

SILVERSTAR MINING CORP.  
Form 10-Q  
August 19, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2011

or

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 incorporation or organization)

(IRS Employer Identification No.)

350 East 82nd Street Suite 16D, New York, New York

10028

(Address of principal executive offices)

(Zip Code)

917.531.2856

(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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-K (§229.405 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.

Our company had 42,168,837 common shares issued and outstanding as of August 12, 2011.

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PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements.

Our unaudited interim consolidated financial statements for the three month period ended June 30, 2011 immediately follow and are an integral part of this quarterly report. They are stated in United States Dollars (US\$) and are prepared in accordance with United States generally accepted accounting principles.

Silverstar Mining Corp.  
(A Development Stage Company)

Consolidated Financial Statements  
(Expressed in U.S. Dollars)  
(Unaudited)  
30 June 2011

Silverstar Mining Corp.  
(A Development Stage Company)  
Consolidated Balance Sheets  
(Expressed in U.S. Dollars)  
(Unaudited)

|   | As at 30<br>June<br>2011<br>\$ | As at 30<br>September<br>2010<br>(Audited)<br>\$ |
|---|--------------------------------|--|
| <b>Assets</b>   |                                |  |
| <b>Current</b>  |                                |  |
| Cash and cash equivalents                                       | 697                            | 1,907  |
|   | 697                            | 1,907  |
| <b>Liabilities</b>  |                                |  |
| <b>Current</b>  |                                |  |
| Accounts payable and accrued liabilities (Note 4)               | 7,888                          | 20,374   |
| Convertible debentures (Note 5)                                 | 18,240                         | 17,118   |
| Demand loan (Note 6)  | 88,710                         | 35,184   |
| Due to related parties (Note 7)                                 | -                              | 22,500   |
|   | 114,838                        | 95,176   |
| <b>Stockholders' deficiency</b>                                 |                                |  |
| <b>Capital stock (Note 9)</b>                                   |                                |  |
| <b>Authorized</b>   |                                |  |
| 225,000,000 of common shares, par value \$0.001                 |                                |  |
| <b>Issued and outstanding</b>                                   |                                |  |
| 30 June 2011 – 42,168,837 common shares, par value \$0.001      |                                |  |
| 30 September 2010 – 42,168,837 common shares, par value \$0.001 | 42,169                         | 42,169   |
| Additional paid-in capital                                      | 1,339,852                      | 1,321,852  |
| Shares to be issued (Note 9)                                    | 7,500                          | 7,500  |
| Deficit, accumulated during the development stage               | (1,503,662)                    | (1,464,790)                                      |
|   | (114,141)                      | (93,269)   |
|   | 697                            | 1,907  |

Nature, Basis of Presentation and Continuance of Operations (Note 1), Commitments (Note 12) and Subsequent Event (Note 13).

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

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Silverstar Mining Corp.  
(A Development Stage Company)  
Consolidated Statements of Operations  
(Expressed in U.S. Dollars)  
(Unaudited)

|   | For the period from the date<br>of<br>incorporation on 5 December<br>2003 to<br>30 June<br>2011 | For the<br>three<br>month<br>period<br>ended 30<br>June<br>2011 | For the<br>three<br>month<br>period<br>ended 30<br>June<br>2010 | For the<br>nine<br>month<br>period<br>ended 30<br>June<br>2011 | For the<br>nine<br>month<br>period<br>ended 30<br>June<br>2010 |
|---|---|---|---|--|--|
|   | \$  | \$  | \$  | \$   | \$   |
| <b>Expenses</b>   |   |   |   |  |  |
| Bank charges and interest<br>(Notes 5 and 6)                                      | 36,353  | 2,288   | 1,311   | 5,561  | 4,261  |
| Consulting  | 138,467   | -   | -   | -  | -  |
| Exploration and development<br>(recovery) (Note 3)                                | 13,029  | -   | -   | -  | (600)  |
| Filing fees   | 17,200  | -   | -   | -  | 1,928  |
| Investor relations  | 84,992  | -   | -   | -  | -  |
| Legal and accounting (Note 8)   | 205,942   | 8,288   | 11,143  | 11,347   | 30,092   |
| Licences and permits  | 3,416   | -   | -   | -  | -  |
| Management fees (Notes 8, 9<br>and 11)  | 98,500  | 4,500   | 4,500   | 13,500   | 13,500   |
| Rent  | 37,200  | 1,500   | 1,500   | 4,500  | 4,500  |
| Transfer agent fees   | 23,533  | 750   | 1,175   | 3,280  | 2,682  |
| Travel, entertainment and office  | 26,681  | 133   | -   | 631  | 2,539  |
| Write-down of mineral property<br>acquisition costs (Note 3)                      | 811,696   | -   | -   | -  | -  |
| Write-down of website<br>development costs  | 6,600   | -   | -   | -  | -  |
| <b>Loss before other items</b>  | <b>(1,503,609)</b>  | <b>(17,459)</b>   | <b>(19,629)</b>   | <b>(38,819)</b>  | <b>(58,903)</b>  |
| <b>Other items</b>  |   |   |   |  |  |
| Foreign exchange gain (loss)  | (53)  | (53)  | -   | (53)   | -  |
| <b>Net loss for the period</b>  | <b>(1,503,662)</b>  | <b>(17,512)</b>   | <b>(19,629)</b>   | <b>(38,872)</b>  | <b>(58,903)</b>  |
| <b>Basic and diluted loss per common share</b>                                    |   | <b>(0.000)</b>  | <b>(0.000)</b>  | <b>(0.001)</b>   | <b>(0.001)</b>   |
| <b>Weighted average number of common shares used in per share<br/>calculation</b> |   | <b>42,168,837</b>   | <b>42,168,837</b>   | <b>42,168,837</b>  | <b>42,168,837</b>  |

