

SILVERSTAR MINING CORP.

Form 10-Q/A

April 15, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q/A

Amendment-1

(Mark One)

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

For the quarterly period ended **December 31, 2013**

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 **98-0425627**
(State or other jurisdiction of (IRS Employer
incorporation or organization) Identification No.)

1489 West Warm Springs Road, Ste. 110, **89014**
Henderson, Nevada
(Address of principal executive offices) (Zip Code)

(775) 473-9400

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark 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 preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small 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 Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

YES NO

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.

YES NO

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

12,959,200 common shares issued and outstanding as of April 11, 2014.

EXPLANATORY NOTE

Silverstar Mining, Inc. (the “Company”) is filing this Amendment No. 1 (the “Amended Report”) to its Quarterly Report on Form 10-Q for the period ended December 31, 2013 that was originally filed with the United States Securities and Exchange Commission (the “Commission”) on February 19, 2014 (the “Original Quarterly Report”) for the purposes of amending and restating the consolidated balance sheet, consolidated statement of stockholders equity, consolidated statement of cash flows, footnotes 7,11 and 14 and related management discussion. Other than discussed above; no other changes have been made to the Original Quarterly Report. This Amendment Report speaks as of the original filing date of the Original Report, does not reflect events that may have occurred subsequent to the original filing date, and does not modify or update in any way disclosures made in the original Form 10-Q, except with regard to amending and restating of the consolidated balance sheet, consolidated statement of shareholders equity, consolidated statement of cash flows, footnotes 7, 11 and 14 and related management discussion

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The consolidated financial statements of our company have been prepared in accordance with accounting principles generally accepted in the United States of America and are expressed in U.S. dollars.

Silverstar Mining Corp.

(An Exploration Stage Company)

Consolidated Interim Financial Statements

(Expressed in U.S. Dollars)

(Unaudited)

31 December 2013

Silverstar Mining Corp.**(An Exploration Stage Company)**

Consolidated Balance Sheets

(Expressed in U.S. Dollars)

(Unaudited)

| | As at 31-Dec-13 \$ | As at 30-Sep-13 \$ |
|---|--------------------------|--------------------------|
| Assets | | |
| Current | | |
| Cash and cash equivalents | 123 | 5,869 |
| Prepaid expense | - | 249 |
| Total Current Assets | 123 | 6,118 |
| Other | | |
| Investment in Mineral Properties (Note 5) | 29,893 | 29,893 |
| Total Assets | 30,016 | 36,011 |
| Liabilities and Stockholder's Equity (Deficit) | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities (Note 6) | 131,019 | 42,866 |
| Convertible debentures (Note 7) | 159,525 | 201,807 |
| Shareholder advances | 39,151 | 6,655 |
| Liability deposit | - | 70,000 |
| Share issuance liability | 88,125 | 18,125 |
| Total Current Liabilities | 417,820 | 339,453 |
| Stockholders' Equity (Deficit) | | |
| Capital stock (Note 11) | | |
| Authorized | | |
| 225,000,000 of common shares, par value \$0.001 | | |
| Issued and outstanding | | |
| 31 Dec 2013 – 12,716,099 common shares, par value \$0.001 (Note 11) | | |
| 30 Sep 2013 – 299,429 common shares, par value \$0.001 | 12,716 | 299 |
| Additional paid-in capital | 1,637,531 | 1,615,425 |
| Deficit, accumulated during the development stage | (2,038,051) | (1,919,166) |
| Total Stockholders' Equity (Deficit) | (387,804) | (303,442) |
| Non-controlling interest | - | - |
| Total Liabilities and Stockholders' Equity (Deficit) | 30,016 | 36,011 |

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

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Silverstar Mining Corp.**(An Exploration Stage Company)**

Consolidated Statements of Operations

(Expressed in U.S. Dollars)

(Unaudited)

| | For the period from the date of inception on 5 December 2003 to 31-Dec-13 \$ | For the three month period ended 31-Dec-13 \$ | For the three month period ended 31-Dec-12 \$ |
|---|---|---|---|
| Expenses | | | |
| Advertising | 743 | 743 | - |
| Bank charges | 6,726 | 343 | 138 |
| Consulting | 138,467 | - | - |
| Dues & subscriptions | 10 | - | 10 |
| Exploration and development (Note 5) | 13,029 | - | - |
| Filing fees | 34,467 | 387 | 399 |
| Insurance | 20,902 | 256 | - |
| Investor relations | 84,992 | - | - |
| Legal and accounting (Note 9 and 10) | 413,342 | 48,960 | 26,363 |
| Licenses and permits | 5,065 | 524 | - |
| Management fees (Notes 10, 11 and 13) | 164,500 | 30,000 | 4,500 |
| Professional fees | 11,250 | 3,750 | |
| Rent (Notes 10, 11 and 13) | 54,755 | 637 | 2,247 |
| Transfer agent fees | 35,746 | 825 | 755 |
| Travel, entertainment and office | 109,438 | 25,262 | 6,512 |
| Write-down of mineral property acquisition costs (Note 5) | 811,696 | - | |
| Write-down of website development costs (Note 4) | 6,600 | - | |
| Net ordinary loss | 1,911,728 | 111,687 | 40,924 |
| Other Income/(Expense) | | | |
| Interest income | 362 | - | - |
| Cost of borrowing (Note 14) | (62,500) |) - | (61,875) |
| Exchange gain/(loss) | 982 | - | - |
| Interest expense (Note 7, 8 and 13) | (65,167) |) (7,198) | (3,561) |
| | (126,323) |) (7,198) | (65,436) |
| Net loss attributable to shareholders | (2,038,051) |) (118,885) | (106,360) |

| | | |
|---|---------|---------|
| Basic and diluted loss per common share | (0.40) | (0.63) |
| Weighted average number of common shares used in per share calculations | 298,929 | 169,179 |

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

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Silverstar Mining Corp.**(An Exploration Stage Company)**

Consolidated Statements of Cash Flows

(Expressed in U.S. Dollars)

| | For the period from the date of inception on 5 December 2003 to 31-Dec-13 \$ | For the three month period ended 31-Dec-13 \$ | For the three month period ended 31-Dec-12 \$ |
|--|---|---|---|
| Cash flows from operating activities | | | |
| Net loss for the period | (2,038,051 |) (118,885 | (106,360) |
| Adjustments to reconcile loss to net cash used by operating activities | | | |
| Accrued interest – convertible debentures (Note 7) | 33,480 | 6,701 | 378 |
| Accrued interest – shareholder demand loan (Note 8) | 28,070 | - | 2,617 |
| Accrued interest – demand loan (Note 8) | 2,773 | - | 567 |
| Contributions to capital by related parties (Notes 10, 11 and 13) | 215,500 | - | 6,000 |
| Write-down of mineral property acquisition costs (Note 5) | 811,696 | - | - |
| Write-down of website development costs (Note 4) | 6,600 | - | - |
| Changes in operating assets and liabilities | | | |
| Prepays | - | 249 | 10,000 |
| Increase (decrease) in accounts payable and accrued liabilities | 116,559 | 73,693 | 17,311 |
| Increase in due to related parties and shares to be issued | 182,635 | 87,855 | 79,375 |
| | (640,738 |) 49,613 | 9,888 |
| Cash flows from investing activities | | | |
| Acquisition of Silverdale, net of cash received (Note 3) | (140,221 |) - | - |
| Mineral property acquisition costs (Note 5) | (51,268 |) - | (15,533) |
| Website development costs (Note 4) | (6,600 |) - | - |
| | (198,089 |) - | (15,533) |
| Cash flows from financing activities | | | |
| Convertible debenture | 103,825 | (55,359) | - |
| Demand Loans | - | - | 7,500 |
| Share issue costs | (1,255 |) - | - |
| Common shares issued for cash (Note 11) | 736,380 | - | - |
| | 838,950 | (55,359) | 7,500 |
| Increase (decrease) in cash and cash equivalents | 123 | (5,746) | 1,855 |
| Cash and cash equivalents, beginning of period | - | 5,869 | 558 |
| Cash and cash equivalents, end of period | 123 | 123 | 2,413 |
| NON CASH INVESTING AND FINANCING ACTIVITIES | | | |
| Common stock issued for debt | \$ 34,523 | \$- | \$34,523 |

Supplemental Disclosures with Respect to Cash Flows (Note 13)

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

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Silverstar Mining Corp.**(An Exploration Stage Company)**

Consolidated Statements of Changes in Stockholders' Equity (Deficiency)

