy is affected by a number of global factors, including economic strength and resultant demand for minerals for production, fluctuating supplies, mining activities and production by others in the industry, and new and or reduced uses for subject minerals.

The mining industry is subject to a number of factors, including intense industry competition, high susceptibility to economic conditions (such as price of minerals, foreign currency exchange rates, and capital and operating costs), and political conditions (which could affect such things as import and export regulations, foreign ownership restrictions). Furthermore, the mining activities are subject to all hazards incidental to mineral exploration, development and production, as well as risk of damage from earthquakes, any of which could result in work stoppages, damage to or loss of property and equipment and possible environmental damage. Hazards such as unusual or unexpected geological formations and other conditions are also involved in mineral exploration and development.

### **Competition**

We compete with other energy resource exploration companies for financing and for the acquisition of new properties. Many of the resource exploration companies with whom we compete have greater financial and technical resources than those available to us. Accordingly, these competitors may be able to spend greater amounts on acquisitions of properties of merit, on exploration of their properties and on development of their properties. In addition, they may be able to afford more geological expertise in the targeting and exploration of properties. This competition could result in competitors having properties of greater quality and interest to prospective investors who may finance additional exploration and development. This competition could adversely impact on our ability to achieve the financing necessary for us to conduct further exploration of our mineral properties.

## **Intellectual Property**

We currently do not hold any intellectual property or operate a website.

## **Government Regulations**

### *Canada*

Any mineral properties that we may have will be subject to various Federal and Provincial laws and regulations in Canada which govern prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters. We will be required to obtain those licenses, permits or other authorizations currently required to conduct exploration and other programs. There are no current orders or directions relating to us or the Newfoundland Property with respect to the foregoing laws and regulations. Such compliance may include feasibility studies on the surface impact of our proposed operations, costs associated with minimizing surface impact, water treatment and protection, reclamation activities, including rehabilitation of various sites, on-going efforts at alleviating the mining impact on wildlife and permits or bonds as may be required to ensure our compliance with applicable regulations. It is possible that the costs and delays associated with such compliance could become so prohibitive that we may decide to not proceed with exploration, development, or mining operations on any of our mineral properties. We are not presently aware of any specific material environmental constraints affecting our property that would preclude the economic development or operation of property in Canada.

## **Environmental Regulations**

We are not aware of any material violations of environmental permits, licenses or approvals that have been issued with respect to our operations. We expect to comply with all applicable laws, rules and regulations relating to our business, and at this time, we do not anticipate incurring any material capital expenditures to comply with any environmental regulations or other requirements.

While our intended projects and business activities do not currently violate any laws, any regulatory changes that impose additional restrictions or requirements on us or on our potential customers could adversely affect us by increasing our operating costs or decreasing demand for our products or services, which could have a material adverse effect on our results of operations.

## **Subsidiaries**

We have one wholly-owned subsidiary, Silverstar Mining Canada, Inc., a company incorporated under the federal laws of Canada.

## **Research and Development Expenditures**

We incurred \$29,893 in mineral property and exploration expenditures during the fiscal years ended September 30, 2013 and 2012.

## **Employees**

As of September 30, 2014, we had no employees. Our directors and officers provided their services to our company on a consulting basis and without formal employment agreements.

## **ITEM 1A: RISK FACTORS**

*There are numerous and varied risks, known and unknown, that may prevent us from achieving our goals. If any of these risks actually occur, our business, financial condition or results of operations may be materially adversely affected. In such case, the trading price of our common stock could decline and shareholders could lose all or part of their investment.*

### **Risks Related to our Business Operations**

*We have not generated revenues from operations. We have a history of losses and losses are likely to continue in the future.*

We have incurred significant losses in the past and we will likely continue to incur losses in the future unless our drilling program proves successful. Even if drilling program is successful, there can be no assurance that we will be able to commercially exploit these resources, generate further revenues or generate sufficient revenues to operate profitably.

*We may not be able to generate revenue sufficient to maintain operations.*

We have incurred significant losses since inception and there can be no assurance that we will be able to reverse this trend. Even if we are able to successfully identify commercially exploitable gold and silver reserves, there is no assurance that we will have sufficient financing to exploit these reserves, generate revenues or find a willing buyer for the properties.

*Exploration for economic deposits of gold and silver is speculative.*

Our business is very speculative since there is generally no way to recover any of the funds expended on exploration unless the existence of commercially exploitable reserves are established and our company can exploit those reserves by either commencing drilling operations, selling or leasing its interest in the property, or entering into a joint venture with a larger company that can further develop the property. Unless we can establish and exploit reserves before our funds are exhausted, we will have to discontinue operations, which could make our stock valueless.

*The gold and silver industry is highly competitive and the success and future growth of our business depend upon our ability to remain competitive in identifying and developing properties with sufficient reserves for economic exploitation.*

The gold and silver industry is highly competitive and fragmented with limited barriers to entry, especially at the exploratory stages. We compete in national, regional and local markets with large multi-national corporations and against start-up operators hoping to identify a gold or silver property. Some of our competitors have significantly greater financial resources than we do. This puts us at a competitive disadvantage if we choose to further exploit drilling opportunities.

*Our management has no experience in energy operations.*

Our current management has never been involved in the exploration business. As such, there is substantial doubt whether management has the expertise to effectively run our business and implement our business plan. As such, we will have to retain additional officers or board members who have experience in the mining sector. Alternatively, we will have to rely on consultants or other third party suppliers. Reliance on outside consultants will require the expenditure of significant sums of money which we do not have. As such, the successful launch of an exploratory drilling program remains in doubt.

*We will require additional financing to continue our operations.*

We will require significant working capital to undertake our exploration program. There can be no assurance that we will be able to secure additional funding to meet our objectives or if we are able to identify funding sources, that the funding will be available on terms acceptable to our company. Should this occur, we will have to significantly reduce our drilling and mining programs.

*We may not identify proven reserves to develop any of our properties and our estimates may be inaccurate.*

There is no certainty that any expenditures made in our exploration program will result in discoveries of commercially recoverable quantities of gold or silver. Most exploration projects do not result in the discovery of commercially extractable deposits of gold or silver and no assurance can be given that any particular level of recovery will in fact be realized or that any identified leasehold interest will ever qualify as a commercially developed. Estimates of reserves, deposits and production costs can also be affected by such factors as environmental regulations and requirements, weather, unexpected or unknown results when we re-enter a well, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Material changes in estimated reserves, exploration and mining costs may affect the economic viability of any project.



*We have no proven reserves.*

Our leasehold interests are without known bodies (reserves) of commercial gold or silver. Development of these properties will follow only upon obtaining satisfactory exploration results. The long-term profitability of our company's operations will be in part directly related to the cost and success of its exploration and mining programs. Mining for gold and silver and other base metals is a highly speculative business involving a high degree of risk. Few properties which are explored are ultimately developed into producing mines. There is no assurance that our exploration program will result in any discoveries of commercial quantities of gold or silver. There is also no assurance that, even if commercial quantities of gold or silver are discovered, a mine can be brought into commercial production. Production/discovery of gold and silver is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mine is also dependent upon a number of factors, many of which are beyond our company's control, such as worldwide economy, the price of gold and silver, government regulations, including regulations relating to royalties, allowable production and environmental protection.

During our operations we may experience certain unanticipated conditions may arise or unexpected or unusual events may occur, including fires, floods, or earthquakes. It is not always possible to fully insure against such risks and we may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they may reduce or eliminate any future profitability and may result in a decline in the value of the securities of our company.

*We have no history as a company engaged in the mining business.*

We have no history of earnings or cash flow from mining activities. If we identify proven reserves and are able to proceed to production, commercial viability will be affected by factors that are beyond our control such as the particular attributes of the deposit, the fluctuation in the prices of gold and silver, the cost of construction and operating a mining operation, the availability of economic sources for energy, government regulations including regulations relating to prices, royalties, restrictions on production, quotas on exploration, as the costs of protection of the environment.

*Our estimates of resources are subject to uncertainty.*

Estimates of resources are subject to considerable uncertainty. Such estimates are arrived at using standard acceptable geological techniques, and are based on the interpretations of geological data obtained from drill holes and other sampling techniques. Engineers use feasibility studies to derive estimates of cash operating costs based on anticipated tonnage and grades of ore to be mined and processed, the predicted configuration of the ore bodies, expected recovery rates of metal from ore, comparable facility and operating costs and other factors. Actual cash operating costs and

economic returns on projects may differ significantly from the original estimates, primarily due to fluctuations in the current prices of metal commodities extracted from the deposits, changes in fuel costs, labor rates, changes in permit requirements, and unforeseen variations in the characteristics of the ore body. Due to the presence of these factors, there is no assurance that any geological reports will accurately reflect actual quantities of gold or silver that can be economically processed and mined by us.

*We face many operating hazards.*

The development and operation of a mining property involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include, among other things, ground fall, flooding, environmental hazards and the discharge of toxic chemicals, explosions and other accidents. Such occurrences may result in work stoppages, delays in production, increased production costs, damage to or destruction of mines and other producing facilities, injury or loss of life, damage to property, environmental damage and possible legal liability for such damages.

*We will be subject to compliance with government regulation that may increase the anticipated cost of those operations.*

There are significant governmental regulations that materially restrict mineral property operations. We may be required to obtain work permits, post bonds and perform remediation work for any physical disturbance to the land, in order to comply with these regulations. Permits and regulations will control all aspects of our exploration program. Examples of regulatory requirements include:

- (a) Water discharge will have to meet drinking water standards;
- (b) Dust generation will have to be minimal or otherwise re-mediated;
- (c) Dumping of material on the surface will have to be re-contoured and re-vegetated with natural vegetation;
- (d) An assessment of all material to be left on the surface will need to be environmentally benign;
- (e) Ground water will have to be monitored for any potential contaminants;
- (f) The socio-economic impact of our operation of the Property will have to be evaluated and, if deemed negative, will have to be re-mediated; and
- (g) There may have to be an impact report of the work on the local fauna and flora, including a study of potentially endangered species.