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

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Silverstar Mining Corp.  
(A Development Stage Company)  
Consolidated Statements of Cash Flows  
(Expressed in U.S. Dollars)  
(Unaudited)

|  | For the<br>period from<br>the date of<br>inception on<br>5 December<br>2003 to 30<br>June<br>2011 | For the<br>three<br>month<br>period<br>ended 30<br>June<br>2011 | For the<br>three<br>month<br>period<br>ended 30<br>June<br>2010 | For the<br>nine<br>month<br>period<br>ended 30<br>June<br>2011 | For the<br>nine<br>month<br>period<br>ended 30<br>June<br>2010 |
|--|---|---|---|--|--|
|  | \$  | \$  | \$  | \$   | \$   |
| <b>Cash flows used in operating activities</b>                         |   |   |   |  |  |
| Net loss for the period  | (1,503,662)   | (17,912)  | (19,629)  | (38,872)   | (58,903)   |
| Adjustments to reconcile loss to net cash used by operating activities |   |   |   |  |  |
| Accrued interest (Notes 5 and 6)                                       | 32,767  | 2,408   | 1,155   | 5,465  | 2,989  |
| Contributions to capital by related parties (Notes 8, 9 and 11)        | 167,500   | 6,000   | 6,000   | 18,000   | 18,000   |
| Write-down of mineral property acquisition costs (Note 3)              | 811,696   | -   | -   | -  | -  |
| Write-down of website development costs                                | 6,600   | -   | -   | -  | -  |
| Changes in operating assets and liabilities                            |   |   |   |  |  |
| Increase (decrease) in accounts payable and accrued liabilities        | 7,888   | 2,250   | 4,360   | (12,486)   | (102)  |
| Increase (decrease) in due to related parties                          | -   | (9,370)   | 7,500   | (22,500)   | 6,500  |
|  | (477,211)   | (16,224)  | (614)   | (50,393)   | (31,516)   |
| <b>Cash flows used in investing activities</b>                         |   |   |   |  |  |
| Acquisition of Silverdale, net of cash received                        | (140,221)   | -   | -   | -  | -  |
| Mineral property acquisition costs (Note 3)                            | (21,375)  | -   | -   | -  | -  |
| Website development costs  | (6,600)   | -   | -   | -  | -  |
|  | (168,196)   | -   | -   | -  | -  |
| <b>Cash flows from financing activities</b>                            |   |   |   |  |  |
| Convertible debenture (Note 5)   | 15,000  | -   | -   | -  | -  |
| Demand loan (Note 6)   | 81,683  | 16,000  | 2,500   | 49,183   | 32,500   |

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|   |         |        |       |         |        |
|---|---------|--------|-------|---------|--------|
| Share issue costs                                   | (1,255) | -      | -     | -       | -      |
| Common shares issued for cash<br>(Note 9)           | 550,677 | -      | -     | -       | -      |
| Common shares redeemed (Note<br>9)                  | (1)     | -      | -     | -       | -      |
|   | 646,104 | 16,000 | 2,500 | 49,183  | 32,500 |
| Increase (decrease) in cash and<br>cash equivalents | 697     | (224)  | 1,886 | (1,210) | 984    |
| Cash and cash equivalents,<br>beginning of period   | -       | 921    | 111   | 1,907   | 1,013  |
| Cash and cash equivalents, end<br>of period         | 697     | 697    | 1,997 | 697     | 1,997  |

Supplemental Disclosures with Respect to Cash Flows (Note 11)

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

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Silverstar Mining Corp.  
(A Development Stage Company)  
Consolidated Statements of Changes in Stockholders' Equity (Deficiency)  
(Expressed in U.S. Dollars)  
(Unaudited)

|   | Number of<br>shares issued | Capital stock<br>\$ | Share<br>subscriptions<br>received in<br>advance /<br>Additional paid in<br>capital<br>\$ | Deficit,<br>accumulated<br>during the<br>development<br>stage<br>equity (deficiency)<br>\$ | Stockholders'<br>equity (deficiency)<br>\$ |
|---|----------------------------|---------------------|---|--|--|
| Balance at 5 December 2003<br>(inception)                                       | -                          | -                   | -   | -  | -  |
| Common share issued for cash<br>(\$0.33 per share) (Note 9)                     | 3                          | -                   | 1   | -  | 1  |
| Net loss for the period   | -                          | -                   | -   | (450)  | (450)                                      |
| Balance at 30 September 2004  | 3                          | -                   | 1   | (450)  | (449)                                      |
| Net loss for the year   | -                          | -                   | -   | (300)  | (300)                                      |
| Balance at 30 September 2005  | 3                          | -                   | 1   | (750)  | (749)                                      |
| Common shares issued for cash<br>(\$0.0003 per share) (Note 9)                  | 30,000,000                 | 30,000              | (20,000)  | -  | 10,000                                     |
| Common shares redeemed – cash<br>(\$0.33 per share) (Note 9)                    | (3)                        | -                   | (1)   | -  | (1)  |
| Contributions to capital<br>by related parties – expenses                       | -                          | -                   | 24,000  | -  | 24,000                                     |
| Net loss for the year   | -                          | -                   | -   | (40,190)   | (40,190)                                   |
| Balance at 30 September 2006  | 30,000,000                 | 30,000              | 4,000   | (40,940)   | (6,940)                                    |
| Contributions to capital by<br>related parties – expenses                       | -                          | -                   | 24,000  | -  | 24,000                                     |
| Common shares issued for cash<br>(\$0.0033 per share) (Note 9)                  | 25,500,000                 | 25,500              | 59,500  | -  | 85,000                                     |
| Net loss for the year   | -                          | -                   | -   | (64,567)   | (64,567)                                   |
| Balance at 30 September 2007  | 55,500,000                 | 55,500              | 87,500  | (105,507)  | 37,493                                     |
| Contributions to capital by<br>related parties – expenses                       | -                          | -                   | 12,000  | -  | 12,000                                     |
| Share subscriptions received in<br>advance (Note 9)                             | -                          | -                   | 422,176   | -  | 422,176                                    |
| Share issue costs   | -                          | -                   | (1,255)   | -  | (1,255)                                    |
| Common shares issued for<br>business acquisition (\$0.15 per<br>share) (Note 9) | 4,334,000                  | 4,334               | 645,766   | -  | 650,100                                    |
| Common shares returned to<br>treasury and cancelled (Note 9)                    | (15,000,000)               | (15,000)            | 15,000  | -  | -  |

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|                              |            |        |           |           |           |
|------------------------------|------------|--------|-----------|-----------|-----------|
| Net loss for the year        | -          | -      | -         | (263,596) | (263,596) |
| Balance at 30 September 2008 | 44,834,000 | 44,834 | 1,181,187 | (369,103) | 856,918   |

