
SILVER STORM MINING LTD.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE-MONTH PERIOD ENDED
MARCH 31, 2025 AND THE FIFTEEN-MONTH
PERIOD ENDED MARCH 31, 2024
(EXPRESSED IN CANADIAN DOLLARS)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Silver Storm Mining Ltd.

Opinion

We have audited the consolidated financial statements of Silver Storm Mining Ltd. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the twelve-month period ended March 31, 2025 and the fifteen-month period ended March 31, 2024, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance and its cash flows for the twelve-month period ended March 31, 2025 and the fifteen-month period ended March 31, 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a net loss of \$13,953,244 during the twelve-month period ended March 31, 2025 and, as of that date, the Company's current liabilities exceed its current assets by \$3,349,040 and the Company had an accumulated deficit of \$48,071,850. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial

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statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be a key audit matter to be communicated in our report.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Valuation of Decommissioning Liability We draw attention to Note 14 of the financial statements. The Company has a decommissioning liability of \$7,846,680 as at March 31, 2025. At each reporting date, the Company is required to assess whether there are any changes in the future reclamation costs. We considered this a key audit matter due to the significance of the decommissioning liabilities' carrying value and the high degree of judgement and subjectivity required in applying audit procedures and assessing the results of those procedures. This resulted in an increased extent of audit effort, including the involvement of a valuation specialist.	Our approach to address the matter including the following procedures, among others: • Evaluated the inputs and assumptions used in the management's forecast regarding estimated future reclamation costs; • Evaluated the competence, capabilities and objectivity of the expert engaged by the Company to determine the decommissioning liability; • Evaluated management's assumption on timing of reclamation; • With the assistance of a valuation specialist, evaluated the reasonableness of the discount rates and inflation rates used in the forecast; and • Tested the mathematical accuracy of the net present value of future reclamation costs.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as

management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is David Goertz.

A handwritten signature in black ink, consisting of a stylized 'D' followed by 'MCL.'.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

June 30, 2025

Silver Storm Mining Ltd.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars, unless otherwise stated)

	Ref	March 31, 2025	March 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents	6	2,353,167	1,206,905
Sales taxes receivable	7	67,211	121,744
Other receivables	8	49,173	103,611
Inventories		649,862	-
Prepaid expenses	9	293,585	791,773
Total current assets		3,412,998	2,224,033
Non-current assets			
Other receivables	8	-	53,310
Sales taxes receivable	7	4,160,722	527,288
Inventories		393,522	1,022,286
Property, plant and equipment	10	14,839,607	14,973,819
Mining interests	11	11,504,122	15,307,787
Other long-term assets		55,181	99,077
Total non-current assets		30,953,154	31,983,567
Total assets		34,366,152	34,207,600
EQUITY AND LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	12	1,901,494	1,528,738
Due to First Majestic Silver Corp.	23	4,549,008	3,927,889
Lease obligations	13	311,536	363,581
Total current liabilities		6,762,038	5,820,208
Non-current liabilities			
Lease obligations	13	891,881	1,369,022
Decommissioning liability	14	7,846,680	7,403,422
Contingent consideration	15	353,901	272,384
Total non-current liabilities		9,092,462	9,044,828
Total liabilities		15,854,500	14,865,036
Equity			
Share capital	16	56,360,223	50,284,705
Shares to be issued	16	-	57,198
Options reserves	17	3,615,379	1,952,885
Warrant reserves	16	5,102,799	732,681
Accumulated other comprehensive income		1,505,101	433,701
Deficit		(48,071,850)	(34,118,606)
Total equity		18,511,652	19,342,564
Total equity and liabilities		34,366,152	34,207,600

Nature of operations and going concern (note 1)

Contingencies and commitments (note 26)

Subsequent events (note 28)

Approved on behalf of the Board of Directors:

"Talal Chehab", Director

"Dwayne Melrose", Director

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

Silver Storm Mining Ltd.