(Expressed in U.S. Dollars)

| | Number of shares issued | Share capital | Share subscriptions received in advance / Additional paid-in capital | Deficit, accumulated during the development stage | Stockholder's equity |
|--|----------------------------|------------------|--|--|-------------------------|
| | | \$ | \$ | \$ | \$ |
| Balance at 5 December 2003 (inception) | | | | | |
| Common shares issued for cash (\$333 per share) (Note 11) | 0 | - | 1 | - | 1 |
| Net loss for the period | - | - | - | (450) | (450) |
| Balance at 30 September 2004 | 0 | - | 1 | (450) | (449) |
| Net loss for the year | - | - | - | (300) | (300) |
| Balance at 30 September 2005 | 0 | - | 1 | (750) | (749) |
| Common shares issued for cash (\$1 per share) (Note 11) | 30,000 | 30 | 9,970 | - | 10,000 |
| Common shares redeemed – cash (\$333 per share) (Note 11) | (0) | - | (1) | - | (1) |
| Contributions to capital by related parties – expenses (Notes 10, 11 and 13) | - | - | 24,000 | - | 24,000 |
| Net loss for the year | - | - | - | (40,190) | (40,190) |
| Balance at 30 September 2006 | 30,000 | 30 | 33,970 | (40,940) | (6,940) |
| Contributions to capital by related parties – expenses | - | - | 24,000 | - | 24,000 |
| Common shares issued for cash (\$3.33 per share) (Note 11) | 25,500 | 26 | 84,974 | - | 85,000 |
| Net loss for the year | - | - | - | (64,567) | (64,567) |
| Balance at 30 September 2007 | 55,500 | 56 | 142,944 | (105,507) | 37,493 |
| Contributions to capital by related parties – expenses (Notes 10, 11 and 13) | - | - | 12,000 | - | 12,000 |
| Share subscriptions received in advance | - | - | 422,176 | - | 422,176 |
| Share issue costs | - | - | (1,255) | - | (1,255) |
| Common shares issued for business acquisition (\$150 per share) (Notes 3, 11 and 13) | 4,334 | 4 | 650,096 | - | 650,100 |

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| | | | | | |
|--|-----------|-------|-----------|------------|------------|
| Common shares returned to treasury and cancelled (Notes 11 and 13) | (15,000) | (15) | 15 | - | - |
| Net loss for the year | - | - | - | (263,596) | (263,596) |
| Balance at 30 September 2008 | 44,834 | 45 | 1,225,976 | (369,103) | 856,918 |

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

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Silverstar Mining Corp.**(An Exploration Stage Company)**

Consolidated Statements of Changes in Stockholders' Equity (Deficiency) contd.

(Expressed in U.S. Dollars)

| | Number of shares issued | Share capital | Share subscriptions received in advance / Additional paid-in capital | Deficit, accumulated during the development stage | Stockholder's equity |
|---|----------------------------|------------------|--|--|-------------------------|
| | | \$ | \$ | \$ | \$ |
| Balance at 30 September 2008 | 44,834 | 45 | 1,225,976 | (369,103 |) 856,918 |
| Contributions to capital by related parties – expenses (Notes 10, 11 and 13) | - | - | 65,500 | - | 65,500 |
| Share subscriptions received in advance | - | - | (422,176 |) - | (422,176) |
| Common shares issued for cash (\$250 per share) (Note 11) | 950 | 1 | 237,500 | - | 237,501 |
| Common shares issued for cash (\$448 per share) (Note 11) | 487 | - | 218,175 | - | 218,175 |
| Common shares returned to treasury and cancelled (Notes 11 and 13) | (4,100 |) (4 |) 4 | - | - |
| Intrinsic value of beneficial conversion feature (Note 11) | - | - | 15,000 | - | 15,000 |
| Net loss for the year | - | - | - | (1,010,522 |) (1,010,522) |
| Balance at 30 September 2009 | 42,171 | 42 | 1,339,979 | (1,379,625 |) (39,604) |
| Contributions to capital by related parties – expenses (Notes 10 and 13) | - | - | 24,000 | - | 24,000 |
| Net loss for the year | - | - | - | (85,165 |) (85,165) |
| Balance at 30 September 2010 | 42,171 | 42 | 1,363,979 | (1,464,790 |) (100,769) |
| Reverse split 1,000:1 (Note 11) | - | - | - | - | - |
| Contributions to capital by related parties – expenses (Notes 10 and 13) | - | - | 24,000 | - | 24,000 |
| Net loss for the year | - | - | - | (72,935 |) (72,935) |
| Balance at 30 September 2011 | 42,171 | 42 | 1,387,979 | (1,537,725 |) (149,704) |
| Contributions to capital by related parties – expenses (Notes 10 and 13) | - | - | 24,000 | - | 24,000 |
| Common shares issued for business acquisition (\$0.16 per share) (Notes 3, 11 and 13) | 2,000 | 2 | 318 | - | 320 |
| | 125,000 | 125 | 49,875 | - | 50,000 |

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| | | | | | |
|--|---------|-----|-----------|------------|--------------|
| Common shares issued for cash (\$0.40 per share) (Note 11) | | | | | |
| Common shares issued at par to balance | 8 | - | 8 | - | 8 |
| stock split rounding | | | | | |
| Net loss for the period | - | - | - | (90,703 |) (90,703) |
| Balance at 30 September 2012 | 169,179 | 169 | 1,462,180 | (1,628,428 |) (166,079) |

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

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Silverstar Mining Corp.**(An Exploration Stage Company)**

Consolidated Statements of Changes in Stockholders' Equity (Deficiency) contd.

(Expressed in U.S. Dollars)

| | Number of shares issued | Share capital | Share subscriptions received in advance / Additional paid-in capital | Deficit, accumulated during the development stage | Stockholder's equity |
|---|----------------------------|------------------|--|--|-------------------------|
| | | \$ | \$ | \$ | \$ |
| Balance at 30 September 2012 | 169,179 | 169 | 1,462,180 | (1,628,428 |) (166,079) |
| Contributions to capital by related parties – expenses (Note 10) | - | - | 18,000 | - | 18,000 |
| Common shares issued to satisfy terms of note payable (Notes 8,10,11,14) | 24,750 | 25 | 61,850 | - | 61,875 |
| Warrants exercised | 105,000 | 105 | 73,395 | - | 73,500 |
| Shares for rounding | 500 | - | - | - | - |
| Net loss for the period | - | - | - | (290,738 |) (290,738) |
| Balance at 30 September 2013 | 299,429 | 299 | 1,615,425 | (1,919,166 |) (303,442) |
| Common stock issued for debt | 12,416,670 | 12,417 | 22,106 | | 34,523 |
| Net loss for the period | | | | (118,885 |) (118,885) |
| Balance at 31 December 2013 | 12,716,099 | 12,716 | 1,637,531 | (2,038,051 |) (387,804) |

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

Silverstar Mining Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

(Expressed in U.S. Dollars)

31 December 2013

1. Nature, Basis of Presentation and Continuance of Operations

Silverstar Mining Corp. (the “Company”) was incorporated under the laws of the State of Nevada on 5 December 2003. On 4 March 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.

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Silverdale Mining Corp. (“Silverdale”) from 24 July 2008, the date of acquisition.

The Company is a development stage enterprise, as defined in Financial Accounting Standards Board No. 7. The Company is devoting all of its present efforts in securing and establishing a new business, and its planned principle operations have not commenced, and, accordingly, no revenue has been derived during the organization period.

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to development stage enterprises, and are expressed in U.S. dollars. The Company’s fiscal year end is 30 September.

These consolidated financial statements as at 31 December 2013 and for the three month period then ended, have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has a loss for the three month period ended 31 December 2013 of \$118,885 (2012 loss - \$106,360), cumulative loss - \$2,038,051 (2012 cumulative loss - \$1,734,788) and has working capital deficit of \$452,220 at 31 December 2013 (30 September 2013 deficit - \$333,335).

Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. If the Company is unable to raise additional capital in the near future, due to the Company's liquidity problems, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. These consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

At 31 December 2013, the Company had suffered losses from development stage activities to date. Although management is currently attempting to implement its business plan, and is seeking additional sources of equity or debt financing, there is no assurance these activities will be successful. These factors raise substantial doubt about the ability of the Company to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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Silverstar Mining Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

(Expressed in U.S. Dollars)

31 December 2013

2. Significant Accounting Policies

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements.

Principles of consolidation

All inter-company transactions and balances have been eliminated in these consolidated financial statements.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Mineral property costs

The Company has been in the development stage since its formation on 5 December 2003 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition and exploration of mining properties.

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 (Note 5).

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.

Reclamation costs

The Company's policy for recording reclamation costs is to record a liability for the estimated costs to reclaim mined land by recording charges to production costs for each tonne of ore mined over the life of the mine. The amount charged is based on management's estimation of reclamation costs to be incurred. The accrued liability is reduced as reclamation expenditures are made. Certain reclamation work is performed concurrently with mining and these expenditures are charged to operations at that time.

Silverstar Mining Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

(Expressed in U.S. Dollars)

31 December 2013

Long-lived assets

Long-term assets of the Company are reviewed for impairment whenever events or circumstances indicate that the carrying amount of assets may not be recoverable, pursuant to guidance established in ASC 360-10-35-15, *“Impairment or Disposal of Long-Lived Assets”*.