*We do not maintain liability insurance.*

We do not maintain liability insurance. As such, if we are found liable for any action, whether intentional or unintentional, we will be required to satisfy the liability with our own funds. Currently we have nominal assets and any monetary award would likely result in the close of our operations. Even assuming a significant increase in our assets and we secure liability insurance, the amount of the coverage may be insufficient to cover to insure against any award. Since our company may not be able, or may elect not to insure, this may result in a material adverse change in

our company's financial position. The nature of these risks is such that liabilities may exceed policy limits, in which event our company would incur substantial uninsured losses.

*Environmental and Occupational Regulations will impact our operations.*

We are subject to various federal, provincial, and local international laws and regulations concerning occupational safety and health as well as the discharge of materials into, and the protection of, the environment. Environmental laws and regulations relate to, among other things:

- assessing the environmental impact of our exploration and mining activities;
- the generation, storage, transportation and disposal of waste materials;
- the emission of certain gases into the atmosphere;
- the monitoring, abandonment, reclamation and remediation of our mining claims, including sites of former operations; and
- the development of emergency response and contingency plans.

The costs of environmental protection and safety and health compliance are significant. Compliance with environmental, safety and health initiatives can be costly. There is no assurance that we will be able to comply with these regulations. If we cannot comply with these regulations, we will be forced to cease all operations in which case you will lose your entire investment. We cannot predict with any reasonable degree of certainty our future exposure concerning such matters.

*Public policy, which includes laws, rules and regulations, can change.*

Our operations are generally subject to federal and provincial rules and regulations. In addition, we are also subject to the laws and regulations of local governments. Pursuant to public policy changes, numerous government departments and agencies have issued extensive rules and regulations binding on the mining industry and its individual members, some of which carry substantial penalties for failure to comply. Changes in such public policy have affected, and at times in the future could affect, our operations. Political developments can restrict production levels, enact price controls, change environmental protection requirements, and increase taxes, royalties and other amounts payable to governments or governmental agencies. Existing laws and regulations can also require us to incur substantial costs to maintain regulatory compliance. Our operating and other compliance costs could increase further if existing laws and regulations are revised or reinterpreted or if new laws and regulations become applicable to our operations. Although we are unable to predict changes to existing laws and regulations, such changes could significantly impact our profitability, financial condition and liquidity, particularly changes related to hydraulic fracturing, income taxes and climate change as discussed below.

*Drilling operations are hazardous, raise environmental concerns and raise insurance risks.*

Drilling operations are by their nature subject to a variety of risks, such as, flooding, environmental hazards, the discharge of toxic chemicals and other hazards. Such occurrences may delay development or production, increase production costs or result in a liability. We may not be able to insure fully or at all against such risks, due to political or other reasons, or we may decide not to take out insurance against such risks as a result of high premiums or other reasons. We intend to conduct our business in a way that safeguards public health and the environment and in compliance with applicable laws and regulations. Environmental hazards may exist on properties in which we hold an interest which are unknown to us and may have been caused by prior owners. Changes to drilling and mining laws and regulations could require additional capital expenditures and increase operating and/or reclamation costs. Although we are unable to predict what additional legislation, if any, might be proposed or enacted, additional regulatory requirements could render certain operations uneconomic.

*If we are unable to obtain all of our required governmental permits, our operations could be negatively impacted.*

Our future operations, including exploration and development activities, required permits from various governmental authorities. Such operations are and will be governed by laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There can be no assurance that we will be able to acquire all required licenses or permits or to maintain continued operations at our properties.

*We are subject to numerous environmental and other regulatory requirements.*

All phases of drilling and exploration operations are subject to governmental regulation including environmental regulation. Environmental legislation is becoming stricter, with increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened responsibility for companies and their officers, directors and employees. There can be no assurance that possible future changes in environmental regulation will not adversely affect our operations. As well, environmental hazards may exist on a property in which we hold an interest that was caused by previous or existing owners or operators of the properties and of which our company is not aware at present.

Government approvals and permits are required to be maintained in connection with our drilling and exploration activities. We will require permits for our operations and there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations or additional permits for any possible future changes to our company's operations, including any proposed capital improvement programs. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in drilling operations may be required to compensate those suffering loss or damage by reason of our activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, may have a material adverse impact on our company resulting in increased capital expenditures or production costs, reduced levels of production at producing properties or abandonment or delays in development of properties.

*There is no assurance that there will not be title or boundary disputes.*

Although we have investigated the right to explore and exploit our properties and obtained records from government offices, this should not be construed as a guarantee of title. Other parties may dispute the title to any of our properties or that any property may be subject to prior unregistered agreements and transfers. The title may be affected by undetected encumbrances or defects or governmental actions. Should this occur, we face significant delays, costs and the possible loss of any investments or commitment of capital.

*Local infrastructure may impact our exploration activities and results of operations.*

Our activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges and power and water supplies are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena sabotage or government or other interference in the maintenance or provision of such infrastructure could adversely affect the activities and profitability of our company.

*Because of the speculative nature of exploring and/or mining for gold and silver, there is significant risk that our business will fail.*

Gold and silver exploration is extremely risky. We cannot provide any assurances that our activities will result in commercially exploitable reserves of gold and silver. Exploration for gold and silver is a speculative venture necessarily involving substantial risk. Any expenditure that we make may not result in the discovery of commercially exploitable reserves.

*The market for gold and silver is volatile. This will have a direct impact on our company's revenues (if any) and profits (if any) and will probably have an adverse effect on our ongoing operations.*

The price of both gold and silver has fluctuated significantly over the past few years. This has contributed to the renewed interest in gold and silver exploration. However, in the event that the price of either gold or silver falls, the interest in exploratory ventures may decline and the value of our company's business could be adversely affected.

*We are in competition with companies that are larger, more established and better capitalized than we are.*

Many of our potential competitors have:

- greater financial and technical resources;
- longer operating histories and greater experience.

*We may be exposed to potential risks relating to our internal control over financial reporting and our ability to have those controls remediated timely.*

Pursuant to rules of the SEC implemented pursuant to Section 404 of the Sarbanes-Oxley Act, the independent registered public accounting firm auditing a public company's financial statements must attest to and report on the operating effectiveness of that public company's internal control over financial reporting.



Pursuant to Section 404 of the Sarbanes-Oxley Act, as amended by SEC Release 33-8934 on June 26, 2008, we are required to include in our annual reports our assessment of the effectiveness of our internal control over financial reporting as of the end of our fiscal years. Furthermore, our independent registered public accounting firm will be required to report separately on whether it believes that we have maintained, in all material respects, effective internal control over financial reporting. We have not yet completed any assessment of the effectiveness of our internal control over financial reporting. We expect to incur additional expenses and diversion of our management's time as a result of performing the system and process evaluation, testing and remediation required in order to comply with our management certification and auditor attestation requirements.

In the event we identify control deficiencies that we cannot remedy in a timely manner, or if we are unable to receive an unqualified attestation report from our independent registered public accounting firm with respect to our internal control over financial reporting, investors and others may lose confidence in the reliability of our financial statements, and the trading price of our common stock, if a market ever develops, and our ability to obtain any necessary financing could suffer.

*Our officers have limited experience in managing a public company.*

Our officers have limited experience in managing a public company, and we do not have any employees to segregate responsibilities and may be unable to afford increasing our staff or engaging outside consultants or professionals to overcome our lack of employees. During the course of our operations, we may identify other deficiencies that we may not be able to remedy in time to satisfy the requirements imposed by the Sarbanes-Oxley Act for compliance with that Section 404. In addition, if we fail to achieve and maintain the adequacy of our internal controls, as such requirements are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. Moreover, effective internal controls, particularly those related to revenue recognition, are necessary for us to produce reliable financial reports and are important to help prevent financial fraud. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and the trading price of our common stock, if a market for our common stock develops, could drop significantly.

*Our officers do not have employment agreements with us and could cease working for us at any time, causing us to cease our operations.*

Our officers do not have employment agreements (written or verbal) with us. In the absence of such employment agreements with restrictive covenants on the part of our officers, our officers could leave us at any time or commence working for a competitive business. Furthermore, applicable law under which we operate may cast substantial doubt on the enforceability of any restrictive covenants that we may obtain from our officers in the future. Accordingly, the continued services of our officers cannot be assured. If our officers were to cease working for us, we may have to cease operations.

### **Risks Related to Our Common Stock**

*Trading on the OTC Bulletin Board may be volatile and sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their shares.*

Our common stock is quoted on the OTC Bulletin Board service of the Financial Industry Regulatory Authority. Trading in stock quoted on the OTC Bulletin Board is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with our operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the OTC Bulletin Board is not a stock exchange, and trading of securities on the OTC Bulletin Board is often more sporadic than the trading of securities listed on a quotation system like NASDAQ or a stock exchange like Amex.

*The Financial Industry Regulatory Authority sales practice requirements may also limit a stockholder's ability to buy and sell our stock.*

In addition to the “penny stock” rules described above, the Financial Industry Regulatory Authority, which we refer to as FINRA, has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer’s financial status, tax status, investment objectives and other information. Under interpretations of these rules, the FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for shares of our common stock.

#### **ITEM 1B: UNSOLVED STAFF COMMENTS**

As a “smaller reporting company”, we are not required to provide the information required by this Item.

#### **ITEM 2: PROPERTIES**

Our executive offices are located at 1489 West Warm Springs Road, Suite 110, Henderson Nevada, 89014. These are virtual offices rented for \$115 per month on a month to month basis.

##### **Mineral Properties**

We currently hold property in the Caribou Mining District in east-central British Columbia or approximately 65 km northeast of Quesnel, British Columbia, Canada. We have one mining claims in British Columbia, Canada. Subject to securing additional financing, our goal is to explore these mining claims to determine if there are indicated or proven reserves of either gold, silver or base metals.

*Ahbau Lake Property, Caribou Mining District, British Columbia*

On May 16, 2011, our wholly owned subsidiary, Silverstar Mining Canada, Inc., entered into an agreement of purchase and sale with Jaime Mayo to acquire 100% of the Ahbau Lake Property, Caribou Mining Division, Quesnel District, British Columbia (“AHB Claims”) located in British Columbia, Canada. The AHB Claims consist of 3 claims (approximately 1,006 ha).