Consolidated Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars, unless otherwise stated)

	Ref	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Expenses			
Mineral property expenses	19	(8,209,078)	(5,929,783)
General and administration	19	(2,225,170)	(3,834,774)
Stock based compensation	17,23	(1,662,494)	-
Total expenses		(12,096,742)	(9,764,557)
Other (expenses) income			
Foreign exchange (loss) income		(602,904)	118,193
Other income		32,417	145,618
Net loss before finance items		(12,667,229)	(9,500,746)
Finance costs			
Finance cost	20	(1,366,327)	(283,145)
Finance income		80,312	190,403
Net loss before income tax		(13,953,244)	(9,593,488)
Income tax	21	-	-
Net loss		(13,953,244)	(9,593,488)
Other comprehensive income			
Items that may be reclassified to net loss			
Exchange differences on translating foreign operations		1,071,400	131,824
Other comprehensive income		1,071,400	131,824
Total comprehensive loss		(12,881,844)	(9,461,664)
Basic and diluted loss per share		(0.03)	(0.03)
Weighted average number of common shares outstanding			
- basic and diluted		460,426,809	307,747,246

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

Silver Storm Mining Ltd.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars, unless otherwise stated)

	Ref	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Operating activities			
Net loss		(13,953,244)	(9,593,488)
Non-cash items:			
Stock based compensation	17	1,662,494	-
Depreciation	10	447,813	369,805
Accretion	14,15,23	1,241,252	837,653
Finance cost	13	-	(50,144)
Foreign exchange income		(83,348)	(113,951)
Loss on settlement of debt	16	62,336	-
Unrealized loss on change in fair value of marketable securities		7,335	7,000
Changes in working capital items	22	2,090,735	(321,890)
Net cash used in operating activities		(8,524,627)	(8,865,015)
Investing activities			
Proceeds on sale of marketable securities		34,665	-
Purchase of property, plant and equipment	10	(62,333)	-
Purchase of La Parrilla Property	5	-	(3,163,751)
Recovery of processing plant material	11	535,509	-
Net cash provided by (used in) investing activities		507,841	(3,163,751)
Financing activities			
Proceeds from shares to be issued	16	-	57,198
Proceeds from private placements	16	9,832,802	7,078,522
Share issue costs	16	(369,900)	(190,248)
Proceeds from options exercised	17	-	120,000
Lease obligation payments	13	(299,854)	(435,792)
Net cash provided by financing activities		9,163,048	6,629,680
Net change in cash and cash equivalents		1,146,262	(5,399,086)
Cash and cash equivalents, beginning of period		1,206,905	6,605,991
Cash and cash equivalents, end of period		2,353,167	1,206,905
Supplementary cash flow information			
Shares issued for settlement of debt	16	815,536	-
Shares issued for acquisition of La Parrilla	5	-	15,086,004

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

Silver Storm Mining Ltd.

Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars, unless otherwise stated)

	Number of shares	Share capital	Shares to be issued	Options reserves	Warrants reserves	Accumulated other comprehensive income	Deficit	Total
Balance at December 31, 2022	216,824,566	28,821,512	-	2,983,559	762,151	301,877	(26,216,347)	6,652,752
Private placements	35,392,610	7,078,522	-	-	-	-	-	7,078,522
Warrants	-	(707,854)	-	-	707,854	-	-	-
Share issue costs	-	(215,076)	-	-	24,828	-	-	(190,248)
Options exercised	1,500,000	221,597	-	(101,597)	-	-	-	120,000
Acquisition - La Parrilla	143,673,684	15,086,004	-	-	-	-	-	15,086,004
Options cancelled	-	-	-	(929,077)	-	-	929,077	-
Warrants expired	-	-	-	-	(762,152)	-	762,152	-
Shares to be issued	-	-	57,198	-	-	-	-	57,198
Net loss and comprehensive loss	-	-	-	-	-	131,824	(9,593,488)	(9,461,664)
Balance at March 31, 2024	397,390,860	50,284,705	57,198	1,952,885	732,181	433,701	(34,118,606)	19,342,564
Private placements	98,787,880	10,000,000	(57,198)	-	-	-	-	9,942,802
Warrants	-	(4,244,603)	-	-	4,244,603	-	-	-
Share issue costs	-	(495,415)	-	-	125,515	-	-	(369,900)
Shares issued for settlement of debt	5,790,533	815,536	-	-	-	-	-	815,536
Stock based compensation	-	-	-	1,662,494	-	-	-	1,662,494
Net loss and comprehensive loss	-	-	-	-	-	1,071,400	(13,953,244)	(12,881,844)
Balance at March 31, 2025	501,969,273	56,360,223	-	3,615,379	5,102,799	1,505,101	(48,071,850)	18,511,652

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

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

1. Nature of operations and going concern

Silver Storm Mining Ltd. (the "Company" or "Silver Storm") is incorporated under the Canada Business Corporations Act and holds advanced stage silver projects located in Durango, Mexico. The principal business of the Company is to acquire, explore and develop interests in exploration and evaluation assets. The address of the Company's registered office and its principal place of business are 22 Adelaide Street West, Suite 2020, Bay Adelaide Centre, Toronto, Ontario, Canada.