Management considers assets to be impaired if the carrying value exceeds the future projected cash flows from related operations (undiscounted and without interest charges). If impairment is deemed to exist, the assets will be written down to fair value. Fair value is generally determined using a discounted cash flow analysis

Financial instruments

The carrying value of cash and cash equivalents, accounts payable and accrued liabilities and convertible debentures approximates their fair value because of the short maturity of these instruments. The Company’s operations are in Nevada and virtually all of its assets and liabilities are giving rise to significant exposure to market risks from changes in foreign currency rates. The Company’s financial risk is the risk that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Derivative financial instruments

The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Website development costs

The costs of computer software developed or obtained for internal use, during the preliminary project phase, as defined under ASC 350-40, "*Internal-Use Software*", will be expensed as incurred. The costs of website development during the planning stage, as defined under ASC 350-50, "*Website Development Costs*", will also be expensed as incurred.

Computer software, website development incurred during the application and infrastructure development stage, including external direct costs of materials and services consumed in developing the software and creating graphics and website content, will be capitalized and amortized over the estimated useful life, beginning when the software is ready for use and after all substantial testing is completed and the website is operational.

Income taxes

Deferred income taxes are reported for timing differences between items of income or expense reported in the consolidated financial statements and those reported for income tax purposes in accordance with SFAS No. 109, "*Accounting for Income Taxes*", which requires the use of the asset/liability method of accounting for income taxes. Deferred income taxes and tax benefits are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax loss and credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company provides for deferred taxes for the estimated future tax effects attributable to temporary differences and carry-forwards when realization is more likely than not.

Silverstar Mining Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

(Expressed in U.S. Dollars)

31 December 2013

Basic and diluted net loss per share

The Company computes net loss per share in accordance with SFAS No. 128, *“Earnings per Share”*. SFAS No. 128 requires presentation of both basic and diluted earnings per share (“EPS”) on the face of the consolidated income statement. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all potentially dilutive common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all potentially dilutive shares if their effect is anti-dilutive.

Comprehensive loss

SFAS No. 130, *“Reporting Comprehensive Income”*, establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at 31 December 2013, the Company has no items that represent a comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the consolidated financial statements.

Segments of an enterprise and related information

SFAS No. 131, *“Disclosures about Segments of an Enterprise and Related Information”*, supersedes SFAS No. 14, *“Financial Reporting for Segments of a Business Enterprise.”* SFAS No. 131 establishes standards for the way that public companies report information about operating segments in annual financial statements and requires reporting of selected information about operating segments in interim financial statements issued to the public. It also establishes standards for disclosures regarding products and services, geographic areas and major customers. SFAS No. 131 defines operating segments as components of a company about which separate financial information is available that

is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company has evaluated this SFAS and does not believe it is applicable at this time.

Start-up expenses

The Company has adopted Statement of Position No. 98-5, "*Reporting the Costs of Start-up Activities*", which requires that costs associated with start-up activities be expensed as incurred. Accordingly, start-up costs associated with the Company's formation have been included in the Company's general and administrative expenses for the period from the date of inception on 5 December 2003 to 31 December 2013.

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.

Silverstar Mining Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

(Expressed in U.S. Dollars)

31 December 2013

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Comparative figures

Certain comparative figures have been adjusted to conform to the current year's presentation.

Recent accounting pronouncements

The Company's management does not believe that any recent accounting pronouncements would have a material effect on its financial statements.

3. Acquisition

In accordance with ASC 805, *Business Combinations*, acquisitions are accounted for under the purchase method of accounting. Under the purchase method of accounting, assets acquired and liabilities assumed are recorded at their estimated fair values. Goodwill is recorded to the extent the purchase price consideration, including certain acquisition and closing costs, exceeds the fair value of the net identifiable assets acquired at the date of the acquisition.

On 24 July 2008, the Company acquired Silverdale. The aggregate consideration paid by the Company was \$791,860 of which \$141,760 was paid in cash, and the Company issued 4,334,000 common shares of the Company valued at \$650,100 to acquire 100% of the issued and outstanding common shares of Silverdale (Notes 5 and 11). Silverdale was acquired pursuant to a Stock Exchange Agreement with Silverdale and the former shareholders of Silverdale dated 13 June 2008. The acquisition of Silverdale expanded the Company's business of acquiring and exploring mineral properties.

A valuation of certain assets was completed and the Company internally determined the fair value of other assets and liabilities. In determining the fair value of acquired assets, standard valuation techniques were used including the market and income approach.

The purchase price allocation has been determined as follows:

| | |
|----------------------------|-------------|
| | \$ |
| Assets purchased: | |
| Cash and cash equivalents | 1,539 |
| Mineral property interests | 790,321 |
| Total assets acquired | 791,860 |
| Purchase price | 791,860 |

Silverstar Mining Corp.**(An Exploration Stage Company)**

Notes to Consolidated Financial Statements

(Expressed in U.S. Dollars)

31 December 2013

4. Website Development Costs

| | | Accumulated amortization | Net Book Value | |
|-------------------------------|-------------|-------------------------------------|---------------------------------|----------------------------------|
| | Cost | /Impairment | 31 December 2013 | 30 September 2013 |
| | \$ | \$ | \$ | \$ |
| Website and development costs | 6,600 | (6,600) | - | - |
| | 6,600 | (6,600) | - | - |

The Company has not incurred any expenditure related to website development costs since the write-down of website development costs during the year ended 30 September 2009.

**5. Mineral Property
Costs****Rose Prospect Lode Mining Claim**

During the year ended 30 September 2006, the Company acquired an interest in a mineral claim located in Clark County, Nevada (the "Rose Prospect Lode Mining Claim") for \$6,375. In May 2006, the Company commissioned a geological evaluation report of the Rose Prospect Lode Mining Claim and in June 2006, the Company commissioned a Phase I work program as recommended by the evaluation report. During the Phase I work program, the Company staked a second claim adjacent to the west of the Rose Lode Claim to cover other indicated mineralized zones observed in that area (the "Rose Prospect II Lode Mining Claim"). The acquisition cost of \$6,375 was initially capitalized as a tangible asset.

During the year ended 30 September 2006, the Company recorded a write-down of mineral property acquisition costs of \$6,375 related to the Rose Prospect Lode Mining Claim.

The Company has not incurred any expenditures related to the Rose Prospect Lode Mining Claim property since the write-down of mineral property acquisition costs during the year ended 30 September 2006.

Pinehurst Properties

During the year ended 30 September 2007, the Company entered into a mineral property option agreement, through its wholly-owned subsidiary, to acquire an undivided 100% right, title and interest in eight unpatented mining claims described as the “Corby”, “Cory FR”, “Walker”, “Linda”, “Eddie”, “Smokey”, “Dorian” and “Valerine” claims (the “Pinehurst Properties”) located near Pinehurst, Shoshone County, Idaho. The mineral property option agreement calls for cash payments of \$1,000,000 (\$50,000 paid), the issuance of 1,000 restricted common shares of the Company and the completion of exploration expenditures of \$1,000,000 on the claims detailed as follows:

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(Expressed in U.S. Dollars)

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| | | Payments | Shares | Exploration expenditures |
|--------------------------------|--------|------------------|---------------|---------------------------------|
| | | \$ | | \$ |
| Upon execution of agreement | (paid) | 50,000 | 100 | 100,000 |
| On or before 14 September 2009 | | 100,000 | 150 | 200,000 |
| On or before 14 September 2010 | | 350,000 | 250 | 300,000 |
| On or before 14 September 2011 | | 500,000 | 500 | 400,000 |
| Total | | 1,000,000 | 1,000 | 1,000,000 |

The Company is in default under the terms of the option agreement, and does not have any short term prospects for raising the funds needed to complete these projects and has written off its deferred mineral property costs related to the project.

During the year ended 30 September 2009, the Company recorded a write-down of mineral property acquisition costs of \$106,400 related to the Pinehurst Properties Mining Claims.

The Company has not incurred any expenditures related to the Pinehurst Properties Mining Claims since the write-down of mineral property acquisition costs during the year ended 30 September 2009.

Silver Strand Properties

On 1 March 2008, the Company entered into a mineral property option agreement with New Jersey Mining Company (“NJMC”) to purchase a 50% Joint Venture Interest in mining operations on certain mining properties collectively known as the Silver Strand Properties, located in Kootenai County, Idaho. The terms of the option agreement calls for the Company to make payments as follows:

- i. \$120,000 upon the signing of the agreement (paid);
- ii. \$150,000 on or before 30 April 2008 (paid);
and
- iii. \$230,000 on or before 30 May 2008.

The terms of the option agreements call for the Company to contribute 50% of the reclamation bond held as a treasury bill, the receipt of which is due on or before 30 May 2008, for the benefit of the Joint Venture. NJMC will be the operator of the mine.

The Company is in default under the terms of the option agreement, and does not have any short term prospects for raising the funds needed to complete these projects and has written off its deferred mineral property costs related to the project.

During the year ended 30 September 2009, the Company recorded a write-down of mineral property acquisition costs of \$532,100 related to the Silver Strand Properties mining operations.

The Company has not incurred any expenditures related to the Silver Strand Properties mining operations since the write-down of mineral property acquisition costs during the year ended 30 September 2009.