Our company paid \$10,000 cash as a deposit and issued 2,000,000 common shares upon closing and is subject to a 2% net smelter royalty. Our company has an option to purchase 1% of the net smelter royalty for \$1 million and an additional 0.5% of the NSR \$500,000.

On February 7, 2012, our company paid Terracad Geoscience Services \$4,040 to re-stake the claims, which had expired, in the name of Silverstar Mining Corp.

As of September 30, 2013, the Company paid Terracad Geoscience Services \$15,533 to prepare the National Instrument 43-101 compliant technical report for the Quesnel property, Central British Columbia, Canada. As of September 30, 2013 the Company has recorded \$29,893 as investment in the mineral property.

The mineral claims are located in the Caribou Mining District in east-central British Columbia.

#### Technical Report

We received a technical report dated July 20, 2012, written by Erik A. Ostensoe, P. Geo., with respect to the AHB Claims. Pursuant to the technical report Mr. Ostensoe recommended two phases of work for the AHB Claims. The goal for Phase 1 is to conduct geological reconnaissance and prospecting of the entire property, including testing by panning and taking pan concentrate samples from all streams, and MMI-type (mobile metal ion) soil geochemical samples from a grid of sample lines. Phase 2 will comprise improved access, detailed MMI sampling and other work in selected areas that were identified in Phase 1 as having anomalous geochemical responses. Upon completion of Phase 2 work, it will be possible to determine if further work on the AHB Claims are warranted.

Property Location and Access

There is a growing infrastructure in the region as more of its resources are being exploited by various sized peers and competitors in the area.

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The SMCI mineral tenures are located within 65 km northeast of Quesnel, British Columbia, in an area that in part has been logged and re-planted. Access is by forestry road to the vicinity of the Willow River: the tenures lie both east and west of that river. The bridge across Willow River is located approximately 1250 metres upstream from the south boundary and a logging branch road follows the east side of Willow River. The total area is 1006 hectares.

The Silverstar claim is approximately 7 to 15 kilometers away from Barkerville. To the south of our property is Tiex, Inc. (TIX.V), nearby is Hawthorne Gold Corp. (HGC.V), Rogers Gold Corp., Barker Minerals, Ltd. (BML.V), next to our property is Touchdown Resources (TDW.V), and the west side of our property is currently occupied by Richfield Ventures Corp. (RCV.V).

We have conducted feasibility studies on the mining claims and definitive results are still not available; however, contiguous and other properties in the immediate vicinity indicate deposits of gold, silver and copper.

### Geology and Mineralization

Soils present on the SMCI property are mostly residual soils developed over clay-rich glacial-fluvial deposits that were deposited in the waning stages of Quaternary glaciations. Such deposits are inherently inhomogeneous and include materials that have been transported *en masse* by glacier and stream movement, with periodic episodes of ice ponding during which fine rock flour and silt particles accumulated in quiescent lakes and ponds. During and following de-glaciation, large water flows coupled with post-glacial elastic crustal rebounding modified the landscape to create terrain that approximates that of today. Despite research and various terrain studies, traditional geochemical survey methods have been mostly unsuccessful in relating geochemical analyses to mineral deposits. Multimode interference (“MMI”) techniques, initially developed to help explore in areas of deep chemical weathering, were modified to be applicable to many different soil types and have proven successful in recognizing metallic mineralization beneath glacial gravels, sands, and lake clays, as well as wet and sandy organic rich soils. There are many fully licensed laboratories that offer MMI analytical methods, including proprietary extractants specifically designed to treat a variety of multi-element packages. The MMI extractant has the broadest application and is well suited to reconnaissance and early-stage sampling that can be conducted on the SMCI property.

The Ahbau Lake area has been included in several programs of geologic investigation by several different public agencies, specifically the Geological Survey of Canada, the Geological Survey branch of the provincial government, and Geoscience BC. Their programs have been directed to the entire Central British Columbia area or, more particularly, to the Nechako Basin with overlap into nearby terrains. The initiatives have been directed to provision of background data in areas of drift cover that may mask structures and formations that have the potential to host valuable deposits of metals (and also, of oil and natural gas). The most potent technical tools include airborne geophysical surveys, including magnetic, electromagnetic, gravity surveys, and geochemical surveys, including Regional Geochemical Surveys that collect and analyze waters, stream sediments and, on occasion, soils.

The AHB Claims are prospective for deposits of both bedrock and placer gold that may be similar to those that comprise the Barkerville “Caribou” gold district. The geologic model includes quartz veins and quartz vein stockworks in deformed sedimentary formations that have been subjected to lower greenschist facies metamorphism. The initial source of gold may have been as disseminations in the host rocks with subsequent mobilization by tectonic events into quartz veins.

An estimated 1 million grams of placer gold, in the period 1864 to 1874, is estimated to have been recovered from workings located on Ahbau Creek, about two to ten km southwest of the AHB Claims (source: government reports quoted in the Cyprus Anvil property data files). Other placer mining operations, in the mid-1900s, were located between Ahbau and Lodi Lakes, but there appear to be no records of the amount of gold that was recovered. The gold recovered by placer miners is almost certainly derived from nearby bedrock sources but might also have been concentrated by reworking of the extensive deposits of glacially transported materials that may have been carried relatively long distances by the ice sheets.

There is no history of drilling on the land that we have identified. An immediate neighbor, Touchdown Resources, has recently finished a sampling program on their property contiguous to our company’s property.

Climate

The general Quesnel area of central British Columbia experiences warm summers with occasional thunderstorms and moderately cold winters. Snow accumulations seldom exceed one metre at lower elevations and two metres at higher levels. Mineral exploration field work can be conducted from May through October; drilling operations can be conducted year-round.

**ITEM 3: LEGAL PROCEEDINGS**

None

**ITEM 4: MINE SAFETY DISCLOSURE**

Not applicable

**ITEM 5: MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS**

Our shares of common stock are currently trading on the Over the Counter Market under the Symbol "SLVM". Our shares of common stock were initially approved for quotation on the OTC Bulletin Board on October 18, 2007 under the name "Rose Explorations Inc." under the symbol, "ROEX". On March 4, 2008, we changed our name to "Silverstar Mining Corp." upon completion of our merger with our wholly owned subsidiary, "Silverstar Mining Corp." and our trading symbol was changed to our current trading symbol, "SLVM".

The following quotations, obtained from [ww.nasdaq.com](http://www.nasdaq.com), reflect the high and low bids for our common shares.





The high and low bid prices of our common stock for the periods indicated below are as follows:

| <b>Quarter<br/>Ended</b> | <b>High</b> | <b>Low</b> |
|--------------------------|-------------|------------|
| September<br>30, 2014    | 3.95        | 1.75       |
| June 30,<br>2014         | 3.00        | 1.75       |
| March 31,<br>2014        | 4.00        | 2.50       |
| December<br>31, 2013     | 2.55        | 2.10       |
| September<br>30, 2013    | 2.65        | 2.30       |
| June 30,<br>2013         | 2.55        | 2.30       |
| March 31,<br>2013        | 2.65        | 2.20       |
| December<br>31, 2012     | 2.50        | 1.01       |

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- (1) Over-the-counter market quotations reflect inter-dealer prices without retail mark-up, mark-down or commission, and may not represent actual transactions.

## Holders

As of December 30, 2014, there were approximately 98 holders of record of our common stock. As of such date, 12,959,200 common shares were issued and outstanding.

Our transfer agent is Transfer On Line, Inc. Their mailing address is 512 SE Salmon Street, Portland, OR, 97214 and their telephone number is (503)-227-2950.

## Equity Compensation Plans

We do not have in effect any compensation plans under which our equity securities are authorized for issuance and we do not have any outstanding stock options.

**Purchase of Equity Securities by the Issuer and Affiliated Purchasers**

We did not purchase any of our shares of common stock or other securities during our fourth quarter of our fiscal year ended September 30, 2014.

**Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities**

On January 9, 2013 the Company issued 24,750 common shares to a note holder that was entitled to this amount of shares based on the terms pursuant to a note payable of \$30,000. The Company was obligated to issue an additional 250 common shares to satisfy the terms of the note.

On March 28, 2013 warrants to purchase 80,000 common shares were exercised by related parties yielding proceeds of \$56,000 in cash received

On April 2, 2013 warrants to purchase 5,000 common shares were exercised by related parties yielding proceeds of \$3,500 in cash received. The shares were classified as "shares to be issued" in 2013 and issued on March 26, 2014

On June 20, 2013 warrants to purchase 17,857 common shares were exercised by related parties yielding proceeds of \$12,500 in cash received. The shares were classified as “shares to be issued” in 2013 and issued on March 26, 2014

On July 17 2013 the Company received \$70,000 in a private transaction to purchase 46,667 shares of common stock of the Company. The shares were classified as “shares to be issued” in 2013 and issued on March 26, 2014

On September 10, 2013 warrants to purchase 2,143 common shares were exercised by related parties yielding proceeds of \$1,500 in cash received. The shares were classified as “shares to be issued” in 2013 and issued on March 26, 2014

On December 23, 2013 the Company issued 12,416,670 shares of common stock with a value of \$34,523 for debt.

On March 19, 2014 the Company issued 171,434 shares of common stock with a value of \$60,002 for debt.

On March 26, 2014 the Company issued 71,667 shares of common stock with a value of \$87,501 which was offset against the liability “shares to be issued “of \$88,125. The difference of \$624 was offset against interest expense.

All of the above noted securities were issued without a prospectus pursuant to Regulation S under the Securities Act. Our reliance upon Rule 903 of Regulation S was based on the fact that the sales of the securities were completed in an "offshore transaction", as defined in Rule 902(h) of Regulation S. We did not engage in any directed selling efforts, as defined in Regulation S, in the United States in connection with the sale of the securities. Each investor was not a U.S. person, as defined in Regulation S, and was not acquiring the securities for the account or benefit of a U.S. person.