The Company's common shares are publicly traded on OTCQB under the stock symbol "SVRSF" on the TSX Venture Exchange ("TSXV") under the stock symbol "SVRS" and on the Frankfurt Stock Exchange under the stock symbol "SVR".

On August 14, 2023, the Company completed the acquisition of a 100% interest in the La Parrilla Silver Mine Complex ("La Parrilla") located in San Jose de La Parrilla, Durango, Mexico.

These consolidated financial statements comprise of the financial statements of Silver Storm Mining Ltd. and its wholly-owned subsidiaries, Golden Tag Mexico S.A. de C.V. and Parrilla Plata Mining S.A. de C.V., which were incorporated in Mexico.

Effective January 1, 2023, the Company changed its financial year-end from December 31 to March 31 to better align its financial reporting and tax planning with its business planning. The change in year-end resulted in the Company's filing a one-time, fifteen-month transition year covering the period of January 1, 2023 to March 31, 2024. The information presented in these consolidated financial statements is for the twelve-months ended March 31, 2025, compared to the fifteen-months ended March 31, 2024.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. To date, the Company has not yet generated income or cash flows from its operations. As at March 31, 2025, the Company incurred a net loss of \$13,953,244, the current liabilities exceed its current assets by \$3,349,040, and it has an accumulated deficit of \$48,071,850. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to raise financing and generate profits and positive cash flows from operations in order to cover its operating costs. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

From time to time, the Company generates working capital to fund its operations by raising additional capital through equity or debt financing. However, there is no assurance it will be able to continue to do so in the future. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. Such adjustments could be material.

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

2. Basis of presentation

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board effective for the year ended March 31, 2025, applicable to companies reporting under IFRS, and have been consistently applied unless otherwise indicated.

Approval of financial statements

The Company's Board of Directors approved these consolidated financial statements on June 30, 2025.

Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value.

Basis of consolidation

The Company's consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company returns.

Details of controlled entities are as follows:

Entity	Country of Incorporation	Holding	Functional Currency
Golden Tag Mexico S.A. de C.V.	Mexico	100%	United States Dollar
Parrilla Plata Mining S.A. de C.V.	Mexico	100%	United States Dollar

Intercompany balances and transactions have been eliminated on consolidation. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, unless otherwise stated, which is the Company's functional currency. The functional currency of the Company's Mexican subsidiaries is the United States dollar ("US dollar"). The Company has adopted the Canadian dollar as its presentation currency.

Reclassification

Certain comparative figures of the Consolidated Statements Financial Position and the Consolidated Statements of Loss and Comprehensive Loss have been reclassified to conform to current year's presentation

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

2. Basis of presentation (continued)

Reclassification (continued)

Consolidated Statements of Financial Position As at March 31, 2024

	As previously reported	Adjustment	Restatement
Current assets			
Restricted cash	61,611	(61,611)	-
Marketable securities	42,000	(42,000)	-
Other receivables	-	103,611	103,611
Non-current assets			
Restricted cash	53,310	(53,310)	-
Other receivable	-	53,310	53,310

Consolidated Statement of Loss and Comprehensive Loss For the fifteen months ended March 31, 2024

	As previously reported	Adjustment	Restatement
Expenses by nature			
Administrative costs	(239,808)	239,808	-
Foreign exchange gain	118,193	(118,193)	-
Listing, filing and transfer agency fees	(133,665)	133,665	-
Management, consulting fees and directors' fees	(1,695,714)	1,695,714	-
Mineral property expenses	(5,307,917)	5,307,917	-
Professional fees	(607,310)	607,310	-
Promotion costs	(617,820)	617,820	-
Salaries	(157,046)	157,046	-
Investor relations	(157,994)	157,994	-
Project investigation costs	(621,866)	621,866	-
Accretion	(233,001)	233,001	-
Depreciation	(225,417)	225,417	-
Finance cost	(50,144)	50,144	-
Finance income	190,403	(190,403)	-
Rent	152,618	(152,618)	-
Unrealized loss on change in fair value of marketable securities	(7,000)	7,000	-
Expenses by function			
Mineral property expenses	-	(5,929,783)	(5,929,783)
General and administration	-	(3,834,774)	(3,834,774)
Foreign exchange gain	-	118,193	118,193
Other income	-	145,618	145,618
Finance cost	-	(283,145)	(283,145)
Finance income	-	190,403	190,403
Net loss	-	(9,593,488)	(9,593,488)

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

3. Material accounting policy information

These accounting policies have been used throughout all periods presented in the consolidated financial statements.