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Cobalt Canyon Gold Project

On 8 September 2008, the Company entered into a letter of intent with Gold Canyon Properties, LLP to examine and possibly acquire 100% of the Cobalt Canyon Gold Project located in Lincoln County, Nevada. The Cobalt Canyon properties are located in the Chief Mining District of southeastern Nevada. The project includes numerous small underground mines within the Chief District situated just north of Caliente, Nevada. The project includes 22 unpatented federal lode claims (approximately 363 acres) and an option to acquire 59 acres in three patented mining claims.

The Company wrote-off its deferred mineral property costs of \$26,600 related to the Gold Canyon Gold Project during the year ended 30 September 2009.

The Company has not incurred any expenditures related to the Gold Canyon Gold Project since the write-off of deferred mineral property costs during the year ended 30 September 2009.

AHB Claims

On 16 May 2011, the Company entered into an Agreement of Purchase and Sale with Jaime Mayo to acquire 100% of the AHB claims located in British Columbia, Canada. The AHB Claims consist of 3 claims (approximately 1,006 ha).

The Company paid \$10,000 cash as a deposit and issued 2,000 common shares upon closing (Note 11) and is subject to a 2% NSR (Net Smelter Royalty). The Company has an option to purchase 1% of the NSR for \$1 million and an additional 0.5% of the NSR \$500,000.

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

On 12 June 2012 the Company 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, Central British Columbia, Canada. The work was completed and the Company received final invoicing for the work on 1 October 2012 in the amount of \$15,533 which was recorded as Investment in Mineral Property.

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are non-interest bearing, unsecured and have settlement dates within one year.

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Silverstar Mining Corp.**(An Exploration Stage Company)**

Notes to Consolidated Financial Statements

(Expressed in U.S. Dollars)

31 December 2013

7. Convertible Debentures

| Balance at 31 December 2013 \$ | Balance at 30 September 2013 \$ |
|---|--|
|---|--|

Three convertible debentures issued to three unrelated parties bearing interest at a rate of 10% per annum on any unpaid principle balances, unsecured, and having no fixed terms of repayment. The holders of the convertible debentures have the right to convert any portion of the unpaid principle and/or accrued interest into restricted common shares of the Company at any time within thirty-six months from the issue date on the basis of \$0.0025 per common share for each dollar of principle and/or interest due and payable. On March 19, 2012 the Company extended the right to convert for an additional 36 months. The Company may repay principal amounts due at any time without premium or penalty. During the three months ended 31 December 2013, the Company accrued interest expense of \$344 (30 September 2013 – \$378) and converted \$7,266 of interest and principle. The balance as at 31 December 2013 consists of principal of \$10,000 (30 September 2013 – \$15,000) and accrued interest of \$4,702 (30 September 2013 – \$6,624), respectively.

| | | |
|--|--------|--------|
| The Company recorded a \$15,000 interest expense in relation to amortization of debt discount (Note 13) in the year ended 30, September, 2009. | 14,702 | 21,624 |
|--|--------|--------|

| | | |
|---|--------|--------|
| A demand loan issued to a shareholder bearing interest at a rate of 10% per annum on any unpaid principle balances, unsecured, and having no fixed terms of repayment. The Company may repay principal amounts due at any time without premium or penalty. In addition, the Company will issue 250 common shares in the Company upon repayment of the loan (Note 14). The replacement Convertible Debenture bears interest at a rate of 10% per annum on any unpaid principle balance and is convertible to restricted common shares of the Company on the basis of \$0.0025 per common share for each dollar of principle and/or interest due and payable. During the three months ended 31 December 2013, the Company accrued interest expense of \$885 (30 September 2013 - \$789) and converted \$23,750 of interest and principle. The balance as at 31 December 2013 consists of principal of \$18,912 (30 September 2013 - \$41,118) and accrued interest of \$130 (30 | 19,042 | 41,907 |
|---|--------|--------|

September 2013 - \$789).

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Notes to Consolidated Financial Statements

(Expressed in U.S. Dollars)

31 December 2013

| | Balance at 31 December 2013 \$ | Balance at 30 September 2013 \$ |
|--|--|---|
|--|--|---|

A demand loan issued to a shareholder who is also the Company's sole officer and director bearing interest at a rate of 10% per annum on any unpaid principle balances, unsecured, and having no fixed terms of repayment. The Company may repay principal amounts due at any time without premium or penalty. The replacement Convertible Debenture bears interest at a rate of 17% per annum on any unpaid principle balance and is convertible to restricted common shares of the Company on the basis of \$0.35 per common share for each dollar of principle and/or interest due and payable. During the three months ended 31 December 2013, the Company accrued interest expense of \$103 (30 September 2013 - \$107) and converted \$3,507 of interest and principle. The balance as at 30 September 2013 consists of principal of \$Nil (30 September 2013 - \$3,297) and accrued interest of \$Nil (30 September 2013 - \$107).

| | |
|-----|-------|
| Nil | 3,404 |
|-----|-------|

During the year ended 30 September 2011, the Company accepted demand loans from a shareholder bearing interest at a rate of 9% per annum on any unpaid principle balances. The demand loans are unsecured and have no fixed terms of repayment. The Company may repay principal amounts due at any time without premium or penalty. The replacement Convertible Debenture bears interest at a rate of 17% per annum on any unpaid principle balance and is convertible to restricted common shares of the Company on the basis of \$0.35 per common share for each dollar of principle and/or interest due and payable. During the three months ended 31 December 2013, the Company accrued interest expense of \$3,246 (30 September 2013 - \$2,470) (Note 11). The balance as at 31 December 2013 consists of principal of \$75,754 (30 September 2013 - \$75,754) and accrued interest of \$5,716 (30 September 2013 - \$2,470).

| | |
|--------|--------|
| 81,470 | 78,224 |
|--------|--------|

Silverstar Mining Corp.**(An Exploration Stage Company)**

Notes to Consolidated Financial Statements

(Expressed in U.S. Dollars)

31 December 2013

| | Balance at 31 December 2013 \$ | Balance at 30 September 2013 \$ |
|--|---|--|
| <p>During the year ended 30 September 2011, the Company accepted a demand loan from a shareholder bearing interest at a rate of 9% per annum on any unpaid principle balances. The demand loan is unsecured and has no fixed terms of repayment. The Company may repay principal amounts due at any time without premium or penalty. The replacement Convertible Debenture bears interest at a rate of 17% per annum on any unpaid principle balance and is convertible to restricted common shares of the Company on the basis of \$0.35 per common share for each dollar of principle and/or interest due and payable. During the three months ended 31 December 2013, the Company accrued interest expense of \$611 (30 September 2013 – \$639) (Note 11) and converted \$20,836 of interest and principle. The balance as at 31 December 2013 consists of principal of \$Nil (30 September 2013 – \$19,586) and accrued interest of \$Nil (30 September 2013 – \$639).</p> | Nil | 20,225 |
| <p>During the years ended 30 September 2012 and 2013, the Company accepted demand loans from a third part bearing interest at a rate of 10% per annum on any unpaid principle balances. The demand loans are unsecured and have no fixed terms of repayment. The Company may repay principal amounts due at any time without premium or penalty. The replacement Convertible Debenture bears interest at a rate of 17% per annum on any unpaid principle balance and is convertible to restricted common shares of the Company on the basis of \$0.35 per common share for each dollar of principle and/or interest due and payable. During the three months ended 31 December 2013, the Company accrued interest expense of \$1,512 (30 September 2013 – \$1,150). The balance as at 31 December 2013 consists of principal of \$35,273 (30 September 2013 – \$35,273) and accrued interest of \$2,662 (30 September 2013 – \$1,150).</p> | 37,935 | 36,423 |
| Convertible Debentures Total | 159,524 | 201,807 |

8. Demand Loans.

On July 22, 2013 the Company entered into settlement agreements with all Demand Loan note holders converting the Demand Loans to 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. The Company may repay principal amounts due at any time without premium or penalty (Note 7).

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Silverstar Mining Corp.

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Notes to Consolidated Financial Statements

(Expressed in U.S. Dollars)

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9. Due to Related Parties and Shareholder Advances

Amounts due to related parties are due to individuals or companies controlled by individuals who are shareholders, directors and/or former directors of the Company.

As at 31 December 2013, and 30 September 2013, a shareholder of the Company had made advances for payments on behalf of the Company leaving a net balance owing of \$39,151 and \$6,655, respectively.

10. Related Party Transactions

During the year ended 30 September 2012, an officer and director of the Company made contributions to capital for management fees in the amount of \$18,000 (30 September 2011 - \$18,000) and rent in the amount of \$6,000 (30 September 2011 - \$6,000) (Notes 11 and 13).

During the year ended 30 September 2013, an officer and director of the Company made contributions to capital for management fees in the amount of \$13,500 (30 September 2012 - \$18,000) and rent in the amount of \$4,500 (30 September 2012 - \$6,000) (Notes 11 and 13).

11. Capital Stock

Authorized capital stock consists of 225,000,000 post reverse split common shares with a par value of \$1.00 per common share. The total issued and outstanding capital stock is 169,179 common shares with a par value of \$1.00 per common share.