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

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Silverstar Mining Corp.  
(A Development Stage Company)  
Consolidated Statements of Changes in Stockholders' Equity  
(Expressed in U.S. Dollars)  
(Unaudited)

|  | Number of shares issued | Capital stock | Share subscriptions received in advance / Additional paid-in capital | Deficit, accumulated during the development stage | Stockholders' equity (deficiency) |
|--|-------------------------|---------------|--|---|-----------------------------------|
|  |                         | \$            | \$   | \$  | \$                                |
| Balance at 30 September 2008   | 44,834,000              | 44,834        | 1,181,187  | (369,103)   | 856,918                           |
| Contributions to capital by related parties – expenses                     | -                       | -             | 65,500   | -   | 65,500                            |
| Share subscriptions received in advance                                    | -                       | -             | (422,176)  | -   | (422,176)                         |
| Common shares issued for cash (\$0.25 per share) (Note 9)                  | 950,000                 | 950           | 236,550  | -   | 237,500                           |
| Common shares issued for cash (\$0.45 per share) (Note 9)                  | 484,837                 | 485           | 217,691  | -   | 218,176                           |
| Common shares returned to treasury and cancelled (Notes 9 and 11)          | (4,100,000)             | (4,100)       | 4,100  | -   | -                                 |
| 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   | 42,168,837              | 42,169        | 1,297,852  | (1,379,625)                                       | (39,604)                          |
| Contributions to capital by related parties – expense                      | -                       | -             | 24,000   | -   | 24,000                            |
| Shares to be issued  | -                       | -             | 7,500  | -   | 7,500                             |
| Net loss for the year  | -                       | -             | -  | (85,165)  | (85,165)                          |
| Balance at 30 September 2010   | 42,168,837              | 42,169        | 1,329,352  | (1,464,790)                                       | (93,269)                          |
| Contributions to capital by related parties – expenses (Notes 8, 9 and 11) | -                       | -             | 18,000   | -   | 18,000                            |

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|                            |            |        |           |             |           |
|----------------------------|------------|--------|-----------|-------------|-----------|
| Net loss for the period    | -          | -      | -         | (38,872)    | (38,872)  |
| Balance at 30 June<br>2011 | 42,168,837 | 42,169 | 1,347,352 | (1,503,662) | (114,141) |

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

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Silverstar Mining Corp.  
(A Development Stage Company)  
Notes to Consolidated Financial Statements  
(Expressed in U.S. Dollars)  
(Unaudited)  
30 June 2011

## 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 Accounting Standards Codification (the "Codification" or "ASC") 915-10, "Development Stage Entities". 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 30 June 2011 and for the nine 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 of \$38,872 for the nine month period ended 30 June 2011 (2010 - \$58,903, cumulative - \$1,503,012) and has a working capital deficit of \$114,141 at 30 June 2011 (30 September 2010 - \$93,269).

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. Management believes that the Company's capital resources should be adequate to continue operating and maintaining its business strategy during the fiscal year ending 30 September 2011. However, 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 favourable 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 30 June 2011, 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. Accordingly, the Company must rely on its president to perform essential functions without compensation until a business operation can be commenced. 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.

## 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 4).

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

Silverstar Mining Corp.

(A Development Stage Company)

Notes to Consolidated Financial Statements

(Expressed in U.S. Dollars)

(Unaudited)

30 June 2011

### 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.

#### 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.

#### 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 ASC 740, "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 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.

#### Basic and diluted net loss per share

The Company computes net loss per share in accordance with ASC 260 "Earnings per Share". ASC 260 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 income (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.

#### Fair value measurement

The carrying value of cash and cash equivalents, accounts payable, convertible debentures, and demand loans approximates their fair value because of the short maturity of these instruments.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments.

The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. The Company may encounter difficulties in meeting obligations associated with its financial liabilities.

#### 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.

#### Comprehensive loss

ASC 220, "Comprehensive Income", establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at 30 June 2011, 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

ASC 280, "Segment Reporting" guidance 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. ASC 280 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 Codification and does not believe it is applicable at this time.

#### Start-up expenses

The Company has adopted ASC 720-15, "Start-Up Costs", 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 30 June 2011.

#### 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 ASC 830, "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.

#### Use of estimates

The preparation of financial statements in conformity with United States Generally Accepted Accounting Principle ("U.S. 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.

#### Silverstar Mining Corp.

(A Development Stage Company)

Notes to Consolidated Financial Statements

(Expressed in U.S. Dollars)

(Unaudited)

30 June 2011

#### Comparative figures

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

#### Changes in accounting policies

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 did not have a material impact on the Company's consolidated financial statements.

In January 2010, the FASB issued ASU 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 did not have a material impact on the Company's consolidated financial statements.

#### 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.

#### 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.

#### 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 ASC 740, "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 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.

#### Basic and diluted net loss per share

The Company computes net loss per share in accordance with ASC 260 "Earnings per Share". ASC 260 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 income (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.

#### Fair value measurement

The carrying value of cash and cash equivalents, accounts payable, convertible debentures, and demand loans approximates their fair value because of the short maturity of these instruments.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments.

The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. The Company may encounter difficulties in meeting obligations associated with its financial liabilities.

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.

Comprehensive loss

ASC 220, "Comprehensive Income", establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at 30 June 2011, 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

ASC 280, "Segment Reporting" guidance 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. ASC 280 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 Codification and does not believe it is applicable at this time.

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#### Start-up expenses

The Company has adopted ASC 720-15, "Start-Up Costs", 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 30 June 2011.

#### 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 ASC 830, "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.

#### Use of estimates

The preparation of financial statements in conformity with United States Generally Accepted Accounting Principle ("U.S 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 period's presentation.

#### Changes in accounting policies

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 did not have a material impact on the Company's consolidated financial statements.

In January 2010, the FASB issued ASU 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 did not have a material impact on the Company's consolidated financial statements.

#### Recent Accounting Pronouncements

In June 2011, the FASB issued ASU No. 2011-05, "Presentation of Comprehensive Income". This ASU presents an entity with the option to present the total of comprehensive income, the components of net income, and the component of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This

update eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity/deficit. The amendments in this update do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. ASU No. 2011-05 should be applied retrospectively and is effective for fiscal years, and interim periods within those years, beginning after 15 December 2011. As ASU No. 2011-05 relates only to the presentation of Comprehensive Income, the Company does not expect the adoption of this update will have a material effect on its consolidated financial statements.

In May 2011, the FASB issued ASU No. 2011-04, "Fair Value Measurement" to amend the accounting and disclosure requirements on fair value measurements. This ASU limits the highest-and-best-use measure to nonfinancial assets, permits certain financial assets and liabilities with offsetting positions in market or counterparty credit risks to be measured at a net basis, and provides guidance on the applicability of premiums and discounts. Additionally, this update expands the disclosure on Level 3 inputs by requiring quantitative disclosure of the unobservable inputs and assumptions, as well as description of the valuation processes and the sensitivity of the fair value to changes in unobservable inputs. ASU No. 2011-04 is to be applied prospectively and is effective during interim and annual periods beginning after 15 December 2011. The Company does not expect the adoption of this update will have a material effect on its consolidated financial statements.

### 3. Mineral Property Costs

#### Caribou Mining District Mining Claims

On 16 May 2011, the Company entered into a mineral property option agreement (the "Mineral Property Option Agreement") to acquire 100% interest in three property claims in British Columbia (the "Caribou Mining District Mining Claims"). The Mineral Property Option Agreement called for cash payments of \$10,000 (Note 13), and the issuance of 2,000,000 common shares of the Company (Note 12). Each property is subject to a 2.0% NSR with 1% being purchasable for \$1,000,000 and an additional 0.5% being purchasable for \$500,000.