#### **ITEM 6: SELECTED FINANCIAL DATA.**

As a “smaller reporting company”, we are not required to provide the information required by this Item.

#### **ITEM 7: MANAGEMENT’S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION**

OVERVIEW

The following discussion should be read in conjunction with our audited financial statements and the related notes for the years ended September 30, 2014 and September 30, 2013 that appear elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to those discussed below and elsewhere in this annual report, particularly in the section entitled "Risk Factors" beginning on page 10 of this annual report.

Our consolidated financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles.

**Results of Operations**

The following summary of our results of operations should be read in conjunction with our consolidated financial statements for the year ended September 30, 2014, which are included herein.

*Expenses*

Operating expenses for the year ended September 30, 2014 were \$290,747, representing an increase of \$74,322 from the \$216,425 in expenses incurred during fiscal 2013. The increase was primarily a result of an overall increase in our business operations and corresponding increases in filing fees, insurance, legal and accounting, and travel, entertainment and office expense.

### ***Revenue, Net Income and Loss***

We have had no revenues for the years ended September 30, 2014 and September 30, 2013.

Our net loss for the year ended September 30, 2014 was \$314,491 compared to a net loss of \$290,738 during the year ended September 30, 2013. The decrease in net loss is primarily due to lower operating expenses related to our overall business activity and reduced borrowing costs.

Our operations to date have been financed by the sale of our common stock and third party loans. Our two largest expenses to date have been legal and accounting fees of \$70,847 and mine expense of \$111,882. Most of our legal and accounting expenses have been incurred in connection with our regulatory filings with the SEC and in connection with ongoing corporate activities.

We do not anticipate generating revenues in the foreseeable future, and any revenues that we generate may not be sufficient to cover our operating expenses. If we do not succeed in raising additional capital, we may have to cease operations and you may lose your entire investment.

### ***Liquidity and Capital Resources***

At September 30, 2014 we had cash of \$24 as compared to \$5,869 in cash at September 30, 2013. Our accounts payable and accrued expenses at September 30, 2014 were \$118,768 and \$42,866 as at September 30, 2013. On September 30, 2014 we had convertible debentures of \$104,666, note payable of \$81,989 and advances of \$130,508 compared to our outstanding convertible debentures of \$201,807 as at September 30, 2013. Our total liabilities were \$435,931 on September 30, 2014 as compared to \$339,453 as at September 30, 2013. We have a working capital deficit of \$435,907 as at September 30, 2014 as compared to our working capital deficit of \$333,335 as at September 30, 2013.

We have no revenues to satisfy our ongoing liabilities. Our auditors have issued a going concern opinion. Unless we secure equity or debt financing, of which there can be no assurance, or identify an acquisition candidate, we will not be able to continue any operations.

### **Working Capital**

Our total current assets as of September 30, 2014 was cash of \$24 as compared to total current assets of \$6,118 as of September 30, 2013. The decrease in current assets was entirely due to a decrease in prepaid expenses and cash.

Our total current liabilities as of September 30, 2014 were \$435,931 as compared to total current liabilities of \$339,453 as of September 30, 2013. The increase in current liabilities was primarily attributed to an increase in share issuance liability accounts payable and accrued liabilities, and convertible debentures.

### Cash Flows

#### *Operating Activities*

Cash used in operating activities was \$297,427 for the fiscal year ended September 30, 2014 compared to cash used in operating activities of \$132,031 for the fiscal year ended September 30, 2013. The increase in cash used in operating activities was primarily due to decreases in demand loans payable, related party loans, accounts payable and accrued liabilities, offset by the share issuance liabilities.

#### *Investing Activities*

Cash used in investing activities was zero for the fiscal year ended September 30, 2014 compared to cash used in investing activities of \$15,533 for the fiscal year ended September 30, 2013. The cash used in investing activities was due to mineral property acquisition costs incurred during fiscal 2013.

### *Financing Activities*

Cash provided by financing activities during the fiscal year ended September 30, 2014 included warrant conversion to stock of \$87,501, note payable of \$81,989, advances of \$123,853 offset by repayment of advances of \$1,760, compared to \$152,875 for the fiscal year ended September 30, 2013. The increase in cash provided by financing activities is primarily a result of the conversion of warrants and advances to the Company.

### **Cash Requirements**

We will require additional funds to fund our budgeted expenses over the next 12 months. These funds may be raised through equity financing, debt financing, or other sources, which may result in further dilution in the equity ownership of our shares. There is still no assurance that we will be able to maintain operations at a level sufficient for investors to obtain returns on their investments in our common stock. Further, we may continue to be unprofitable. We need to raise additional funds in the immediate future in order to proceed with our budgeted expenses.

Specifically, we estimate our operating expenses and working capital requirements for the next 12 months to be as follows:

We intend to meet our cash requirements for the next 12 months through a combination of debt financing and equity financing by way of private placements. We currently do not have any arrangements in place to complete any private placement financings and there is no assurance that we will be successful in completing any such financings on terms that will be acceptable to us. If we

### **Going Concern**

The financial statements accompanying this report have been prepared on a going concern basis, which implies that our company will continue to realize its assets and discharge its liabilities and commitments in the normal course of business. Our company has not generated revenues since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of our company as a going concern is dependent upon the continued financial support from our shareholders, the ability of our company to obtain necessary equity financing to achieve our operating objectives, and the attainment of profitable operations. As at September 30, 2014, our company has accumulated losses of \$2,233,657. We do not have sufficient working capital to enable us to carry out our stated plan of operation for the next twelve months.



Due to the uncertainty of our ability to meet our current operating expenses and the capital expenses noted above in their report on the financial statements for the year ended September 30, 2014, MaloneBailey, LLP., our independent auditors included an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

The continuation of our business is dependent upon us raising additional financial support. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

### **Future Financings**

We will require additional financing of \$250,000 in order to enable us to proceed with our plan of operations, including approximately \$200,000 over the next 12 months to pay for our ongoing expenses. These expenses include legal, accounting and audit fees as well as general and administrative expenses. These cash requirements are in excess of our current cash and working capital resources. Accordingly, we will require additional financing in order to continue operations and to repay our liabilities. There is no assurance that any party will advance additional funds to us in order to enable us to sustain our plan of operations or to repay our liabilities.

We anticipate continuing to rely on equity sales of our common stock in order to continue to fund our business operations. Issuances of additional shares will result in dilution to our existing stockholders. There is no assurance that we will achieve any additional sales of our equity securities or arrange for debt or other financing to fund our planned business activities.

We presently do not have any arrangements for additional financing for the expansion of our exploration operations, and no potential lines of credit or sources of financing are currently available for the purpose of proceeding with our plan of operations.

If we are unable to raise the funds that we require to execute our plan of operation, we intend to scale back our operations commensurately with the funds available to us.

#### **Off-Balance Sheet Arrangements**

We currently have no off-balance sheet arrangements.

#### **Item 7A: Quantitative and Qualitative Disclosures About Market Risk**

As a “smaller reporting company”, we are not required to provide the information required by this Item.

#### **ITEM 8: FINANCIAL STATEMENTS and SUPPLEMENTARY DATA.**

Financial statements are audited and included in this Form 10-K as an exhibit and are incorporated herein by this reference.

#### **ITEM 9: CHANGE IN AND DISAGREEMENTS WITH ACCOUNTANTS AND FINANCIAL DISCLOSURE.**

On November 19, 2014 Company with the approval of its Board of Directors sent a letter to De Leon & Company P.A. in which the Company terminated the client-auditor relationship between the Company and De Leon & Company P.A.

There were no disagreements or adverse opinion on the reports issued by De Leon & Company P.A. for either of the past two years (September 2013 and 2012), and through November 19, 2014 (as defined in Item 304 of Regulation S-K) with De Leon & Company P.A., on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of De Leon & Company P.A. would have caused it to make reference in connection with its opinion to the subject matter of the disagreement. The report of De Leon & Company P.A. did state that there was substantial doubt about the Company's ability to continue as a going concern.

We provided De Leon & Company P.A. with a copy of the above disclosures and requested that De Leon & Company P.A. provided us with a letter addressed to the Securities and Exchange Commission stating whether it agrees with such disclosures.

***Engagement of new independent registered public accounting firm***

On November 20, 2014 our Board of Directors engaged MaloneBailey LLP, as its independent registered public accounting firm.

During the Company's two most recent fiscal year end (September 2013 and 2012) and through November 20, 2014 neither the Company nor anyone acting on our behalf, has consulted with MaloneBailey LLP regarding either: (i) the application of accounting principles to a specified transaction, either contemplated or proposed, (ii) the type of audit opinion that might be rendered on the Company's financial statements, or (iii) any matter that was either the subject of a disagreement between the Company and De Leon & Company P.A. as described in Item 304(a)(1)(iv) of Regulation S-K or a reportable event as described in Item 304(a)(1)(v) of Regulation S-K

## ITEM 9A: CONTROLS AND PROCEDURES

### Evaluation of Disclosure Controls and Procedures

For purposes of this section, the term *disclosure controls and procedures* means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the “Act”) (15 U.S.C. 78a et seq.) is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. As of the end of the period covered by this Annual Report, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our CEO and CFO has concluded that the Company's disclosure controls and procedures are not effective because of the identification of a material weakness in our internal control over financial reporting which is identified below, which we view as an integral part of our disclosure controls and procedures.

### Changes in Internal Controls over Financial Reporting

We have not made any changes in our internal controls over financial reporting that occurred during the period covered by this Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles. Because of inherent limitations, a system of internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of September 30, 2014 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework. Based on its evaluation, our management concluded that there are material weaknesses in our internal control over financial reporting. We lack full time personnel in accounting and financial staff to sufficiently monitor and process financial transactions in an efficient and timely manner. Our history of losses has severely limited our budget to hire and train enough accounting and financial personnel needed to adequately provide this function. Consequently, we lacked sufficient technical expertise, reporting standards and written policies and procedures. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis.