On 7 September 2011 the Company announced effective 22 September 2011, the Company will complete a reverse split with a 1,000 to 1 ratio thereby reducing issued and outstanding capital stock from 42,168,837 common shares with a par value of \$0.001 to 42,171 common shares with a par value of \$1.00. Unless otherwise noted, all references herein to number of shares, price per share or weighted average number of shares outstanding have been adjusted to reflect this reverse stock split on a retroactive basis.

On 3 December 2003, a total of .003 common shares of the Company were issued for cash proceeds of \$1.

On 1 January 2006, a total of 30,000 common shares were issued to an officer and director of the Company for cash proceeds of \$10,000.

On 1 January 2006, a total of .003 common shares of the Company were redeemed for proceeds of \$1. These common shares were cancelled on the same date.

On 3 May 2007, the Company completed a public offering of securities pursuant to an exemption provided by Rule 504 of Regulation D, registered in the State of Nevada, and issued 25,500 common shares for total cash proceeds of \$85,000.

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On 4 March 2008, the Company affected a three (3) for one (1) forward stock split of all outstanding common shares and a corresponding forward increase in the Company's authorized common stock. The effect of the forward split was to increase the number of the Company's common shares issued and outstanding from 18,500,000 to 55,500,000 and to increase the Company's authorized common shares from 75,000,000 shares par value \$0.001 to 225,000,000 shares par value \$0.001. The consolidated financial statements have been retroactively adjusted to reflect this stock split.

On 24 July 2008, the Company issued 4,334 common shares of the Company valued at \$650,100 to acquire 100% of the issued and outstanding common shares of Silverdale (Note 13).

On 24 July 2008, the Company issued 1,000 common shares related to a public offering of securities in error. A total of 500 of these common shares were returned to treasury and cancelled. A total of 500 of these common shares remain outstanding and the Company is in the process of obtaining these common shares for return to treasury and cancellation. The Company has placed a trading restriction on these common shares pending their receipts to treasury and cancellation and has excluded them from total number of common shares reported as issued and outstanding at 30 September 2009.

On 30 September 2008, a former director and officer of the Company returned to treasury 15,000 common shares of the Company for proceeds of \$Nil. These shares were cancelled during the year ended 30 September 2008 (Note 13).

On 10 October 2008, the Company completed a public offering of securities pursuant to an exemption provided by Rule 504 of Regulation D, registered in the State of Nevada, and issued 950 common shares for total cash proceeds of \$237,500. As noted above on 24 July 2008, the Company issued 1,000 common shares related to this public offering of securities in error. A total of 500 of these common shares were returned to treasury and cancelled. A total of 500 of these common shares remain outstanding and the Company is in the process of obtaining these common shares for return to treasury and cancellation. The Company has placed a trading restriction on these common shares pending their receipts to treasury and cancellation and has excluded them from total number of common shares reported as issued and outstanding at 30 September 2009.

On 15 January 2009, the Company completed a public offering of securities pursuant to an exemption provided by Rule 504 of Regulation D, registered in the State of Nevada, and issued 487 common shares for total cash proceeds of \$218,176.

During the year ended 30 September 2009, former directors and officers of the Company returned to treasury 4,100 common shares of the Company for proceeds of \$Nil. These shares were cancelled during the year ended 30 September 2009 (Note 13).

During the year ended 30 September 2009, an officer and director of the Company made contributions to capital for management fees in the amount of \$22,000 (2008 - \$9,000, 2007 - \$18,000) and rent in the amount of \$4,500 (2008 - \$3,000, 2007 - \$6,000) (Note 13).

During the year ended 30 September 2009, former officer of the Company forgave loans to the Company totaling \$39,000. This loan forgiveness has been recorded as contributions to capital (Note 13).

Silverstar Mining Corp.

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On 22 December 2011 the Company completed a public offering of securities pursuant to an exemption provided by Rule 504 of Regulation D, registered in the State of Nevada, and issued 125,000 common shares for total cash proceeds of \$50,000.

On 22 December 2011, the Company issued 2,000 common shares of the Company valued at \$320 as part of an Agreement of Purchase and Sale with Jaime Mayo to acquire 100% of the AHB claims located in British Columbia, Canada. The AHB Claims consist of 3 claims (approximately 1,006 ha) (Note 5).

On 1 February 2012 the Board of Directors authorized an increase in the Company's Authorized Shares from 225,000 common share at par of \$1.00 each, to 225,000,000 common shares at par of \$1.00 each.

During the year ended 30 September 2012, an officer and director of the Company made contributions to capital for management fees in the amount of \$18,000 (2011 - \$18,000, 2010 - \$18,000, 2009 - \$22,000, 2008 - \$9,000, 2007 - \$18,000) and rent in the amount of \$6,000 (2011 - \$6,000, 2010 - \$6,000, 2009 - \$4,500, 2008 - \$3,000, 2007 - \$6,000) (Note 13).

On 9 January 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, still outstanding as of 31 December 2012 in the amount of \$39,449 (Note 8 and 14). The Company is still obligated to issue an additional 250 common shares to satisfy the terms of the note (Note 14).

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

On 2 April 2013 warrants to purchase 5,000 common shares were exercised by related parties yielding proceeds of \$3,500 in cash received.

On 20 June 2013 warrants to purchase 17,857 common shares were exercised by related parties yielding proceeds of \$12,500 in cash received.

On 17 July 2013 the Company received \$70,000 in a private transaction to purchase 46,667 shares of common stock of the Company.

On 10 September 2013 warrants to purchase 2,143 common shares were exercised by related parties yielding proceeds of \$1,500 in cash received.

During the year ended 30 September 2013, an officer and director of the Company made contributions to capital for management fees in the amount of \$13,500 (2012 – \$18,000, 2011 - \$18,000, 2010 - \$18,000, 2009 - \$22,000, 2008 - \$9,000, 2007 - \$18,000) and rent in the amount of \$4,500 (2012 - \$6,000, 2011 - \$6,000, 2010 - \$6,000, 2009 - \$4,500, 2008 - \$3,000, 2007 - \$6,000) (Note 13).

On December 23, 2013 we authorized the issuance of 9,500,000 shares to two subscribers at the price of \$0.0025 per share (\$23,750 in the aggregate) pursuant to a convertible debenture with Tina Bressert dated July 22, 2013.

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On December 23, 2013 we authorized the issuance of 10,020 shares to one subscriber at the price of \$0.35 per share (\$3,507 in the aggregate) pursuant to a convertible debenture with Tina Bressert dated July 22, 2013.

On December 23, 2013 we authorized the issuance of 2,906,400 shares to one subscriber at the price of \$0.0025 per share (\$7,266 in the aggregate) pursuant to a convertible debenture with Lilia Mishal dated May 28, 2009.

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

12. Income Taxes

The Company has losses carried forward for income tax purposes to 31 December 2013. There are no current or deferred tax expenses for the period ended 31 December 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:

| | |
|---------|---------|
| For the | For the |
| three | three |
| month | month |
| period | period |
| ended | ended |

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| | 31 December 2013 \$ | 31 December 2012 \$ |
|---|------------------------------|------------------------------|
| Deferred tax asset attributable to: | | |
| Current operations | 40,421 | 36,162 |
| Contributions to capital by related parties | - | (2,040) |
| Less: Change in valuation allowance | (40,421) | (34,122) |
| Net refundable amount | - | - |

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(Expressed in U.S. Dollars)

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The composition of the Company's deferred tax assets as at 31 December 2013 and 30 September 2013 are as follows:

| | As at 31 December 2013 \$ | | As at 30 September 2013 \$ | |
|---|--|---|---|---|
| Income tax operating loss carry-forward | 2,038,051 | | 1,919,166 | |
| Statutory federal income tax rate | 34 | % | 34 | % |
| Contributed rent and services | 0 | % | 0 | % |
| Effective income tax rate | 34 | % | 34 | % |
| Deferred tax assets | 692,937 | | 652,516 | |
| Less: Valuation allowance | (692,937) | | (652,516) | |
| Net deferred tax asset | - | | - | |

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

As at 31 December 2013, the Company has an unused net operating loss carry-forward balance of approximately \$2,038,051 that is available to offset future taxable income. This unused net operating loss carry-forward balance expires between 2024 and 2033.

13. Supplemental Disclosures with Respect to Cash Flows

On 24 July 2008, the Company issued 4,334 common shares of the Company valued at \$650,100 to acquire 100% of the issued and outstanding common shares of Silverdale (Note 11).

On 30 September 2008, a former director and officer of the Company returned to treasury 15,000 common shares of the Company for proceeds of \$Nil. These shares were cancelled during the year ended 30 September 2008 (Note 11).

On 30 September 2009, a former directors and officers of the Company returned to treasury 4,100 common shares of the Company for proceeds of \$Nil. These shares were cancelled during the year ended 30 September 2009 (Note 11).

During the year ended 30 September 2009, an officer and director of the Company made contributions to capital for management fees in the amount of \$22,000 (2008 - \$9,000, 2007 - \$18,000) and rent in the amount of \$4,500 (2008 - \$3,000, 2007 - \$6,000) (Note 11).

During the year ended 30 September 2009, former officer of the Company forgave loans to the Company totaling \$39,000. This loan forgiveness has been recorded as contributions to capital (Note 11).