#### 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 had no expenditures related to the Rose Prospect Lode Mining Claim property for the nine month periods ended 30 June 2011 and 2010.

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#### 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 called for cash payments of \$1,000,000 (\$50,000 paid), the issuance of 1,000,000 restricted common shares of the Company and the completion of exploration expenditures of \$1,000,000 on the claims detailed as follows:

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

The Company had no expenditures related to the Pinehurst Properties for the nine month periods ended 30 June 2011 and 2010.

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

#### 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 had no expenditures related to the Silver Strand Properties for the nine month periods ended 30 June 2011 and 2010.

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.

#### 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 included numerous small underground mines within the Chief District situated just north of Caliente, Nevada. The project included 22 unpatented federal lode claims (approximately 363 acres) and an option to acquire 59 acres in three patented mining claims.

The Company had no expenditures related to the Cobalt Canyon Gold Project for the nine month periods ended 30 June 2011 and 2010. The Company wrote off its deferred mineral property costs related to the Cobalt Canyon Gold Project.

#### 4. 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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#### 5. Convertible Debentures

|   | As at 30 June,<br>2011<br>\$ | As at 30<br>September,<br>2010<br>(Audited)<br>\$ |
|---|------------------------------|---|
| 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. The Company may repay principal amounts due at any time without premium or penalty. During the nine month period ended 30 June 2011, the Company accrued interest expense of \$1,122 (30 June 2010 – \$1,124) (Note 11). The balance as at 30 June 2011 consists of principal of \$15,000 (30 September 2010 – \$15,000) and accrued interest of \$3,240 (30 September 2010 – \$2,118), respectively. | 18,240                       | 17,118  |

#### 6. Demand Loan

|  | As at 30 June,<br>2011<br>\$ | As at 30<br>September,<br>2010<br>(Audited)<br>\$ |
|--|------------------------------|---|
| During the year ended 30 September 2010, the Company accepted a demand loan from an unrelated party bearing interest at a rate of 10% per annum on any unpaid principle balances. The demand loan is 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 250,000 common shares in the Company upon repayment of the loan (Notes 9, 11 and 12). During the nine month period ended | 34,930                       | 32,589  |

30 June 2011, the Company accrued interest expense of \$2,341 (2010 – \$1,833). The balance as at 30 June 2011 consists of principal \$30,000 (30 September 2010 – \$30,000) and accrued interest of \$4,930 (30 September 2010 – \$2,589), respectively.

| As at 30 June,<br>2011<br>\$ | As at 30<br>September,<br>2010<br>(Audited)<br>\$ |
|------------------------------|---|
|------------------------------|---|

During the year ended 30 September 2010, the Company accepted a demand loan in the amount of \$2,500 from a former director and officer of the Company bearing interest at a rate of 10% per annum on any unpaid principal balance. 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. During the nine month period ended 30 June 2011, the Company accrued interest expense of \$187 (2010 – \$Nil) (Note 11). The balance as at 30 June 2011 consists of principal of \$2,500 (30 September 2010 – \$2,500) and accrued interest of \$282 (30 September 2010 – \$95).

|       |       |
|-------|-------|
| 2,782 | 2,595 |
|-------|-------|

During the nine month period ended 30 June 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. During the nine month period ended 30 June 2011, the Company accrued interest expense of \$819 (2010 – \$Nil) (Note 11). The balance as at 30 June 2011 consists of principal of \$17,183 (30 September 2010 – \$Nil) and accrued interest of \$819 (30 September 2010 – \$Nil).

|        |   |
|--------|---|
| 18,002 | - |
|--------|---|

During the nine month period ended 30 June 2011, the Company accepted a demand loan from a shareholder bearing interest at a rate of 10% 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. During the nine month period ended 30 June 2011, the Company accrued interest expense of \$381 (2010 – \$Nil) (Note 11). The balance as at 30 June 2011 consists of principal of \$16,000 (30 September 2010 – \$Nil) and accrued interest of \$381 (30 September 2010 – \$Nil).

|        |   |
|--------|---|
| 16,381 | - |
|--------|---|

| As at 30 June,<br>2011 | As at 30<br>September,<br>2010<br>(Audited) |
|------------------------|---|
| \$                     | \$  |

During the nine month period ended 30 June 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. During the nine month period ended 30 June 2011, the Company accrued interest expense of \$615 (2010 – \$Nil) (Note 11). The balance as at 30 June 2011 consists of principal of \$16,000 (30 September 2010 – \$Nil) and accrued interest of \$615 (30 September 2010 – \$Nil).

|        |        |
|--------|--------|
| 16,615 | -      |
| 88,710 | 35,184 |

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#### 7. Due to Related Parties

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, are non-interest bearing, unsecured and have no fixed terms of repayment.

As at 30 June 2011, there are no amounts due to related parties (2010 - \$22,500).

#### 8. Related Party Transactions

During the nine month period ended 30 June 2011, the Company paid or accrued \$2,500 to a company related to the Company by way of a shareholder in common for accounting services (2010 - \$22,500).

During the nine month period ended 30 June 2011, an officer and director of the Company made contributions to capital for management fees in the amount of \$13,500 (2010 - \$13,500) and rent in the amount of \$4,500 (2010 - \$4,500) (Notes 9 and 11).

#### 9. Capital Stock

Authorized capital stock consists of 225,000,000 common shares with a par value of \$0.001 per common share. The total issued and outstanding capital stock is 42,168,837 common shares with a par value of \$0.001 per common share.

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

On 1 January 2006, a total of 30,000,000 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 3 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 25,500,000 common shares for total cash proceeds of \$85,000.

On 4 March 2008, the Company effected 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 4,334,000 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 15,000,000 common shares of the Company for proceeds of \$Nil. These shares were cancelled during the year ended 30 September 2008 (Note 11).

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 950,000 common shares for total cash proceeds of \$237,500. On 24 July 2008, the Company issued 1,000,000 common shares related to this public offering of securities in error. A total of 500,000 of these common shares were returned to treasury and cancelled. A total of 500,000 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 2010.

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 484,837 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 4,100,000 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, 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 nine month period ended 30 June 2011, an officer and director of the Company made contributions to capital for management fees in the amount of \$13,500 (2010 - \$13,500) and rent in the amount of \$4,500 (2010 - \$4,500) (Notes 8 and 11).

#### Shares to be issued

During the year ended 30 September 2010, the Company accepted a demand loan from an unrelated party, in which the Company will issue 250,000 common shares in the Company upon repayment of the loan. The Company accrued interest expense of \$7,500 related to the value of 250,000 common shares to be issued (Notes 6, 11 and 12).