This Form 10-K does not include an attestation report of the Company’s registered public accounting firm regarding internal control over financial reporting because the attestation report requirement has been removed for “smaller reporting companies” under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

**ITEM 9B: OTHER INFORMATION**

None

**PART III****ITEM 10: DIRECTORS, EXECUTIVE OFFICERS, and CORPORATE GOVERNANCE**

The following individuals serve as the directors and executive officers of our company as of the date of this annual report. All directors of our company hold office until the next annual meeting of our shareholders or until their successors have been elected and qualified. The executive officers of our company are appointed by our board of directors and hold office until their death, resignation or removal from office.

| <b>Name</b>    | <b>Position Held with Our Company</b> | <b>Age</b> | <b>Date First Elected or Appointed</b> |
|----------------|---------------------------------------|------------|--|
| Jared Robinson | Chief Executive Officer, and Director | 42         | March 3, 2013                          |
| Joseph Graham  | Secretary and Director                | 30         | August, 11, 2013                       |
| Lowell Holden  | Chief Financial Officer and Director  | 72         | February 1, 2014                       |

**Business Experience**

The following is a brief account of the education and business experience during at least the past five years of each director, executive officer and key employee of our company, indicating the person's principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

***Joseph Graham – Secretary and Director***

Joseph Graham was appointed as secretary and director of our company on August 11, 2013. Joseph Graham is an attorney at law admitted to the Bar in the States of New York and New Jersey. Mr. Graham has a diverse skill set through his various jobs in the legal field. In 2008 Mr. Graham worked in the U.S. EPA Office of Enforcement and Compliance Assurance, Air Enforcement Division. In 2009 he worked with the Community Health Law Project, a project that prosecuted civil rights cases on behalf of the handicapped and indigent. In 2010 Mr. Graham worked for the Honorable Michael J. Yavinsky in the New York Criminal Court System where he reviewed party motion submissions, researched legal issues for pending motion hearings and decisions, and helped create a sentencing chart as a reference for all New York City Criminal Court Judges. In 2011 to 2012, Mr. Graham worked with Fred Alger Management where he received his training on SEC law and worked with general counsel of the mutual fund complex and was responsible for various regulatory filings with the SEC, reviewed all agreements, acted as a liaison with sales and marketing departments regarding their responsibilities under securities law, and provided guidance to portfolio managers and analysts regarding investment restrictions. Mr. Graham currently practices with the Community Health Law Project, advising and representing clients on a range of family, consumer, and housing law matters. Mr. Graham

graduated from Pace University School of Law in 2010 and received his Bachelor of Arts from Montclair State University and was a magna cum laude in 2007.

***Jared Robinson – President and Director***

Jared Robinson has acted as a director of our company's board of Directors since March 3, 2013 and as Chairman since August 11, 2013. Mr. Robinson has more than 15 years of management experience and substantial financial experience gained from creating and operating two successful start-ups from conception through sale. In September of 2010 Mr. Robinson sold Navicus, a company that he founded in 2001 to Pinkerton C and I. Mr. Robinson served as President and was integral in all aspects of the company's success, from securing key accounts, overseeing all the financials, vendor relationships, and managing the 30 plus employees. Prior to Navicus, Mr. Robinson served as COO of Greene's Pharmacy. Greene's was founded in 1996 and sold in 2000. Greene's was an institutional pharmacy that sold pre-packaged prescriptions to the Assisted Living Facility community in South Florida. Mr. Robinson secured key accounts, managed the operations, and oversaw all of the financials. Most recently, Mr. Robinson served as COO of Clean Beach Technologies. Clean Beach Technologies was a company formed with technology approved by British Petroleum to remediate oil from the beach sand following the Deep Water Horizon Oil spill in the Gulf Coast. After running the company for a year and securing contracts with the municipalities in the Gulf Coast, the company eventually sold its technology. Mr. Robinson is currently an active member of MSHA (Mine Safety and Health Administration).

**Lowell Holden – Chief Financial Officer and Director –**

Lowell Holden has been the CFO and Chief Accounting Officer of the Company since February 2014. Since 1983, Mr. Holden has owned and operated his own consulting firm, LS Enterprises, Inc., which provides business consulting, accounting and other services to businesses. Mr. Holden has a broad range of business experience including managing, securing financing, structuring of transactions, and is experienced and knowledgeable in managing relationships with customers, financing institutions and stockholders. Presently Mr. Holden serves as the Chief Financial Officer of Skynet Cloud Systems, Inc (SKKY), Chief Financial Officer and director of PTS, Inc (PTSH) and Nascent Biotech, Inc (NBIO). Mr. Holden also has a background in assisting companies in fulfilling their financial auditing and SEC reporting requirements. Mr. Lowell Holden has a Bachelor's of Science degree from Iowa State University.

**Family Relationships**

There are no family relationships among any of our directors, executive officers and proposed directors or executive officers.

**Compliance with Section 16(a) of the Securities Exchange Act of 1934**

Our common stock is not registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Accordingly, our officers, directors, and principal stockholders are not subject to the beneficial ownership reporting requirements of Section 16(a) of the Exchange Act.

**Committees of the Board**

All proceedings of our board of directors were conducted by resolutions consented to in writing by all the directors and filed with the minutes of the proceedings of the directors. Such resolutions consented to in writing by the directors entitled to vote on that resolution at a meeting of the directors are, according to the corporate laws of the state of Nevada and the bylaws of our company, as valid and effective as if they had been passed at a meeting of the directors duly called and held.

Our audit committee consists of our entire board of directors.



Our company currently does not have nominating, compensation committees or committees performing similar functions nor does our company have a written nominating, compensation or audit committee charter. Our board of directors does not believe that it is necessary to have such committees because it believes that the functions of such committees can be adequately performed by our directors.

Our company does not have any defined policy or procedure requirements for shareholders to submit recommendations or nominations for directors. The directors believe that, given the early stage of our development, a specific nominating policy would be premature and of little assistance until our business operations develop to a more advanced level. Our company does not currently have any specific or minimum criteria for the election of nominees to the board of directors and we do not have any specific process or procedure for evaluating such nominees. Our directors assess all candidates, whether submitted by management or shareholders, and make recommendations for election or appointment.

### **Audit Committee and Audit Committee Financial Expert**

Our board of directors has determined that none of the members of our audit committee qualifies as an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K, and is "independent" as the term is used in Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934, as amended.

We believe that the members of our board of directors are collectively capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. We believe that retaining an independent director who would qualify as an "audit committee financial expert" would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development and the fact that we have not generated any material revenues to date. In addition, we currently do not have nominating, compensation or audit committees or committees performing similar functions nor do we have a written nominating, compensation or audit committee charter. Our board of directors does not believe that it is necessary to have such committees because it believes the functions of such committees can be adequately performed by our board of directors.

### **Code of Ethics**

We adopted a Code of Ethics applicable to all of our directors, officers, employees and consultants, which is a "code of ethics" as defined by applicable rules of the SEC. Our Code of Ethics is attached as an exhibit to our annual report on Form 10-KSB filed on December 29, 2008. If we make any amendments to our Code of Ethics other than technical, administrative, or other non-substantive amendments, or grant any waivers, including implicit waivers, from a provision of our Code of Ethics to our chief executive officer, chief financial officer, or certain other finance executives, we will disclose the nature of the amendment or waiver, its effective date and to whom it applies in a Current Report on Form 8-K filed with the SEC.

We will provide a copy of the Code of Business Conduct and Ethics to any person without charge, upon request. Requests may be sent in writing to: Silverstar Mining Corp., 1489 West Warm Springs Road, Ste. 110, Henderson, Nevada 89014.

### **ITEM 11: EXECUTIVE COMPENSATION.**

The following tables sets for the compensation for all officers and directors during the past three years:



**DIRECTORS and OFFICERS - COMPENSATION****SUMMARY COMPENSATION TABLE**

| <b>Name and<br/>Principal<br/>Position</b>  | <b>Year</b> | <b>Salary<br/>(\$)</b> | <b>Bonus<br/>(\$)</b> | <b>Stock<br/>Awards<br/>(\$)</b> | <b>Option<br/>Awards<br/>(\$)</b> | <b>Non-<br/>Equity<br/>Incentive<br/>Plan<br/>Compensa-<br/>tion<br/>(\$)</b> | <b>Change in<br/>Pension<br/>Value and<br/>Nonqualified<br/>Deferred<br/>Compensation<br/>Earnings<br/>(\$)</b> | <b>All Other<br/>Compensa-<br/>tion<br/>(\$)</b> | <b>Total<br/>(\$)</b> |
|---|-------------|------------------------|-----------------------|----------------------------------|-----------------------------------|---|---|--|-----------------------|
| Guy Martin <sup>(1)</sup>   | 2014        | 28,050                 | --                    | --                               | --                                | --  | --  | --   | 28,050                |
| <i>Former Chief<br/>Executive<br/>Officer, Former<br/>Chief<br/>Financial<br/>Officer and<br/>Former<br/>Director</i> | 2013        | 10,000                 | --                    | --                               | --                                | --  | --  | 17,300 <sup>(6)</sup>                            | 27,300                |
|   | 2012        |                        | --                    | --                               | --                                | --  | --  | --   |                       |
| Joseph<br>Graham <sup>(2)</sup>   | 2014        | --                     | --                    | --                               | --                                | --  | --  | --   | --                    |
| <i>Secretary and<br/>Director</i>   | 2013        | --                     | --                    | --                               | --                                | --  | --  | --   | --                    |
|   | 2012        | --                     | --                    | --                               | --                                | --  | --  | --   | --                    |
| Jared<br>Robinson <sup>(3)</sup>  | 2014        | --                     | --                    | --                               | --                                | --  | --  | --   | --                    |
| <i>Chairman,<br/>Director,<br/>Former Chief<br/>Financial<br/>Officer</i>   | 2013        | --                     | --                    | --                               | --                                | --  | --  | --   | --                    |
|   | 2012        | --                     | --                    | --                               | --                                | --  | --  | --   | --                    |
| Sean Carrick <sup>(4)</sup>   | 2014        | --                     | --                    | --                               | --                                | --  | --  | --   | --                    |
| <i>Former Chief<br/>Executive<br/>Officer and<br/>Former<br/>Director</i>   | 2013        | --                     | --                    | --                               | --                                | --  | --  | --   | --                    |
|   | 2012        | --                     | --                    | --                               | --                                | --  | --  | --   | --                    |
| Neil<br>Kleinman <sup>(5)</sup>   | 2014        | --                     | --                    | --                               | --                                | --  | --  | --   | --                    |
| <i>Former Chief<br/>Executive<br/>Officer and<br/>Director</i>  | 2013        | --                     | --                    | --                               | --                                | --  | --  | --   | --                    |
|   | 2012        | --                     | --                    | --                               | --                                | --  | --  | --   | --                    |

|                 |      |    |    |    |    |    |    |        |        |
|-----------------|------|----|----|----|----|----|----|--------|--------|
| Lowell Holden   |      |    |    |    |    |    |    |        |        |
| (7)             | 2014 | -- | -- | -- | -- | -- | -- | 30,000 | 30,000 |
| Chief Financial | 2013 | -- | -- | -- | -- | -- | -- | --     | --     |
| Officer         | 2012 | -- | -- | -- | -- | -- | -- | --     | --     |