During the year ended 30 September 2009, the Company accrued interest of \$616 related to the convertible debentures and \$15,000 related to authorization of debt discount (Note 7).

During the year ended 30 September 2010, the Company accrued interest of \$4,186 related to the convertible debentures (Note 7) and demand loans and \$7,500 related to the issuance of 250 post reverse share issuance liability (Note 8).

On 22 December 2011 the Company completed a public offering of securities pursuant to an exemption provided by Rule 504 of Regulation D, registered in the State of Nevada, and issued 125,000 common shares for total cash proceeds of \$50,000.

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On 22 December 2011 the Company issues 2,000 shares in accordance with the terms of the ABH Claims Purchase and Sale Agreement (Note 5) with a value of \$320. The valuation was based on the closing price of the shares on 22 December 2011.

During the year ended 30 September 2012, the Company accrued interest of \$17,348 (2012 - \$12,380) related to the convertible debentures (Note 7) and demand loans (Note 8).

During the year ended 30 September 2013, an officer and director of the Company made contributions to capital for management fees in the amount of \$13,500 (2012 - \$18,000, 2011 - \$18,000, 2010 - \$18,000, 2009 - \$22,000, 2008 - \$9,000, 2007 - \$18,000) and rent in the amount of \$4,500 (2012 - \$6,000, 2011 - \$6,000, 2010 - \$6,000, 2009 - \$4,500, 2008 - \$3,000, 2007 - \$6,000) (Note 11).

During the three months ended 31 December 2013, the Company accrued interest of \$6,701 (2012 - \$3,561) related to the convertible debentures (Note 7) and demand loans (Note 8).

14. Commitments

The Company is committed to issue 12,488,337 common shares of the Company based on subscriptions received for warrants exercised, shares purchased through a private transaction, and debt conversions, as of 31 December 2013 (Note 11).

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

FORWARD LOOKING STATEMENTS

This quarterly report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our consolidated unaudited financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles. The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this quarterly 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 quarterly report.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States Dollars (US\$) and all references to “common shares” refer to the common shares in our capital stock.

As used in this quarterly report, the terms “we”, “us”, “our” and “our company” mean Silverstar Mining Corp., a Nevada corporation, and our wholly owned subsidiary Silverstar Mining (Canada) Inc., a company incorporated under the federal laws of Canada, unless otherwise indicated.

General 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.

In addition, 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. The details of the transactions are as follows:

On November 19, 2009 we issued a demand promissory note to one lender in consideration of loan proceeds of \$30,000. On March 19, 2012, our company's board of directors approved a plan whereby the debt holder could convert their loan into shares of common stock at a conversion rate of \$0.0025 per share, however this plan was not executed. On July 22, 2013 we entered into a settlement agreement with the assignees of the lender, Tina Bressert, to extinguish the demand note and issued a convertible debenture to the assignee of the demand note in the aggregate principal amount of \$41,118. The debenture shall bear interest at 10% per annum and shall be payable in full, together with any accrued interest, by July 22, 2017. The holder shall have the option to convert the principal amount and any accrued interest, in whole or in part, at the rate of \$0.0025 per share of our common stock. On December 23, 2013 we authorized the issuance of 9,500,000 shares to the assignees of the debenture in conversion of \$23,750 payable pursuant to the debenture as at December 6, 2013. The balance of \$18,912 remains payable pursuant to the debenture as at December 31, 2013.

Pursuant to the above described convertible debentures, Ms. Bressert has the right to purchase upon conversion of the debentures up to 42.56% of our common stock on a non-diluted basis.

On May 14, 2010, we issued a demand promissory note to one lender in consideration of loan proceeds of \$2,500. On July 22, 2013 we entered into a settlement agreement with the assignee of the lender, Tina Bressert, to extinguish the demand note and issued a convertible debenture to the assignee of the demand note in the aggregate principal amount of \$3,297. The debenture shall bear interest at 17% per annum and shall be payable in full, together with any accrued interest, by July 22, 2017. The holder shall have the option to convert the principal amount and any accrued interest, in whole or in part, at the rate of \$0.35 per share of our common stock. This convertible note was subsequently assigned to a third party. On December 23, 2013 we authorized the issuance of 10,020 shares to the assignee of the debenture holder in full conversion of the \$3,507 payable pursuant to the debenture as at December 6, 2013.

On January 25, 2011, we issued a demand promissory note to Nottingham Group in consideration of loan proceeds of \$16,000. On July 22, 2013 we entered into a settlement agreement to extinguish the demand note and issued a convertible debenture to Nottingham Group in the aggregate principal amount of \$19,586. The debenture shall bear interest at 17% per annum and shall be payable in full, together with any accrued interest, by July 22, 2017. The holder shall have the option to convert the principal amount and any accrued interest, in whole or in part, at the rate of \$0.35 per share of our common stock. On December 23, 2013 we authorized the issuance of 59,531 shares to the

debenture holder in conversion of \$20,836 payable pursuant to the debenture as at December 6, 2013.

On December 17, 2010, December 31, 2010, April 4, 2011, August 1, 2011, and September 2, 2011 we issued demand promissory notes to Petra Corp. in consideration of loan proceeds of \$15,000, \$2,183.68, \$16,000, \$14,000, and \$16,000, respectively (\$63,183.68 in the aggregate). On July 22, 2013 we entered into a settlement agreement to extinguish the demand note and issued a convertible debenture Petra Corp. in the aggregate principal amount of \$75,754. The debenture shall bear interest at 17% per annum and shall be payable in full, together with any accrued interest, by July 22, 2017. The holder shall have the option to convert the principal amount and any accrued interest, in whole or in part, at the rate of \$0.35 per share of our common stock. The full amount of principal and accrued interest remains payable as at the date of this report.

On or about June 8, 2012, October 2, 2012 and January 25, 2013 we issued demand promissory notes to Elco Securities Ltd. in consideration of loan proceeds of \$15,000, \$7,500, and \$10,000, respectively (\$32,500 in the aggregate). On July 22, 2013, we entered into a settlement agreement to extinguish the demand note and issued a convertible debenture to Elco Securities Ltd. in the aggregate principal amount of \$35,273. The debenture shall bear interest at 17% per annum and shall be payable in full, together with any accrued interest, by July 22, 2017. The holder shall have the option to convert the principal amount and any accrued interest, in whole or in part, at the rate of \$0.35 per share of our common stock. The full amount of principal and accrued interest remains payable as at the date of this report.

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 Securities and Exchange Commission ("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 have 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.

Effective January 9, 2014, we entered into a settlement agreement with Guy Martin regarding compensation payable to Mr. Martin's for his services as chief executive officer, chief financial officer and director of our company. Pursuant to the terms of the settlement agreement, we agreed to pay to Mr. Martin the aggregate sum of \$28,050 and 5,000 shares of our common stock. To date we have not made any payments to Mr. Martin pursuant to the settlement agreement.

Effective January 27, 2014, Guy Martin tendered his resignation as our chief executive officer, chief financial officer and director of our company. Our board of directors accepted Mr. Martin's resignation on February 15, 2014 with effect as at January 27, 2014.

Concurrently, on February 15, 2014, our board of directors appointed Jared Robinson to server as our chief executive officer and Lowell Holden to serve as our chief financial officer.

Current Business

Mineral Exploration

We are currently engaged in the exploration and development of mineral properties in the Caribou Mining District in east-central British Columbia, Canada.

On May 16, 2011, we entered into an agreement of purchase and sale with Jaime Mayo to acquire a 100% interest in three 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 our company.

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.

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 and gas exploration services, including hard rock drilling services, seismic drilling services, and oil & gas waste disposal.

Prospective Business Activities

We are currently seeking to diversify our business into hard rock drilling services and oil and gas exploration and waste disposal. With respect to prospective mining services, we are pursuing bidding opportunities for hard rock drilling contracts in Idaho, Nevada and in the Northwest Territories of Canada. With respect to prospective oil & gas exploration, we are identifying and conducting due diligence on acreages located in Eastern Wyoming and Western Nebraska 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.

Results of Operations

The following discussion of our results of operations should be read in conjunction with our unaudited consolidated financial statements for the three month periods ended December 31, 2013 which are included herein.