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#### 10. Income Taxes

The Company has losses carried forward for income tax purposes to 30 June 2011. There are no current or deferred tax expenses for the nine month period ended 30 June 2011 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 carryforward 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 nine<br>month period<br>ended 30 June,<br>2011<br>\$ | For the nine<br>month period<br>ended 30 June,<br>2010<br>\$ |
|---|--|--|
| Deferred tax asset attributable to:         |  |  |
| Current operations                          | 13,216   | 20,027   |
| Contributions to capital by related parties | (6,120)  | (6,120)  |
| Less: Change in valuation allowance         | (7,096)  | (13,907)   |
| Net refundable amount                       | -  | -  |

The composition of the Company's deferred tax assets as at 30 June 2011 and 30 September 2010 are as follows:

|  | As at 30 June,<br>2011<br>\$ | As at 30<br>September,<br>2010 (Audited)<br>\$ |
|--|------------------------------|--|
| Income tax operating loss carryforward | 1,485,662                    | 1,464,790                                      |
| Statutory federal income tax rate      | 34%                          | 34%  |
| Contributed rent and services          | -21.51%                      | -21.81%  |
| Effective income tax rate              | 0%                           | 0%   |
| Deferred tax assets                    | 185,585                      | 178,489  |
| Less: Valuation allowance              | (185,585)                    | (178,489)                                      |
| Net deferred tax asset                 | -                            | -  |

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

As at 30 June 2011, the Company has an unused net operating loss carry-forward balance of approximately \$545,841 that is available to offset future taxable income. This unused net operating loss carry-forward balance expires between 2024 and 2031.

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### 11. Supplemental Disclosures with Respect to Cash Flows

|  | For the period<br>from the date<br>of inception on<br>5 December<br>2003 to 30<br>June<br>2011<br>\$ | For the<br>nine month<br>period ended<br>30 June<br>2011<br>\$ | For the<br>nine month<br>period ended<br>30 June<br>2010<br>\$ |
|--|--|--|--|
| Cash paid during the year for interest     | -  | -  | -  |
| Cash paid during the year for income taxes | -  | -  | -  |

On 24 July 2008, 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 (Note 9).

On 30 September 2008, a former director and officer of the Company returned to treasury 15,000,000 common shares of the Company for proceeds of \$Nil. These shares were cancelled during the year ended 30 September 2008 (Note 9).

On 30 September 2009, a former director and officer of the Company returned to treasury 4,100,000 common shares of the Company for proceeds of \$Nil. These shares were cancelled during the year ended 30 September 2009 (Note 9).

During the year ended 30 September 2010, a former officer of the Company made contributions to capital by forgiving a loan in the amount of \$Nil (2009 - \$39,000) (Note 9).

During the year ended 30 September 2010, the Company accrued interest of \$1,502 (2009 - \$15,616, of which \$15,000 is related to amortization of debt discount) related to the convertible debentures (Notes 5 and 6).

During the year ended 30 September 2010, the Company accrued interest of \$10,184 (2009 - \$Nil) related to the demand loans, of which \$7,500 is related to the 250,000 common shares to be issued (Notes 6, 9 and 12).

During the nine month period ended 30 June 2011, the Company accrued interest of \$5,465 related to the convertible debentures and a demand loan (Notes 5 and 6).

During the nine month period ended 30 June 2011, an officer and director of the Company made contributions to capital for management fees in the amount of \$13,500 (2010 - \$13,500) and rent in the amount of \$4,500 (2010 - \$4,500) (Notes 8 and 9).

### 12. Commitments

The Company has outstanding and future commitments under the Mineral Property Option Agreement to pay cash and issue common shares of the Company.

As at 30 June 2011, the Company is committed to issue 250,000 common shares of the Company upon repayment of a demand loan (Notes 6, 9, and 11).

### 13. Subsequent Event

On 2 August 2011, the Company paid a total of \$10,000 related to the Caribou Mining District Mining Claims (Note 3).



## 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, including the risks in the section entitled "Risk 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 unaudited consolidated 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 consolidated 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, particularly in the section entitled "Risk Factors".

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars. All references to "common shares" refer to the common shares in our capital stock.

As used in this quarterly report and unless otherwise indicated, the terms "we", "us", "our", "Company", and "Silverstar" mean Silverstar Mining Corp., a Nevada corporation, unless otherwise indicated and the term "Silverdale" means Silverdale Mining Corp., our wholly owned subsidiary.

### Corporate History

We were incorporated under the laws of the State of Nevada on December 5, 2003 under the name "Computer Maid, Inc.". On February 13, 2006, we changed our name from "Computer Maid, Inc." to "Rose Explorations Inc."

In February 2006, we acquired the Rose Prospect Lode Mining Claim in Clark County Nevada and in June 2006, we staked the Rose Prospect II Lode Mining Claim adjacent to the west of the Rose Lode Claim to cover other indicated mineralized zones observed in that area. From February 2006, we have been an exploration stage company engaged in the exploration of mineral properties.

Effective March 4, 2008, we completed a merger with our subsidiary, Silverstar Mining Corp., a Nevada corporation. As a result, we changed our name from "Rose Explorations Inc." to "Silverstar Mining Corp." We changed the name of our company to better reflect the direction and business of our company.

In addition, effective March 4, 2008 we effected a three (3) for one (1) forward stock split of our authorized and 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 March 31, 2008, we entered into a joint venture agreement with New Jersey Mining Co. to acquire a 50% interest in the Silver Strand silver mine located in the Coeur d'Alene Mining District. We were unable to close the joint venture agreement as expected before September 30, 2008. 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.

Under the terms of the joint venture agreement, we have agreed to share equally in the production and further development and exploration of the property.

On June 13, 2008, we entered into a share exchange agreement with Silverdale Mining Corp., a Nevada corporation, and the shareholders of Silverdale Mining Corp. The closing of the transactions contemplated in the share exchange agreement and the acquisition of all of the issued and outstanding common stock in the capital of Silverdale Mining Corp. occurred on July 24, 2008. In accordance with the closing of the share exchange agreement, we issued 4,334,000 shares of our common stock to the former shareholders of Silverdale Mining Corp. in exchange for the acquisition, by our company, of all of the 4,334,000 issued and outstanding shares of Silverdale Mining Corp. Silverdale Mining Corp. is now a wholly owned subsidiary of our company.

On September 8, 2008, we entered into a letter of intent with Gold Canyon Partners, LLP pursuant to which we have agreed to purchase a 100% interest in a mining property commonly known as the Cobalt Canyon Gold Project, in the Chief District, located in Lincoln County, Nevada. The acquisition contemplated by the letter of intent is subject to the fulfillment of certain conditions precedent, due diligence and the negotiation of a definitive agreement. We have chosen not to complete the agreement and have forfeited the \$15,000 initial payment.