Foreign currency translations

Foreign currency transactions are translated into the functional currency of each consolidated entity using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Exchange differences resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss whereas the Company's net investment in its foreign subsidiary is recognized in other comprehensive income.

The Mexican subsidiaries have the US dollar as their functional currency, and their operations have been translated into Canadian dollars for presentation purposes as follows: assets and liabilities have been translated at the closing rate at the reporting date; expenses have been translated at the average rate over the reporting period. Exchange differences are recognized in other comprehensive loss and recognized in the accumulated other comprehensive income in equity.

Financial instruments

Classification

Financial Assets/Liabilities	Classification
Cash and cash equivalents	Fair value through profit or loss
Other receivables	Fair value through profit or loss and amortized cost
Accounts payable and accrued liabilities	Financial liabilities at amortized cost
Due to First Majestic Silver Corp.	Financial liabilities at amortized cost
Lease obligations	Financial liabilities at amortized cost
Contingent consideration	Fair value through profit or loss

Measurement – initial recognition

Financial assets and financial liabilities are recognized in the Company's consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ("FVTPL"). The directly attributable transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

3. Material accounting policy information (continued)

Financial instruments (continued)

Classification of financial assets

Amortized cost:

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method.

Financial assets measured subsequently at FVTPL:

By default, all other financial assets are measured subsequently at FVTPL.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

Classification of financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share is calculated by adjusting loss attributable to ordinary equity holders of the parent company, and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares shall be deemed to have been converted into ordinary shares at the beginning of the period or, if later, at the date of issue of the potential ordinary shares.

For the purpose of calculating diluted loss per share, an entity shall assume the exercise of dilutive options and warrants of the entity. The assumed proceeds from these instruments shall be regarded as having been received from the issue of ordinary shares at the average market price of ordinary shares during the period.

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

3. Material accounting policy information (continued)

Cash and cash equivalents

Cash and cash equivalents comprises of (i) cash on deposit with a bank in general non-interest bearing accounts; (ii) interest generating money market accounts with no stipulated terms of maturity and that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value; and (iii) redeemable deposits. Restricted cash balances are excluded from cash and cash equivalents and are classified as either current or non-current assets, based up on the expiration date of the restriction.

Inventories

Inventories, consist of materials and supplies, are valued at the lower of weighted average cost and net realizable value. Costs include acquisition, freight and other directly attributable costs. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and future metal prices less estimated future production costs to convert the inventories into saleable form. Any write-downs of inventory to net realizable value are recorded as write-down of inventory. Inventories are classified as current or long-term assets based on the timing of their expected usage.

If there is a subsequent increase in the value of inventories, the previous write-downs to net realizable value are reversed to the extent that the related inventory that remains on hand.

Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. This includes the purchase price, any other costs directly attributable to bringing the assets to a working condition for intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

Where an item of equipment comprises significant parts with useful lives that are significantly different from that of the asset as a whole, the parts are accounted for as separate items of equipment and depreciated accordingly. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from derecognizing an asset determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized through profit or loss.

Property, plant and equipment is depreciated over its estimated useful life or units-of-production method over the shorter of the estimated useful life of the asset or the expected life of mine. Costs for normal repairs and maintenance that do not extend economic life or improve service potential are expensed as incurred. Costs of improvements that extend economic life or improve service potential are capitalized and depreciated over the estimated remaining useful life.

The Company commences recording depreciation when the assets are in a working condition ready for use using the following rates, based on the expected useful life of the asset. Should the expected life and associated depreciation rate differ from the initial estimate, the change in estimate would be made prospectively in the statement of loss and comprehensive loss.

Class	Percentage
Land	N/A
Buildings ⁽¹⁾	units-of-production and straight-line method
Machinery and equipment ⁽¹⁾	units-of-production method
Other	10% to 30%

⁽¹⁾ The Company did not incur any deprecation on the specific assets as the Company was not in production.