Our operating expenses for the three months ended December 31, 2013 and 2012 are outlined in the table below:

| | December 31, | | Inception (December 5, 2003) to December 31, |
|--|--------------|----------|---|
| | 2013 | 2012 | 2013 |
| Advertising | \$743 | \$Nil | \$743 |
| Bank charges and interest | \$343 | \$138 | \$6,726 |
| Consulting | \$Nil | \$Nil | \$138,467 |
| Dues and subscriptions | \$Nil | \$10 | \$10 |
| Exploration and development | \$Nil | \$Nil | \$13,029 |
| Filing fees | \$387 | \$399 | \$34,467 |
| Insurance | \$256 | \$Nil | \$20,902 |
| Investor relations | \$Nil | \$Nil | \$84,992 |
| Legal and accounting | \$48,960 | \$26,363 | \$413,342 |
| Licenses and permits | \$524 | \$Nil | \$5,065 |
| Management fees | \$30,000 | \$4,500 | \$164,500 |
| Professional fees | 3,750 | Nil | 11,250 |
| Rent | \$637 | \$2,247 | \$54,755 |
| Transfer agent fees | \$825 | \$755 | \$35,746 |
| Travel, entertainment and office expenses | \$25,262 | \$6,512 | \$109,438 |
| Write-down of mineral property acquisition costs | \$Nil | \$Nil | \$811,696 |
| Write-down of website development costs | \$Nil | \$Nil | \$6,600 |
| Total | \$111,687 | \$40,924 | \$1,911,728 |

Operating expenses for the three months ended December 31, 2013 were \$111,687, representing an increase of \$70,763 from the \$40,924 in expenses incurred during the three months ended December 31, 2012. The increase was primarily a result of increases in advertising, bank charges and interest, insurance, legal and accounting, licenses and permits, management fees, professional fees, transfer agent fees and travel, entertainment and office expenses.

Revenue, Net Income and Loss

We have had no revenues for the three months ended December 31, 2013 and December 31, 2012.

Our net loss for the three months ended December 31, 2013 was \$118,885 compared to a net loss of \$106,360 during the three months ended December 31, 2012. The increase in net loss is primarily due to increased operating expenses and interest expense. Total losses from December 5, 2003 (inception) to December 31, 2013 were \$2,038,051.

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 (\$413,342 since inception) and our write-down of mineral property acquisition costs (\$811,696 since inception). 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 December 31, 2013 we had cash totaling \$123 as compared to \$5,869 in cash at September 30, 2013. Our accounts payable at December 31, 2013 was \$116,559 and \$42,866 as at September 30, 2013. On December 31, 2013 we had convertible debentures of \$159,524 and no demand loans compared to our outstanding convertible debentures of \$201,807 and \$Nil in demand loans as at September 30, 2013. Our total liabilities were \$417,820 on December 31, 2013 as compared to \$ 339,453 as at September 30, 2013. We had a working capital deficit of \$417,697 as at December 31, 2013 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

| | At December 31, 2013 | At September 30, 2013 |
|---------------------------|----------------------------|-----------------------------|
| Current Assets | \$123 | \$6,118 |
| Current Liabilities | \$417,820 | \$339,453 |
| Working Capital (Deficit) | \$(417,697) | \$(333,335) |

Our total current assets as of December 31, 2013 were \$123 as compared to total current assets of \$6,118 as of September 30, 2013. The decrease in current assets was primarily due to decreases in cash and cash equivalents and prepaid expenses.

Our total current liabilities as of December 31, 2013 were \$417,820 as compared to total current liabilities of \$339,453 as of September 30, 2013. The increase in current liabilities was primarily attributed to increases in accounts payable and accrued liabilities, shareholder advances and share issuance liability.

Cash Flows

| | Three Months Ended December 31, | |
|--|--|-------------|
| | 2013 | 2012 |
| Net Cash (Used in) Operating Activities | \$(49,613) | \$(9,888) |
| Net Cash (Used in) Investing Activities | \$Nil | \$(15,533) |
| Net Cash Provided by Financing Activities | \$(55,359) | \$7,500 |
| Increase (Decrease) in Cash and Cash Equivalents During the Period | \$(5,746) | \$1,855 |

Operating Activities

Cash used in operating activities was \$49,613 for the three months ended December 31, 2013 compared to cash used in operating activities of \$9,888 for the three months ended December 31, 2012. The increase in cash used in operating activities was primarily due to an increase in net loss of \$12,525 offset by increases in operating liabilities.

Investing Activities

Cash used in investing activities was \$Nil for the three months ended December 31, 2013 compared to cash used in investing activities of \$15,533 for the three months ended December 31, 2012. The decrease in cash used in investing activities was primarily due to a decrease in mineral property acquisition costs.

Financing Activities

Cash flows from financing activities totaled \$55,359 during the three months ended December 31, 2013 compared to \$7,500 for the three months ended December 31, 2012. The increase in cash provided by financing activities is primarily a result of the issuance of convertible debentures and common shares issued for cash.

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:

| Description | Estimated Completion Date | Estimated Expenses (\$) |
|------------------------------------|---------------------------|-------------------------|
| Salaries | 12 months | 60,000 |
| Consulting Fees | 12 months | 60,000 |
| Audit Fees | 12 months | 30,000 |
| Legal Fees | 12 months | 50,000 |
| Insurance | 12 months | 25,000 |
| Transfer Agent | 12 months | 5,000 |
| Filing Fees | 12 months | 20,000 |
| Travel | 12 months | 25,000 |
| Due Diligence—Targeted acquisition | 2 months | 25,000 |
| Total | | 300,000 |

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.

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 December 31, 2013, our company has accumulated losses of \$1,911,728 since inception. 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 in their report on the financial statements for the year ended September 30, 2013, De Leon & Company, P.A., 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 are an exploratory stage mining company. We are currently engaged in the exploration and development of properties in the Caribou Mining District in east-central British Columbia or approximately 65 km northeast of Quesnel, British Columbia, Canada. We have a total of 3 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.

We will require additional financing of \$250,000 in order to enable us to proceed with our plan of operations, including approximately \$300,000 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 have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with the accounting principles generally accepted in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financial statements.

Principles of Consolidation

All inter-company transactions and balances have been eliminated in these consolidated financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Mineral Property Costs

Our company has been in the exploration stage since its formation on December 5, 2003 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition and exploration of mining properties.

Mineral property acquisition costs are initially capitalized as tangible assets when purchased. At the end of each fiscal quarter end, our 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 the consolidated financial statements, our company has not established any proven or probable reserves on its mineral properties and incurred only acquisition and exploration costs.

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

Reclamation Costs

Our company's policy for recording reclamation costs is to record a liability for the estimated costs to reclaim mined land by recording charges to production costs for each tonne of ore mined over the life of the mine. The amount charged is based on management's estimation of reclamation costs to be incurred. The accrued liability is reduced as reclamation expenditures are made. Certain reclamation work is performed concurrently with mining and these expenditures are charged to operations at that time.

Long-Lived Assets

Long-term assets of our company are reviewed for impairment whenever events or circumstances indicate that the carrying amount of assets may not be recoverable, pursuant to guidance established in ASC 360-10-35-15, "*Impairment or Disposal of Long-Lived Assets*".

Management considers assets to be impaired if the carrying value exceeds the future projected cash flows from related operations (undiscounted and without interest charges). If impairment is deemed to exist, the assets will be written down to fair value. Fair value is generally determined using a discounted cash flow analysis

Financial Instruments

The carrying value of cash and cash equivalents, accounts payable and accrued liabilities and convertible debentures approximates their fair value because of the short maturity of these instruments. Our company's operations are in Nevada and virtually all of our assets and liabilities are giving rise to significant exposure to market risks from changes in foreign currency rates. Our company's financial risk is the risk that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, our company does not use derivative instruments to reduce its exposure to foreign currency risk.

Derivative Financial Instruments

Our company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Website Development Costs

The costs of computer software developed or obtained for internal use, during the preliminary project phase, as defined under ASC 350-40, “*Internal-Use Software*”, will be expensed as incurred. The costs of website development during the planning stage, as defined under ASC 350-50, “*Website Development Costs*”, will also be expensed as incurred.

Computer software, website development incurred during the application and infrastructure development stage, including external direct costs of materials and services consumed in developing the software and creating graphics and website content, will be capitalized and amortized over the estimated useful life, beginning when the software is ready for use and after all substantial testing is completed and the website is operational.

Income Taxes

Deferred income taxes are reported for timing differences between items of income or expense reported in the consolidated financial statements and those reported for income tax purposes in accordance with SFAS No. 109, “*Accounting for Income Taxes*”, which requires the use of the asset/liability method of accounting for income taxes. Deferred income taxes and tax benefits are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax loss and credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Our company provides for deferred taxes for the estimated future tax effects attributable to temporary differences and carry-forwards when realization is more likely than not.

Basic and Diluted Net Loss Per Share

Our company computes net loss per share in accordance with SFAS No. 128, “*Earnings per Share*”. SFAS No. 128 requires presentation of both basic and diluted earnings per share (“EPS”) on the face of the consolidated income statement. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all potentially dilutive common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all potentially dilutive shares if their effect is anti-dilutive.

Comprehensive Loss

SFAS No. 130, “*Reporting Comprehensive Income*”, establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at December 31, 2013, our company has no items that represent a comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the consolidated financial statements.

Segments of an Enterprise and Related Information

SFAS No. 131, “*Disclosures about Segments of an Enterprise and Related Information*”, supersedes SFAS No. 14, “*Financial Reporting for Segments of a Business Enterprise*.” SFAS No. 131 establishes standards for the way that

public companies report information about operating segments in annual financial statements and requires reporting of selected information about operating segments in interim financial statements issued to the public. It also establishes standards for disclosures regarding products and services, geographic areas and major customers. SFAS No. 131 defines operating segments as components of a company about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Our company has evaluated this SFAS and does not believe it is applicable at this time.