On September 30, 2008, we entered into a share cancellation/return to treasury agreement with Greg Cowan, a former director and officer of our company. Pursuant to the agreement, Mr. Cowan agreed to the return and cancellation of 15,000,000 shares of our common stock that were held by him. We did not provide Mr. Cowan with any compensation for such cancellation.

Effective June 2, 2009, we entered into a share cancellation/return to treasury agreement with Jim MacKenzie wherein he agreed to the cancellation and return to treasury of 850,000 shares of our common stock. Subsequent to the stock cancellation, Mr. MacKenzie will hold 150,000 shares of our common stock.

On June 2, 2009, Mr. Greg Cowan, a former president, chief executive officer, secretary, treasurer and director of our company, transferred 5,000,000 restricted shares of our common stock to Mr. Lawrence Siccia, our current president, chief executive officer and director. Mr. Siccia purchased the shares from personal funds in the amount of \$500.

In October 2010, Mr. Lawrence Siccia, a former president, chief executive officer, secretary, treasurer and director of our company, transferred 5,000,000 restricted shares of our common stock to Mr. Neil Kleinman, our current president, chief executive officer and director. Mr. Kleinman purchased the shares from personal funds in the amount of \$2,500.

On May 16, 2011 our recently formed, wholly owned subsidiary, Silverstar Mining Canada, Inc., ("SMCI") acquired three mining claims encompassing approximately 1,006 hectares in British Columbia, Canada. In consideration for the transfer of the mining claims, we paid the transferor \$10,000 and will issue the transferor two million shares of our common stock.

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

[Missing Graphic Reference]

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#### Property Location and Access

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

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

We have not conducted any feasibility studies on the mining claims. However, contiguous and other properties in the immediate vicinity indicate deposits of gold, silver and copper.

In order to determine the commercial viability of the mining claims and commence operations, a team of professionals is to be assembled to obtain further detail of potential yield. Independent consultants estimate that a work program should be done on its major fault structure and could be implemented for up to \$150,000. Initial work would be studying historical information on the area, the trend line and sampling. The sampling analysis will direct management on subsequent investment of resources. The sampling program can be achieved with a projected investment of \$25,000 up to \$75,000 depending on the success of early stage sampling and the amount of samples ultimately taken and evaluated. A drilling program is estimated to cost roughly \$500,000.

#### Employees

Neil Kleinman serves as our sole officer, director and employee. We presently conduct our business through agreements with consultants and arms-length third parties.

#### Results of Operations for the Three and Nine Months ended June 30, 2011

We have not generated any revenue since inception and are dependent upon obtaining financing to pursue our business activities. For these reasons, our auditors believe that there is substantial doubt that we will be able to continue as a going concern.

Until we can identify an acquisition candidate or acquire assets, we have attempted to minimize our expenses. The single largest expense items are attributable to legal and accounting fees incurred in connection with our reporting obligations under the Securities Exchange Act.

For the three and nine months ended June 30, 2011 we incurred \$8,288 and \$11,347 in legal and accounting fees as compared to \$11,143 and \$30,092 during the corresponding periods in 2010. Legal and accounting fees since Inception totaled \$205,942. These costs represent our single largest expense during these respective periods. These fees were incurred in connection with the preparation of required reports with the Securities and Exchange Commission and legal fees associated with the acquisition of our mining claims.

For the three months ended June 30, 2011 we incurred \$2,288 in bank charges and interest, \$4,500 in management fees, \$1,500 in rental costs, \$750 in transfer agent fees and \$133 in travel and entertainment. For the three months ended June 30, 2010 we incurred \$1,311 in bank charges and interest, \$4,500 in management fees, \$1,500 in transfer agent fees and \$1,175 attributable to travel and entertainment. For the nine months ended June 30, 2011 legal and accounting fees totaled \$11,347, rent \$13,500, consulting \$5,576 and \$4,500 in transfer agent fees. During the nine months ended June 30, 2010 legal fees totaled \$30,092, rent totaled \$13,500 and management fees totaled \$13,500.

Our expenses for the three and nine months ended June 30, 2011 were \$17,459 and \$38,819 as compared to \$19,629 and \$58,903 for the comparable period in 2010. Total costs since Inception were \$1,503,609.

For the three and nine months ended June 30, 2011, we recorded a net loss of \$17,512 and \$38,872 as compared to \$19,629 and \$58,903 in 2010. Our Net Loss since Inception totaled \$1,503,662.

#### Liquidity and Working Capital

#### Assets and Liabilities

At June 30, 2011, we had cash of \$697 compared to \$1,907 at September 30, 2010. At June 30, 2011, we had current liabilities of \$114,838 consisting of \$18,240 in convertible debentures, \$88,710 in demand notes and \$7,888 in accounts payable. This compares to current liabilities totaling \$95,176 at September 30, 2011 consisting of \$20,374 in accounts payable, \$17,118 in convertible debentures, \$35,184 in demand notes and \$22,500 due to a related party.

At June 30, 2011, we had a working capital deficit of \$114,141 as compared to a working capital deficit of \$93,269 at September 30, 2010. Unless we secure additional debt or equity financing, of which there can be no assurance, we will not be able to continue operations and you may lose your entire investment. We currently do not have any arrangements in place for any future debt or equity financing.

#### Going Concern

Due to the uncertainty of our ability to meet our current operating and capital expenses, in their report on the annual consolidated financial statements for the year ended September 30, 2010, our independent auditors included an explanatory paragraph regarding concerns about our ability to continue as a going concern.

We anticipate that additional funding will be required in the form of debt or equity capital financing from the sale of our common stock. At this time, we cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of our common stock or through debt to meet our obligations over the next twelve months. We do not have any arrangements in place for any future debt or equity financing.

#### Application of 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 consolidated financial statements is critical to an understanding of our consolidated financial statements.

We regularly evaluate the accounting policies and estimates that we use to prepare our consolidated financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

Significant accounting policies used in the preparation of our consolidated financial statements are set forth in Note 2 to our consolidated financial statements.

#### Off-Balance Sheet Arrangements

We are not currently a party to, or otherwise involved with, any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

#### Item 3. Quantitative and Qualitative Disclosure About Market Risk

Not applicable.

#### Item 4. Controls and Procedures

##### Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) and determined that our disclosure controls and procedures were not effective as of the end of the period covered by this Quarterly Report on Form 10-Q. The evaluation considered the procedures designed to ensure that the information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and communicated to our management as appropriate to allow timely decisions regarding required disclosure.