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- (1)(6) Guy Martin was appointed as our chief financial officer and director on August 13, 2013. Mr. Martin was subsequently appointed as our chief executive officer on November 13, 2013. Mr. Martin resigned in February, 2014. Constitutes consulting fees paid to a corporation controlled by Mr. Martin for accounting services during the period prior to his appointment as an officer of the Company.
- (2) Joseph Graham has been our secretary and director since August 11, 2013.
- (3) Jared Robinson was appointed as our Chief Financial Officer and Director on March 3, 2013. Mr. Robinson resigned as Chief Financial Officer and was appointed Chairman of our Board of Directors on August 13, 2013
- (4) Sean Carrick acted as our chief executive officer and director from August 11, 2013 until his resignation on November 13, 2013.
- (5) Neil Kleinman acted as our chief executive officer and director from October, 2010 until his resignation on August 11, 2013.
- (7) Lowell Holden became Chief Financial Officer and a Director on February 1, 2014. Mr. Holden accrued \$ 30,000 consulting fees of which \$11,500 was paid to his consulting Company Mayday Management, Inc. in October, 2014

### **Narrative Disclosure to Summary Compensation Table**

There are no employment contracts, compensatory plans or arrangements, including payments to be received from our company with respect to any executive officer, that would result in payments to such person because of his or her resignation, retirement or other termination of employment with our company, or its subsidiaries, any change in control, or a change in the person's responsibilities following a change in control of our company.

### **Stock Option Plan**

Currently, we do not have a stock option plan in favor of any director, officer, consultant or employee of our company.

### **Stock Options/SAR Grants**

During our fiscal year ended September 30, 2014 there were no options granted to our named officers or directors.

### **Outstanding Equity Awards at Fiscal Year End**

No equity awards were outstanding as of the year ended September 30, 2014.

### **Compensation of Directors**

We reimburse our directors for expenses incurred in connection with attending board meetings. We have not paid any director's fees or other cash compensation for services rendered as a director since our inception to September 30, 2014.

We have no formal plan for compensating our directors for their service in their capacity as directors, although such directors are expected in the future to receive stock options to purchase common shares as awarded by our board of directors. Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in

connection with attendance at meetings of our board of directors. No director received and/or accrued any compensation for their services as a director, including committee participation and/or special assignments.

We have determined that none of our directors are independent directors, as that term is used in Item 7(d)(3)(iv)(B) of Schedule 14A under the *Securities Exchange Act of 1934*, as amended, and as defined by Rule 4200(a)(15) of the NASDAQ Marketplace Rules.

### **Pension, Retirement or Similar Benefit Plans**

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. We have no material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of the board of directors or a committee thereof.

**ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS and MANAGEMENT and RELATED STOCKHOLDER MATTERS**

The following table sets forth, as of December 31, 2014 certain information concerning the beneficial ownership of our common stock, by (i) each person known by us to own beneficially five per cent (5%) or more of the outstanding shares of each class, (ii) each of our directors and executive officers, and (iii) all of our executive officers and directors as a group.

The number of shares beneficially owned by each 5% stockholder, director or executive officer is determined under the rules of the Securities and Exchange Commission, or SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under those rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power and also any shares that the individual or entity has the right to acquire within 60 days after October 31, 2013 through the exercise of any stock option, warrant or other right, or the conversion of any security. Unless otherwise indicated, each person or entity has sole voting and investment power (or shares such power with his or her spouse) with respect to the shares set forth in the following table. The inclusion in the table below of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those shares.

| Address of Beneficial Owner   | Amount<br>and Nature<br>of<br>Beneficial<br>Ownership<br>(1) | Percentage<br>of Class |
|---|--|------------------------|
| Lowell Holden<br>1489 West Warm Springs Road<br>Suite 110<br>Henderson, NV 89014                | 150,000  | 0.96%                  |
| Joseph Graham <sup>(4)</sup><br>1489 West Warm Springs Road<br>Suite 110<br>Henderson, NV 89014 | 150,000  | 1.16%                  |
| Jared Robinson <sup>(5)</sup> 1489 West Warm Springs Road                                       | 250,000  | 1.93%                  |



|   |           |        |
|---|-----------|--------|
| Suite 110                                   |           |        |
| Henderson, NV 89014                         |           |        |
| Petra Corporation                           |           |        |
| 1489 West Warm Springs Road                 |           |        |
| Suite 110                                   |           |        |
| Henderson, NV 89014                         | 2,350,000 | 18.13% |
| Lilia Mishal                                |           |        |
| 1489 West Warm Springs Road                 |           |        |
| Suite 110                                   |           |        |
| Henderson, NV 89014                         | 2,906,580 | 22.43% |
| Jaime Mayo                                  |           |        |
| 1489 West Warm Springs Road                 |           |        |
| Suite 110                                   |           |        |
| Henderson, NV 89014                         | 5,005,000 | 38.62% |
| Directors and Executive officers as a Group | 650,000   | 4.05%  |

We are unaware of any contract or other arrangement or provisions of our Articles or Bylaws the operation of which may at a subsequent date result in a change of control of our company. There are not any provisions in our Articles or Bylaws, the operation of which would delay, defer, or prevent a change in control of our company.

**ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, and DIRECTOR INDEPENDENCE.**

Except as described below, none of the following persons has any direct or indirect material interest in any transaction to which we are a party during the past two years, or in any proposed transaction to which our company is proposed to be a party:

- A. any director or officer;
- B. any proposed nominee for election as a director;
- C. any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to our common stock; or
- D. any relative or spouse of any of the foregoing persons, or any relative of such spouse, who has the same house as such person or who is a director or officer of any parent or subsidiary.

*Director Independence*

We currently act with three directors, consisting of Lowell Holden, Joseph Graham and Jared Robinson. We do not have a standing audit, compensation or nominating committee, but our entire board of director's acts in such capacities. We believe that our members of our board of directors are capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. The board of directors of our company does not believe that it is necessary to have an audit committee because we believe that the functions of an audit committee can be adequately performed by the board of directors. In addition, we believe that retaining an independent director who would qualify as an "audit committee financial expert" would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development.

**ITEM 14: PRINCIPAL ACCOUNTING FEES AND SERVICE.**

The following tables present for each of the last two fiscal years the aggregate fees billed in connection with the audits of our financial statements and other professional services rendered by our independent registered public accounting firms De Leon & Company P.A. and MaloneBailey LLP:

## De Leon &amp; Company P.A.

|                    | <b>2014</b> | <b>2013</b> |
|--------------------|-------------|-------------|
| Audit fees         | \$ 7,500    | 15,000      |
| Audit related fees | -           | -           |
| Tax fees           | -           | -           |
| All other fees     | -           | -           |

## MaloneBailey LLP

|                    | <b>2014</b> | <b>2013</b> |
|--------------------|-------------|-------------|
| Audit fees         | \$ --       | --          |
| Audit related fees | -           | -           |
| Tax fees           | -           | -           |
| All other fees     | -           | -           |

Audit fees represent the professional services rendered for the audit of our annual financial statements and the review of our financial statements included in quarterly reports, along with services normally provided by the accounting firm in connection with statutory and regulatory filings or engagements. Audit-related fees represent professional services rendered for assurance and related services by the accounting firm that are reasonably related to the performance of the audit or review of our financial statements that are not reported under audit fees.

Tax fees represent professional services rendered by the accounting firm for tax compliance, tax advice, and tax planning. All other fees represent fees billed for products and services provided by the accounting firm, other than the services reported for in the other categories.



**ITEM 15: EXHIBITS, FINANCIAL STATEMENT SECHEDULES.**

(a) Financial Statements

- (1) Financial statements for our company are listed in the index under Item 8 of this document
- (2) All financial statement schedules are omitted because they are not applicable, not material or the required information is shown in the financial statements or notes thereto.

(b) Exhibits

| <b>Exhibit Number</b> | <b>Description</b>  |
|-----------------------|---|
| <b>(31)</b>           | <b>Section 302 Certifications</b>   |
| 31.1*                 | Section 302 Certification under Sarbanes-Oxley Act of 2002 of the Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer |
| <b>(32)</b>           | <b>Section 906 Certification</b>  |
| 32.1*                 | Section 906 Certification under Sarbanes-Oxley Act of 2002 of the Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer |
| <b>101**</b>          | <b>Interactive Data Files</b>   |
| 101.INS               | XBRL Instance Document  |
| 101.SCH               | XBRL Taxonomy Extension Schema Document.  |
| 101.CAL               | XBRL Taxonomy Extension Calculation Linkbase Document.  |
| 101.DEF               | XBRL Taxonomy Extension Definition Linkbase Document.   |
| 101.LAB               | XBRL Taxonomy Extension Label Linkbase Document.  |
| 101.PRE               | XBRL Taxonomy Extension Presentation Linkbase Document.   |

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

**SILVERSTAR MINING CORP.**  
(Registrant)

Dated: January 12, 2015

By: */s/ Jared Robinson*  
Jared Robinson, Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: January 12, 2015

By: */s/ Jared Robinson*  
Jared Robinson, Chief Executive Officer  
and Director

Dated: January 12, 2015

By: */s/ Joseph Graham*  
Joseph Graham, Secretary and Director

Dated: January 12, 2015

By: */s/ Lowell Holden*  
Lowell Holden, Chief Financial Officer  
and Director

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and

Stockholders of Silverstar Mining Corp.