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

3. Material accounting policy information (continued)

Right-of-use assets / Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset on the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term. Judgment is applied to determine the lease term where a renewal option exists. Right-of-use assets are depreciated using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. In addition, the right-of-use assets may be reduced by impairment losses or adjusted for certain remeasurements of the lease liability.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments are recognized as an expense when incurred over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments include fixed payments, and variable payments that are based on an index or rate.

Mineral interests

Mineral property acquisition costs are capitalized as mining interests. Mineral property expenses include expenditures directly related to the exploration and evaluation of mining properties. These expenditures are expensed in the period they are incurred.

Proceeds from the incidental sale of material recovered during the exploration and evaluation phase are recognized in profit or loss. The related costs are also recognized in profit or loss in the same period.

As at March 31, 2024, mineral interests include the payment of relating value added taxes receivable ("VAT") through its acquisition expenditures incurred in Mexico. As at March 31, 2025, the VAT receivable is recognized as a separate asset and will be deductible offsetting against future VAT payables that will be generated through sales or through a refund application process.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, related mining rights and expenses are capitalized. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit. Cash flows associated with exploration and evaluation expenditures are classified as operating activities in the consolidated statement of cash flows.

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

3. Material accounting policy information (continued)

Decommissioning, restoration and similar liabilities

The Company recognizes provisions for legal and constructive obligations, including those associated with the reclamation of property, plant and equipment and mineral interests, when there is a present obligation as a result of exploration, development and production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of removing facilities, abandoning sites and restoring the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal or constructive obligation. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the discount rate and amount or timing of the underlying cash flows required to settle the obligation. Future restoration costs are reviewed at each reporting period.

Impairment of non-financial assets

The carrying amount of the Company's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statements of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

For exploration and evaluation assets, indication of impairment includes but is not limited to expiration of the right to explore, substantive expenditures in the specific area are neither budgeted nor planned, and exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources.

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

3. Material accounting policy information (continued)

Provisions, contingent liabilities and contingent assets

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted when the time value of money is significant.

All contingent liabilities are continually reviewed to determine whether an outflow of economic benefits has become probable. Where a contingent liability becomes probable that an outflow of future economic benefits will be required, a provision is recognized in the period in which the change in probability occurs. If at the end of the reporting period it is no longer probable that an outflow of economic benefits will be required to settle the obligation, the provision is reversed.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination. In a business combination, contingent liabilities arising from present obligations are recognized in the course of the allocation of the purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognized, less any amortization. Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. The Company's operations are in compliance with current laws and regulations. Any provisions resulting from mining property restorations would be charged to mineral property expenses when it is possible to reasonably estimate the amount.

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

3. Material accounting policy information (continued)

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in net loss except to the extent it relates to items recognized in other comprehensive loss or directly in equity.

Current tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on the difference between the carrying amounts of assets in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities:

- are recognized for all taxable temporary differences;
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled, and it is probable that the difference will not reverse in the foreseeable future; and
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of an asset to be recovered.

Equity

Share capital represents the amount received on the issue of shares less issuance costs. Proceeds from unit placements are allocated between shares and warrants issued by: estimating the value of the warrants using the Black-Scholes Valuation model; the fair value is allocated to warrants from the net proceeds and the balance is allocated to shares. The fair value attributed to the warrants is recorded as warrants reserve. When warrants are exercised, the value is transferred from warrants reserve to share capital. If the warrants expire unexercised, the related amount is reallocated to deficit.

Deficit includes all current and prior period profits or losses.

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

3. Material accounting policy information (continued)

Equity-settled share-based payment transactions

The Company operates equity-settled share-based remuneration plans (share options plans) for its eligible directors, officers, employees and consultants. None of the Company's plans feature any options for a cash settlement. All goods and services received in exchange for the grant of any share-based payments are measured at their fair values. Where employees are rewarded using share-based payments, the fair value of the services rendered by the employees is determined indirectly by reference to the fair value of the equity instruments granted estimated using the Black-Scholes Valuation model. This fair value is appraised at the grant date.

All equity-settled share-based payments are ultimately recognized as an expense in net loss depending on the nature of the payment with a corresponding credit to options reserve, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in the prior period if share options have already vested.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the share options recorded in options reserves are then transferred to share capital. If the options expire unexercised, the related amount is reallocated to deficit.