Our internal control over financial reporting is not effective due to the following:

Neil Kleinman serves as our sole officer and director. As such there is no segregation of functions, duties and responsibilities with respect to our cash and control over the disbursements related thereto.

We do not believe that this weakness has had any impact on our financial reporting and the control environment. Our management does not have any current plans to remediate the weakness as we believe in order to remediate the weakness, we will need to raise capital hire additional accounting personal. We believe the cost to hire additional accounting personal will be approximately \$30,000 per year.

Accordingly, management believes, based on its knowledge, that (1) this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made not misleading with respect to the period covered by this report, and (2) the financial statements, and other financial information included in this report, fairly present in all material respects our financial condition, results of operations and cash flows for the years and periods then ended.

##### Changes in Internal Control over Financial Reporting

During the period covered by this Quarterly Report on Form 10-Q, there was no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(d) and 13d-15(d) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

##### Inherent Limitations of Disclosure Controls and Internal Controls over Financial Reporting

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Projections of any evaluation or effectiveness to future periods are subject to risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

We know of no material, active 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 or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

### Item 1A. Risk Factors

Much of the information included in this quarterly report includes or is based upon estimates, projections or other “forward looking statements”. Such forward looking statements include any projections and estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.

Such estimates, projections or other “forward looking statements” involve various risks and uncertainties as outlined below. We caution the reader that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other “forward looking statements”.

Our securities are highly speculative and involve a high degree of risk, including among other items the risk factors described in our annual report on Form 10-K for the fiscal year ended September 30, 2010, filed on January 13, 2011. You should carefully consider those risk factors and other information in our annual report on Form 10-K and this quarterly report before deciding to invest in our securities.

Risks related to our business operations:

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

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

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

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

Exploration for economic deposits of gold and silver is speculative.

Our business is very speculative since there is generally no way to recover any of the funds expended on exploration unless the existence of commercially exploitable reserves are established and the Company can exploit those reserves

by either commencing drilling operations, selling or leasing its interest in the property, or entering into a joint venture with a larger company that can further develop the property. Unless we can establish and exploit reserves before our funds are exhausted, we will have to discontinue operations, which could make our stock valueless.

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

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

Our management has no experience in mining operations.

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

We will require additional financing to continue our operations.

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

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

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



We have no proven reserves.

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

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

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

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

Our estimates of resources are subject to uncertainty.

Estimates of resources are subject to considerable uncertainty. Such estimates are arrived at using standard acceptable geological techniques, and are based on the interpretations of geological data obtained from drill holes and other sampling techniques. Engineers use feasibility studies to derive estimates of cash operating costs based on anticipated tonnage and grades of ore to be mined and processed, the predicted configuration of the ore bodies, expected recovery rates of metal from ore, comparable facility and operating costs and other factors. Actual cash operating costs and economic returns on projects may differ significantly from the original estimates, primarily due to fluctuations in the current prices of metal commodities extracted from the deposits, changes in fuel costs, labor rates, changes in permit requirements, and unforeseen variations in the characteristics of the ore body. Due to the presence of these factors, there is no assurance that any geological reports will accurately reflect actual quantities of gold or silver that can be economically processed and mined by us.

We face many operating hazards.

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

legal liability for such damages.

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

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

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

We do not maintain liability insurance.

We do not maintain liability insurance. As such, if we are found liable for any action, whether intentional or unintentional, we will be required to satisfy the liability with our own funds. Currently we have nominal assets and any monetary award would likely result in the close of our operations. Even assuming a significant increase in our assets and if we secure liability insurance, the amount of the coverage may be insufficient to insure against any award. Since the Company may not be able, or may elect not to insure, this may result in a material adverse change in the Company's financial position. The nature of these risks is such that liabilities may exceed policy limits, in which event the Company would incur substantial uninsured losses.

We face fluctuating gold and silver prices.

The price of gold and silver has experienced significant price movements over short periods of time and is affected by numerous factors beyond our control, including international economic and political trends, expectations of inflation, currency exchange fluctuations (including, the U.S. dollar relative to other currencies) interest rates, global or regional consumption patterns, speculative activities and increases in production due to improved exploration and production methods. The supply of and demand for gold and silver are affected by various factors, including political events, economic conditions and production costs in major producing regions.

Environmental and Occupational Regulations will impact our operations.

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

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

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

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

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

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

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

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

Our future operations, including exploration and development activities, required permits from various governmental authorities. Such operations are and will be governed by laws and regulations governing prospecting,

development, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There can be no assurance that we will be able to acquire all required licenses or permits or to maintain continued operations at our properties.

We are subject to numerous environmental and other regulatory requirements.

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

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

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

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

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

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

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

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

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

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

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

Many of our potential competitors have:

- greater financial and technical resources;

- longer operating histories and greater experience in gold and silver mining

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

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

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

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

Our officers have no experience in managing a public company.

Our officers have no previous experience in managing a public company, and we do not have any employees to segregate responsibilities and may be unable to afford increasing our staff or engaging outside consultants or professionals to overcome our lack of employees. During the course of our operations, we may identify other deficiencies that we may not be able to remedy in time to satisfy the requirements imposed by the Sarbanes-Oxley Act for compliance with that Section 404. In addition, if we fail to achieve and maintain the adequacy of our internal controls, as such requirements are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. Moreover, effective internal controls, particularly those related to revenue recognition, are necessary for us to produce reliable financial reports and are important to help prevent financial fraud. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and the trading price of our common stock, if a market for our common stock develops, could drop significantly.

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

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

#### Risks Related to Our Common Stock

The following risks are currently applicable to Silverstar and will remain applicable to the combined company upon completion of the Transaction.

Our stock price may be volatile.

The market price of our common stock has been volatile. We believe investors should expect continued volatility in our stock price. Such volatility may make it difficult or impossible for you to obtain a favorable selling price for our shares.

We have a large number of authorized but unissued shares of our common stock.

We have a large number of authorized but unissued shares of common stock, which our management may issue without further stockholder approval, thereby causing dilution of your holdings of our common stock. Our management will continue to have broad discretion to issue shares of our common stock in a range of transactions, including capital-raising transactions, mergers and acquisitions and in other transactions, without obtaining stockholder approval, unless stockholder approval is required. If our management determines to issue shares of our common stock from the large pool of authorized but unissued shares for any purpose in the future, your ownership position would be diluted without your further ability to vote on that transaction.

Shares of our common stock may continue to be subject to price volatility and illiquidity because our shares may continue to be thinly traded and may never become eligible for trading on a national securities exchange.