Start-Up Expenses

Our company has adopted Statement of Position No. 98-5, "Reporting the Costs of Start-up Activities", which requires that costs associated with start-up activities be expensed as incurred. Accordingly, start-up costs associated with our company's formation have been included in our company's general and administrative expenses for the period from the date of inception on December 5, 2003 to December 31, 2013.

Foreign Currency Translation

Our company's functional and reporting currency is in U.S. dollars. The consolidated financial statements of our 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. Our company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Comparative Figures

Certain comparative figures have been adjusted to conform to the current year's presentation.

Recent Accounting Pronouncements

In February 2010, the FASB issued ASU No. 2010-11, "*Derivatives and Hedging (Topic 815): Scope Exception Related to Embedded Credit Derivatives*". ASU No. 2010-11 clarifies the type of embedded credit derivative that is exempt from embedded derivative bifurcation requirements. Specifically, only one form of embedded credit derivative qualifies for the exemption – one that is related only to the subordination of one financial instrument to another. As a result, entities that have contracts containing an embedded credit derivative feature in a form other than such subordination may need to separately account for the embedded credit derivative feature. The amendments in ASU No. 2010-11 are effective for each reporting entity at the beginning of its first fiscal quarter beginning after 15 June 2010. Early adoption is permitted at the beginning of each entity's first fiscal quarter beginning after 5 March 2010. The adoption of ASC No. 2010-11 is not expected to have a material impact on our company's consolidated financial statements.

In February 2010, the FASB issued ASU No. 2010-09, “*Amendments to Certain Recognition and Disclosure Requirements*”, which eliminates the requirement for Securities and Exchange Commission (“SEC”) filers to disclose the date through which an entity has evaluated subsequent events. ASU No. 2010-09 is effective for its fiscal quarter beginning after 15 December 2010. The adoption of ASU No. 2010-09 is not expected to have a material impact on our company’s consolidated financial statements.

In January 2010, the FASB issued ASC No. 2010-06, “*Fair Value Measurement and Disclosures (Topic 820): Improving Disclosure and Fair Value Measurements*”, which requires that purchases, sales, issuances, and settlements for Level 3 measurements be disclosed. ASU No. 2010-06 is effective for its fiscal quarter beginning after 15 December 2010. The adoption of ASU No. 2010-06 is not expected to have a material impact on our company’s consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

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

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the *Securities Exchange Act of 1934*, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer (our principal executive officer) and chief financial officer (our principal financial officer and principal accounting officer) to allow for timely decisions regarding required disclosure.

As of the end of our quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our chief executive officer (our principal executive officer) and chief financial officer (our principal financial officer and principal accounting officer), of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our chief executive officer (our principal executive officer) and chief financial officer (our principal financial officer and principal accounting officer) concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this quarterly report.

Changes in Internal Control over Financial Reporting

During the period covered by this report, there were no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

Item 1A. Risk Factors

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

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On January 27, 2014, Guy Martin resigned as our chief executive officer, chief financial officer and director. Mr. Martin's resignation was not the result of any disagreement with our company regarding our operations or policies.

On February 15, 2014, we appointed Jared Robinson as chief executive officer of our company and Lowell Holden as chief financial officer of our company. Jared Robinson also acts as a director and chairman of our board of directors.

Lowell Holden – Chief Financial Officer

Lowell Holden has been the chief financial officer and chief accounting officer of Skkynet Cloud Systems, Inc. since March, 2012. Since 1983, Mr. Holden has owned and operating 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. 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. He is 71 years of age.

Item 6. Exhibits

| Exhibit Number | Description |
|-----------------------|---|
| (3) | Articles of Incorporation and By-Laws |
| 3.1 | Articles of Incorporation and Amendment (incorporated by reference to our Registration Statement on Form SB2 filed on January 30, 2007) |
| 3.2 | Bylaws Articles of Incorporation and Amendment (incorporated by reference to our Registration Statement on Form SB2 filed on January 30, 2007) |
| 3.3 | Articles of Merger (incorporated by reference to our Current Report on Form 8-K filed on March 5, 2008) |
| 3.4 | Certificate of Change (incorporated by reference to our Current Report on Form 8-K filed on March 5, 2008) |
| 3.5 | Certificate of Amendment (incorporated by reference to our Current Report on Form 8-K filed on March 6, 2012) |
| (10) | Material Contracts |
| 10.1 | Share Exchange Agreement dated June 13, 2008 between our company, Silverdale Mining Corp. and the Selling Shareholders (incorporated by reference to our Current Report on Form 8-K filed on June 16, |

- 2008)
- 10.2 Mineral Property Option Agreement dated September 14, 2007 (incorporated by reference to our Current Report on Form 8-K filed on July 28, 2008)
- 10.3 Joint Venture Agreement dated March 31, 2008 between our company and New Jersey Mining Company (incorporated by reference to our Current Report on Form 8-K filed on July 28, 2008)
- 10.4 Letter of Intent dated September 2, 2008 with Gold Canyon Partners, LLP (incorporated by reference to our Current Report on Form 8-K filed on September 9, 2008)
- 10.5 Share Cancellation / Return to Treasury Agreement dated October 16, 2008 between our company and Donald James MacKenzie (incorporated by reference to our Current Report on Form 8-K filed on October 17, 2008)
- 10.6 Share Cancellation / Return to Treasury Agreement dated September 30, 2008 between our company and Greg Cowan (incorporated by reference to our Current Report on Form 8-K filed on October 17, 2008)

| Exhibit Number | Description |
|-----------------------|--|
| 10.7 | Share Exchange Agreement dated December 27, 2012 between our company and Arriba Resources Inc. and the Shareholders of Arriba Resources Inc. (incorporated by reference to our Current Report on Form 8-K/A filed on January 11, 2013) |
| 10.8 | Ahbau Lake Technical Report (incorporated by reference to our Current Report on Form 8-K filed on January 24, 2013) |
| 10.9 | Settlement Agreement dated July 22, 2013 between our company and Tina Bressert for \$30,000 loan (incorporated by reference to our Current Report on Form 8-K filed on July 29, 2013) |
| 10.10 | Settlement Agreement dated July 22, 2013 between our company and Tina Bressert for \$2,500 loan (incorporated by reference to our Current Report on Form 8-K filed on July 29, 2013) |
| 10.11 | Convertible Debenture dated July 22, 2013 between our company and Tina Bressert for \$41,118 (incorporated by reference to our Current Report on Form 8-K filed on July 29, 2013) |
| 10.12 | Convertible Debenture dated July 22, 2013 between our company and Tina Bressert for \$3,297 (incorporated by reference to our Current Report on Form 8-K filed on July 29, 2013) |
| 10.13 | Settlement Agreement dated July 22, 2013 between our company and Elco Securities Ltd. (incorporated by reference to our Current Report on Form 8-K filed on July 29, 2013) |
| 10.14 | Convertible Debenture dated July 22, 2013 between our company and Elco Securities Ltd. (incorporated by reference to our Current Report on Form 8-K filed on July 29, 2013) |
| 10.15 | Settlement Agreement dated July 22, 2013 between our company and Nottingham Group (incorporated by reference to our Current Report on Form 8-K filed on July 29, 2013) |
| 10.16 | Convertible Debenture dated July 22, 2013 between our company Nottingham Group (incorporated by reference to our Current Report on Form 8-K filed on July 29, 2013) |
| 10.17 | Settlement Agreement dated July 22, 2013 between our company and Petra Corp. (incorporated by reference to our Current Report on Form 8-K filed on July 29, 2013) |
| 10.18 | Convertible Debenture dated July 22, 2013 between our company and Petra Corp. (incorporated by reference to our Current Report on Form 8-K filed on July 29, 2013) |
| 10.19 | Amended Share Exchange dated May 14, 2013 between our company and Arriba Resources Inc. and the shareholders of Arriba Resources Inc. (incorporated by reference to our Quarterly Report on Form 8-K filed on August 14, 2013) |
| 10.20* | Settlement Agreement dated effective January 9, 2014 between our company and Guy Martin |
| (14) | Code of Ethics |
| 14.1 | Code of Ethics and Business Conduct (incorporated by reference to our Annual Report on Form 10-KSB filed on December 29, 2008) |
| (21) | Subsidiaries of the Registrant |
| 21.1 | Silverstar Mining Canada, Inc. (wholly owned), a Canadian Federal Corporation |
| (31) | Section 302 Certifications |
| 31.1* | Section 302 Certification under Sarbanes-Oxley Act of 2002 of the Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer |
| (32) | Section 906 Certification |
| 32.1* | Section 906 Certification under Sarbanes-Oxley Act of 2002 of the Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer |
| 101** | Interactive Data Files |
| 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.

* *Filed herewith*

Furnished herewith. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of any registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, and otherwise are not subject to liability under those sections.

SIGNATURES

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

SILVERSTAR MINING CORP.

Date: April 15, 2014 /s/ *Jared Robinson*

Jared Robinson
Chairman, Chief Executive Officer and Director
(Principal Executive Officer)

Date: April 15, 2014 /s/ *Lowell Holden*

Lowell Holden
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