We have audited the accompanying consolidated balance sheet of Silverstar Mining Corp. and its subsidiary (collectively, the “Company”) as of September 30, 2014, and the related consolidated statements of operations, stockholders’ deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Silverstar Mining Corp. and its subsidiary as of September 30, 2014 and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has incurred cumulative losses since inception and has negative working capital, which raises substantial doubt about its ability to continue as a going concern. Management’s plans regarding those matters also are described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

*/s/ MaloneBailey, LLP*

www.malonebailey.com

Houston, Texas

December 22, 2014

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and

Stockholders of Silverstar Mining Corp.

We have audited the accompanying consolidated balance sheet of Silverstar Mining Corp. as of September 30, 2013 and 2012, and the related statements of income, stockholders' equity and cash flows for the two years ended September 30, 2013 and 2012 and for the period from December 5, 2003 (inception) to September 30, 2013. Silverstar Mining Corp.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits. We were not engaged to examine management's assertion about the effectiveness of Silverstar Mining Corp.'s internal control over financial reporting as of September 30, 2013.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Silverstar Mining Corp. and its subsidiary as of September 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended and for the period from December 5, 2003 (inception) to September 30, 2013 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations, net capital deficiencies, and negative cash flows from operations that raise substantial doubt about its ability to continue as a going concern. Management's plan in regard to these matters is also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**De Leon & Company, P.A.**  
Pembroke Pines

January 10, 2014

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**SILVERSTAR MINING, INC.**  
**CONSOLIDATED BALANCE SHEETS**

|  | September<br>30,<br>2014 | September<br>30,<br>2013 |
|--|--------------------------|--------------------------|
| <b>ASSETS</b>  |                          |                          |
| Current Assets:  |                          |                          |
| Cash and cash equivalents  | \$ 24                    | \$ 5,869                 |
| Prepaid expense  | --                       | 249                      |
| Total current assets   | 24                       | 6,118                    |
| Investment in mineral property   | -                        | 29,893                   |
| Total Assets   | \$ 24                    | \$ 36,011                |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>   |                          |                          |
| Current Liabilities:   |                          |                          |
| Accounts payable and accrued expenses  | \$ 118,768               | \$ 42,866                |
| Convertible debentures   | 104,666                  | 201,807                  |
| Advances – related parties   | 130,508                  | 6,655                    |
| Share issuance liability   | --                       | 88,125                   |
| Note payable   | 81,989                   | --                       |
| Total current liabilities  | 435,931                  | 339,453                  |
| Total liabilities  | 435,931                  | 339,453                  |
| Stockholders' Equity(Deficit):   |                          |                          |
| Common stock; \$0.001 par value, 225,000,000 shares authorized, 12,959,200 and 298,929 shares issued and outstanding, respectively | 12,959                   | 299                      |
| Additional paid-in capital   | 1,784,791                | 1,615,425                |
| Accumulated deficit  | (2,233,657)              | (1,919,166)              |
| Total stockholders' deficit  | (435,907)                | (303,422)                |
| Total Liabilities and Stockholders' Equity   | \$ 24                    | \$ 36,011                |

The accompanying notes are an integral part of the consolidated financial statements.

**SILVERSTAR MINING, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS**

|   | <b>For year ended<br/>September 30,,</b> |              |
|---|--|--------------|
|   | <b>2014</b>                              | <b>2013</b>  |
| Operating Expenses:   |  |              |
| General and administrative  | 178,865                                  | 216,425      |
| Mine expense  | 111,882                                  | --           |
| Loss from operations  | (290,747)                                | (216,425)    |
| Other Income (Expenses):  |  |              |
| Interest expense  | (23,611)                                 | (12,848)     |
| Cost of borrowing   | --                                       | (62,500)     |
| Exchange gain   | --                                       | 1,035        |
| Loss on debt forgiveness  | (133)                                    | --           |
| Total other income (expenses)   | (23,744)                                 | (74,313)     |
| Net loss  | \$ (314,491)                             | \$ (290,738) |
| Net (loss) per common share attributable to common stockholders (basic and diluted) | \$ (0.03)                                | \$ (1.36)    |
| Weighted average common shares outstanding (basic and diluted):                     | 9,987,535                                | 213,628      |

The accompanying notes are an integral part of the consolidated financial statements.

**SILVERSTAR MINING, INC.****CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY****YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

|  | <b>Common Stock<br/>Shares</b> | <b>Common Stock<br/>Amount</b> | <b>Additional<br/>Paid-In<br/>Capital</b> | <b>Retained<br/>Earnings</b> | <b>Total<br/>Stockholders'<br/>Equity<br/>(Deficit)</b> |
|--|--------------------------------|--------------------------------|---|------------------------------|---|
| Balance at September 30, 2012                    | 169,179                        | 169                            | 1,462,180                                 | (1,628,428)                  | (166,079)   |
| Contribution to capital by related parties       | --                             | --                             | 18,000                                    | --                           | 18,000  |
| Common shares issued for notes payable           | 24,750                         | 25                             | 61,850                                    | --                           | 61,875  |
| Common stock issued for warrants exercised       | 105,000                        | 105                            | 73,395                                    | --                           | 73,500  |
| Net loss   | --                             | --                             | --  | (290,738)                    | (290,738)   |
| Balance at September, 2013                       | 298,929                        | \$ 299                         | \$ 1,615,425                              | \$ (1,919,166)               | \$ (303,442)  |
| Common stock issued for convertible debt         | 12,588,104                     | 12,588                         | 81,937                                    | --                           | 94,525  |
| Common stock issued for share issuance liability | 72,167                         | 72                             | 87,429                                    | --                           | 87,501  |
| Net loss   | --                             | --                             | --  | (314,491)                    | (314,491)   |
| Balance at September 30, 2014                    | 12,959,200                     | 12,959                         | 1,784,791                                 | (2,233,657)                  | (435,907)   |

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

## SILVERSTAR MINING, INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

|   | Years Ended September |                  |
|---|-----------------------|------------------|
|   | 2014                  | 2013             |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                       |                  |
| Net loss  | \$ (314,491)          | \$ (290,738)     |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: |                       |                  |
| Contribution to capital by related parties  | --                    | 18,000           |
| Write down of investment in mineral properties  | 29,893                | --               |
| Changes in operating assets and liabilities:  |                       |                  |
| Accounts payable and accrued expense  | 52,598                | 23,078           |
| Accrued interest  | 22,449                | 17,349           |
| Prepaid expense   | 249                   | 10,000           |
| Shares to be issued   | (88,125)              | 90,280           |
| <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>                                | <b>(297,427)</b>      | <b>(132,031)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                       |                  |
| Acquisition of mineral properties   | --                    | (15,533)         |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>  | <b>--</b>             | <b>(15,533)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                       |                  |
| Common stock issued for cash  | --                    | 135,375          |
| Proceeds from convertible debt  | --                    | 144,183          |
| Common stock issued for share issuance liability  | 87,501                | --               |
| Repayment of shareholder demand note  | --                    | (111,683)        |
| Repayment of demand loans   | --                    | (15,000)         |
| Proceeds from note payable  | 81,989                | --               |
| Proceeds from advances- related parties   | 123,853               | --               |
| Repayment of credit card – related party  | (1,760)               | --               |
| <b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>  | <b>291,583</b>        | <b>152,875</b>   |
| Net increase (decrease) in cash   | (5,844)               | 5,311            |
| Cash, beginning of period   | 5,869                 | 558              |
| Cash, end of period   | \$ 24                 | \$ 5,869         |
| <b>SUPPLEMENTAL CASH FLOWS NFORMATION</b>   |                       |                  |
| Interest paid   | \$ --                 | \$ --            |
| Income taxes paid   | \$ --                 | \$ --            |

The accompanying notes are an integral part of the consolidated financial statements.



**SILVERSTAR MINING, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION**

Silverstar Mining Corp. (the “Company”) was incorporated under the laws of the State of Nevada on December 5, 2003. On March 4, 2008, the Company completed a merger with its wholly-owned subsidiary, Silverstar Mining Corp., which was incorporated by the Company solely to effect the name change of the Company to Silverstar Mining Corp. The Company was incorporated for the purpose to promote and carry on any lawful business for which a corporation may be incorporated under the laws of the State of Nevada.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

Presentation

The Company has elected to early adopt Accounting Standards Update No. 2014-10, Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements. The adoption of this ASU allows the Company to remove the inception to date information and all references to exploration stage.

Principles of Consolidation

The consolidated financial statements of the Company include the Company and its wholly-owned subsidiary. All material intercompany balances and transactions have been eliminated.



#### Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

#### Revenue recognition

The Company's revenue is recognized pursuant to ASC 605 "Revenue Recognition." The Company recognizes its revenue from services after the services have been performed. The Company sells software and support services to its clients. Revenue for the software sales are recognized when the product and product code is given to the client. Support services revenue is deferred until the service is provided or the period in which that portion of the supports service passes and is then recognized in that time period.

#### Mineral property costs

Mineral property acquisition costs are initially capitalized as tangible assets when purchased. At the end of each fiscal quarter end, the Company assesses the carrying costs for impairment. If proven and probable reserves are established for a property and it has been determined that a mineral property can be economically developed, costs will be amortized using the units-of-production method over the estimated life of the probable reserve.

Mineral property exploration costs are expensed as incurred

Estimated future removal and site restoration costs, when determinable are provided over the life of proven reserves on a units-of-production basis. Costs, which include production equipment removal and environmental remediation, are estimated each period by management based on current regulations, actual expenses incurred, and technology and industry standards. Any charge is included in exploration expense or the provision for depletion and depreciation during the period and the actual restoration expenditures are charged to the accumulated provision amounts as incurred.