While we may at some point be able to meet the requirements necessary for our common stock to be listed on a national securities exchange, we cannot assure you that we will ever achieve a listing of our common stock on a national securities exchange. Our shares are currently only eligible for quotation on the Over-The-Counter Bulletin Board, which is not an exchange. Initial listing on a national securities exchange is subject to a variety of requirements, including minimum trading price and minimum public “float” requirements, and could also be affected by the general skepticism of such markets concerning companies that are the result of mergers with inactive publicly-held companies. There are also continuing eligibility requirements for companies listed on public trading markets. If we are unable to satisfy the initial or continuing eligibility requirements of any such market, then our stock may not be listed or could be delisted. This could result in a lower trading price for our common stock and may limit your ability to sell your shares, any of which could result in you losing some or all of your investment.

The market valuation of our business may fluctuate due to factors beyond our control and the value of your investment may fluctuate correspondingly.

The market valuation of emerging growth companies, such as us, frequently fluctuate due to factors unrelated to the past or present operating performance of such companies. Our market valuation may fluctuate significantly in response to a number of factors, many of which are beyond our control, including:

- changes in securities analysts’ estimates of our financial performance, although there are currently no analysts covering our stock;
- fluctuations in stock market prices and volumes, particularly among securities of emerging growth companies;
- changes in market valuations of similar companies;
- announcements by us or our competitors of significant contracts, new technologies, acquisitions, commercial relationships, joint ventures or capital commitments;
- variations in our quarterly operating results;
- fluctuations in related commodities prices; and
- additions or departures of key personnel.

As a result, the value of your investment in us may fluctuate.

Investors should not look to dividends as a source of income.

In the interest of reinvesting initial profits back into our business, we do not intend to pay cash dividends in the foreseeable future. Consequently, any economic return will initially be derived, if at all, from appreciation in the fair market value of our stock, and not as a result of dividend payments.

Our common stock may be subject to penny stock regulations which may make it difficult for investors to sell their stock.

The Securities and Exchange Commission has adopted rules that regulate broker-dealer practices in connection with transactions in “penny stocks”. Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, deliver a standardized risk disclosure document prepared by the Commission, which specifies information about penny stocks and the nature and significance of risks of the penny stock market. The broker-dealer

also must provide the customer with bid and offer quotations for the penny stock, the compensation of the broker-dealer and salesperson in the transaction, and monthly account statements indicating the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that, prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for a stock that becomes subject to the penny stock rules. If our common stock becomes subject to the penny stock rules, holders of our shares may have difficulty selling those shares.



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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. [Removed and Reserved]

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit  
Number

Description

- |      |   |
|------|---|
| (3)  | Articles of Incorporation and Bylaws  |
| 3.1  | Articles of Incorporation (incorporated by reference from our Registration Statement on Form SB-2 filed on January 30, 2007).   |
| 3.2  | By-laws (incorporated by reference from our Registration Statement on Form SB-2 filed on January 30, 2007).   |
| 3.3  | Articles of Merger filed with the Secretary of State of Nevada on February 20, 2008 and which is effective March 4, 2008 (incorporated by reference from our Current Report on Form 8-K filed on March 5, 2008).  |
| 3.4  | Certificate of Change filed with the Secretary of State of Nevada on February 20, 2008 and which is effective March 4, 2008 (incorporated by reference from our Current Report on Form 8-K filed on March 5, 2008).   |
| (10) | Material Contracts  |
| 10.1 | Purchase Agreement Rose Prospect Lode Claim (incorporated by reference from our Registration Statement on Form SB-2 filed on January 30, 2007).   |
| 10.2 | Share Exchange Agreement dated June 13, 2008, among our company, Silverdale Mining Corp. and the selling the shareholders of Silverdale Mining Corp. as set out in the share exchange agreement (incorporated by reference from our Current Report on Form 8-K filed on June 16, 2008). |
| 10.3 | Mineral Property Option Agreement dated September 14, 2007 between Silverdale Mining Corp. and Chuck Stein (incorporated by reference from our Current Report on Form 8-K filed on July 28, 2008).  |
| 10.4 | Joint Venture Agreement dated March 31, 2008 between our company and New Jersey Mining Company (incorporated by reference from our Current Report on Form 8-K filed on July 28, 2008).  |
| 10.5 | Consulting Agreement dated April 1, 2008 between our company and Mr. James MacKenzie (incorporated by reference from our Quarterly Report on Form 10-QSB filed on August 14, 2008).   |
| 10.6 | Share Cancellation/Return to Treasury Agreement with Donald James MacKenzie (incorporated by reference from our Current Report on Form 8-K filed on October 17, 2008).  |
| 10.7 | Share Cancellation/Return to Treasury Agreement with Greg Cowan (incorporated by reference from our Current Report on Form 8-K filed on October 17, 2008).  |

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- 10.8 Agreement of Purchase and Sale (incorporated by reference from our Current
- (14) Report on Form 8-k filed on May 25, 2011)  
Code of Ethics
- 14.1 Code of Ethics and Business Conduct (incorporated by reference from our Annual  
Report on Form 10-KSB filed on December 29, 2008).
  
- (21) Subsidiaries of the Registrant
- 21.1 Silverdale Mining Corp.  
Silverstar Mining Canada, Inc.,
  
- (31) Section 302 Certifications
- 31.1\* Section 302 Certification of Principal Executive Officer.
- (32) Section 906 Certification
- 32.1\* Section 906 Certification of Principal Executive Officer.

\*filed herewith

SIGNATURES

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

Dated: August 18 , 2011

SILVERSTAR MINING CORP.

(Registrant)

/s/ Neil Kleinman

Neil Kleinman

President, Chief Executive Officer and  
Director

(Principal Executive Officer, Principal  
Financial Officer and Principal  
Accounting Officer)

EXHIBIT 31.1

OFFICER'S CERTIFICATION PURSUANT TO SECTION 302 OF SARBANES OXLEY ACT

I, Neil Kleinman, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2011 for Silverstar Mining Corp.:

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent fiscal quarter (the issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: August 18, 2011

By: /s/ Neil Kleinman  
Neil Kleinman, CEO

EXHIBIT 31.2

OFFICER'S CERTIFICATION PURSUANT TO SECTION 302 OF SARBANES OXLEY ACT

I, Neil Kleinman, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2011 for Silverstar Mining Corp. ;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent fiscal quarter (the issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: August 18, 2011

By: /s/ Neil Kleinman  
Neil Kleinman  
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Silverstar Mining Corp. (the "Company") on Form 10-Q for the period ended June 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.
3. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: August 18, 2011

By: /s/ Neil Kleinman  
Neil Kleinman  
Chief Executive Officer



EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Silverstar Mining Corp. (the "Company") on Form 10-Q for the period ended June 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.
3. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: August 18, 2011

By: /s/ Neil Kleinman  
Neil Kleinman  
Chief Financial Officer