As of the date of these consolidated financial statements, the Company has not established any proven or probable reserves on its mineral properties and incurred only acquisition and exploration costs.



Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

#### Property and equipment

Property and equipment are carried at the cost of acquisition and depreciated over the estimated useful lives of the assets. Costs associated with repair and maintenance is expensed as incurred. Costs associated with improvements which extend the life, increase the capacity or improve the efficiency of our property and equipment are capitalized and depreciated over the remaining life of the related asset. Gains and losses on dispositions of equipment are reflected in operations. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

#### Foreign currency translation

The Company's functional and reporting currency is in U.S. dollars. The consolidated financial statements of the Company are translated to U.S. dollars in accordance with SFAS No. 52, "*Foreign Currency Translation*". Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

#### Impairment of long-lived assets

The Company reviews the carrying value of its long-lived assets annually or whenever events or changes in circumstances indicate that the historical-cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the asset by comparing the undiscounted future net cash flows expected to result from the asset to its carrying value. If the carrying value exceeds the undiscounted future net cash flows of the asset, an impairment loss is measured and recognized. An impairment loss is measured as the difference between the net book value and the fair value of the long-lived asset. Fair value is estimated based upon either discounted cash flow analysis or estimated salvage value.

#### Basic and diluted net income per share

Basic and diluted net income per share calculations are calculated on the basis of the weighted average number of common shares outstanding during the year. They include the dilutive effect of common stock equivalents in years with net income. Basic and diluted net income per share is the same due to net losses during both periods.

#### Income Taxes

Income taxes are provided in accordance with Accounting Standards Codification (“ASC”), Topic 740 Accounting for Income Taxes. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

#### Recently Issued Accounting Pronouncements

The Company does not expect the adoption of any recently issued accounting pronouncements to have a significant impact on their financial position, results of operations or cash flows.

### **NOTE 3 - GOING CONCERN**

As shown in the accompanying financial statements, Silverstar Mining has an accumulated deficit of \$2,233,657 as of September 30, 2014 and incurred a net loss of \$314,491 for the year ended September 30, 2014. Unless the Company is able to attain profitability and increases in stockholders' equity continue, these conditions raise substantial doubt as to Silverstar Mining's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might be necessary if Silverstar Mining is unable to continue as a going concern.

Silverstar Mining continues to review its expense structure in an attempt to reduce operating costs. The Company's expenses are planned to decrease, which would result in an improvement to its results of operations.

### **NOTE 4- CONVERTIBLE DEBENTURES**

On July 22, 2013 the Company entered into settlement agreements with all Demand Loan note holders converting the Demand Loans to unsecured Convertible Debentures with rights to convert any portion of the unpaid principle and/or accrued interest into restricted common shares of the Company at any time within forty-eight months from the settlement date with \$31,016 convertible at \$0.0025 and \$3,507 convertible at \$0.35 per share. The Company may repay principal amounts due at any time without premium or penalty.

On December 23, 2013 the Company converted \$34,523 of convertible debt and interest into 12,416,670 shares of common stock.

On March 19, 2014 the Company converted \$60,002 of convertible debt and interest into 171,434 shares of common stock.

As of September 30, 2014 the amount of convertible debt outstanding was \$104,666 plus accrued interest of \$22,330 for a total of \$126,997.

### **NOTE 5 – RELATED PARTIES**

On March 28, 2013 warrants to purchase 80,000 common shares were exercised by related parties yielding proceeds of \$49,000 in cash received and a subscriptions receivable of \$7,000.

During the year ended September 30, 2013, an officer and director of the Company made contributions to capital for management fees in the amount of \$13,500 and rent in the amount of \$4,500 for a total of \$18,000.

During the year ended September 30, 2014 an officer and director and a related party shareholder of the Company advanced \$123,853 to the Company by paying certain Company expenses or to pay its expenses. As of September 30, 2014 the total amount advanced to the Company by the related parties was \$130,508.

The advances are unsecured, do not have a term and carry no interest rate

#### **NOTE 6 - EQUITY**

On January 9, 2013 the Company issued 24,750 common shares to a note holder that was entitled to this amount of shares based on the terms pursuant to a note payable of \$30,000. The Company was obligated to issue an additional 250 common shares to satisfy the terms of the note.

On March 28, 2013 warrants to purchase 80,000 common shares were exercised by related parties yielding proceeds of \$56,000 in cash received

On April 2, 2013 warrants to purchase 5,000 common shares were exercised by related parties yielding proceeds of \$3,500 in cash received. The shares were classified as "shares to be issued" in 2013 and issued on March 26, 2014

On June 20, 2013 warrants to purchase 17,857 common shares were exercised by related parties yielding proceeds of \$12,500 in cash received. The shares were classified as "shares to be issued" in 2013 and issued on March 26, 2014

On July 17 2013 the Company received \$70,000 in a private transaction to purchase 46,667 shares of common stock of the Company. The shares were classified as "shares to be issued" in 2013 and issued on March 26, 2014

On September 10, 2013 warrants to purchase 2,143 common shares were exercised by related parties yielding proceeds of \$1,500 in cash received. The shares were classified as "shares to be issued" in 2013 and issued on March 26, 2014

On December 23, 2013 the Company issued 12,416,670 shares of common stock with a value of \$34,523 for debt.

On March 19, 2014 the Company issued 171,434 shares of common stock with a value of \$60,002 for debt.

On March 26, 2014 the Company issued 72,167 shares of common stock with a value of \$87,501 which was offset against the liability "shares to be issued" of \$88,125. The difference of \$624 was offset against interest expense.

## **NOTE 7- INCOME TAXES**

The Company has losses carried forward for income tax purposes through September 30, 2014. There are no current or deferred tax expenses for the period ended 30 September 2013 due to the Company's loss position. The Company has fully reserved for any benefits of these losses. The deferred tax consequences of temporary differences in reporting items for financial statement and income tax purposes are recognized, as appropriate. Realization of the future tax benefits related to the deferred tax assets is dependent on many factors, including the Company's ability to generate taxable income within the net operating loss carry-forward period. Management has considered these factors in reaching its conclusion as to the valuation allowance for financial reporting purposes.

The provision for refundable federal income tax consists of the following:

|                                     | <b>2014</b> | <b>2013</b> |
|-------------------------------------|-------------|-------------|
| Deferred tax asset attributable to: |             |             |

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|   |           |          |
|---|-----------|----------|
| Current operations                          | 106,927   | 98,851   |
| Contributions to capital by related parties | --        | (6,120)  |
| Less: Change in valuation allowance         | (106,927) | (92,731) |
| Net refundable amount                       | -         | -        |

The composition of the Company's deferred tax assets as at September 30 are as follows:

|   | 2014      | 2013      |
|---|-----------|-----------|
| Income tax operating loss carry-forward | 2,233,657 | 1,919,166 |
| Statutory federal income tax rate       | 34%       | 34%       |
| Contributed rent and services           | 0%        | 0%        |
| Effective income tax rate               | 0%        | 0%        |
| Deferred tax assets                     | 759,443   | 652,516   |
| Less: Valuation allowance               | (759,443) | (652,516) |
| Net deferred tax asset                  | -         | -         |



The potential income tax benefit of these losses has been offset by a full valuation allowance.

As of September 30, 2014, the Company has an unused net operating loss carry-forward balance of approximately \$2,233,657 that is available to offset future taxable income. This unused net operating loss carry-forward balance expires between 2025 and 2033.

The issuance of 12,660,271 shares of common stock during the year ended September 30, 2014 affected a change in control of the Company. Due to the change in control, the tax loss carryforward may only be used on a formula basis under IRS section 382 which will affect the benefit the Company can gain from the tax loss.

#### **NOTE 8- NOTES PAYABLE**

On June 2, 2014 the Company issued a long term note payable for \$81,989 to an entity for advances on work completed on the Company's Ahbau Lake mining property in British Columbia, Canada. The note is unsecured, and bears interest at 10% per year and matures in one year at which time all principal and interest is due and payable. As of September 30, 2014 the outstanding balance of principal \$81,989 plus accrued interest of \$2,734 totaled \$84,723.

#### **NOTE 9 – MINERAL PROPERTY INVESTMENT**

The Company holds a mineral property license which it carried as an asset valued at \$29,893 as of September 30, 2013. The value was the amount the Company paid to maintain the license on the property. The Company determined that the amounts paid to hold the license should be treated as expense and thus expensed the \$29,893 during the year ended September 30, 2014.

#### **NOTE 10 - ADVANCES**

During the year ended September 30, 2013 a related party shareholder of the Company advanced the Company through the payment of Company expenses \$6,655.

During the year ended September 30, 2014 an officer and director and a related party shareholder of the Company advanced \$123,853 to the Company by paying certain Company expenses or to the Company to pay its expenses. As

of September 30, 2014 the total amount advanced to the Company by the related parties was \$130,508.

The advances are unsecured, do not have a term and carry no interest rate.

#### **NOTE 11 – COMMITMENTS AND CONTINGENCIES**

On January 9, 2014 the Company entered into a release and compensation agreement with a former director and officer of the Company. Under the terms of the agreement the Company was to pay by March 31, 2014 \$18,050 of account payable due to the former officer and director plus issue 5,000 shares of common stock to the individual. In return the former officer and director was to complete the filing of the Company 10-K for year-end September 30, 2014, resign at that time as an officer and director, assist in the filing of the December 31, 2014 10-Q and return to the Company all the books and records in his possession.

Subsequent to his resignation the former officer and director did not return any of the Company's property as agreed plus the December 31, 2013 10-Q required refiling due to misstatement of information. The Company's position is that the former officer and director is in breach of contract. Because the contract was breached, the Company's board of directors did not authorize the issuance of the shares and the Company has withheld paying the former officer and director the accounts payable due

#### **NOTE 12 – SUBSEQUENT EVENT**

On November 18, 2014 the Company issued 15,000 shares of common stock for accounts payable with a value of \$12,165