Segment reporting

In accordance with IFRS 8 - Operating Segments, it is mandatory for the Company to present and disclose segmented information based on the internal reports that are regularly reviewed by the Board of Directors in order to assess each segment's performance. In this regard, the Company conducts its business in a single operating segment being the acquisition, exploration and development of mineral properties. The Company's only mining interests are located in Mexico.

Comprehensive loss

Comprehensive loss is the total of loss and other comprehensive income (loss). Other comprehensive income (loss) comprises revenues, expenses, gains and losses that, in accordance with IFRS, require recognition, but are excluded from loss. The Company's other comprehensive income (loss) represents foreign currency translation gains/losses related to translating the financial information of its Mexican subsidiaries from its US dollar functional currency to Canadian dollars for presentation purposes.

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

3. Material accounting policy information (continued)

Fair value hierarchy

The Company classifies financial instruments recognised at fair value in accordance with a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair values of contingent consideration payable are measured based on management's estimate of the probability weighted average of payouts associated with each possible outcome and estimated discount rates for the Company. Accordingly, the valuations involve the use of unobservable inputs and is categorized as Level 3 fair value measurements. Changes in the fair value of contingent consideration payable can result from changes in anticipated milestone payments and changes in assumed discount periods and rates. Contingent consideration payable is remeasured at fair value each reporting period with the gain or loss being recognized through the consolidated statements of loss and comprehensive loss.

The carrying value of the Company's other financial instruments approximates their fair value due to the short period to maturity.

There were no movements between levels during the twelve-months ended March 31, 2025 and fifteen-months ended March 31, 2024.

Standards issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

3. Material accounting policy information (continued)

Standards issued but not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

4. Significant accounting estimates, judgments and assumptions

When preparing the consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Judgments

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in note 1.

Deferred taxes

The assessment of availability of future taxable profits involves judgment. A deferred tax asset is recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. As at March 31, 2025 and 2024, management has determined that deferred tax assets do not meet the criteria for recognition, and accordingly were not recorded.

Classification of business combination

The classification of a transaction as a business combination or asset acquisition depends on whether the assets acquired constitute a business in accordance with the criteria set forth in IFRS 3 – Business combinations, which can be a complex judgement. The Company bases its judgements on current facts and various other factors that it believes to be reasonable under the circumstances.

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation and expenditures requires judgement to determine when the Company has moved into the development stage or commercial production. The exploration and evaluation stage will cease once it has been determined that a project's technical feasibility and commercial viability are demonstratable. The criteria used to determine when mineral property has moved into the development or commercial production stage is based on a unique nature of each project.

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

4. Significant accounting estimates, judgments and assumptions (continued)

Judgments (continued)

Stock-based compensation

The Company uses the fair value method of valuing compensation expense associated with the Company's share-based compensation plan whereby notional shares are granted to employees, Board of Directors and key consultants. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant.

Estimates

Inventory

In calculating final inventory values, management is required to determine an estimate of obsolete or expired inventory and compares the inventory cost to estimated net realizable value. The Company must determine if the cost of any inventory exceeds its net realizable value.

Assessment of impairment of non-current assets

Non-current assets are tested for impairment if there is an indicator of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, and operating performance, recent market transactions and appropriate valuation model. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset. Cash flows are discounted by an appropriate discount rate to determine the net present value. Management has assessed it's the operations of the La Parrilla Property as one cash-generating unit ("CGU"), which is the lowest level for which cash inflows are largely independent of other assets.

Estimated useful lives and depreciation of property, plant and equipment

Depreciation of property, plant and equipment are dependent upon estimates of useful lives which are determined based on estimates determined by management. Changes to the estimated useful life of property, plant and equipment could result in differences in their carrying amounts.

Contingent consideration

Contingent consideration is initially measured at fair value on the date of acquisition using a probability weighted average of payouts associated with each possible outcome, discounted using the estimated credit risk for the Company. A liability has been recognized for contingent consideration, which is revalued each reporting period using a consistent measurement technique as at acquisition.

Fair value of business acquisition

The determination of fair value of assets acquired, liabilities assumed, and the fair value of the purchase consideration requires the use of various estimates made by management.

The Company bases its estimates and judgements on current facts and various other factors that it believes to be reasonable under the circumstances. The actual results experienced by the Company may differ materially and adversely from the Company's estimates and could affect future results of operations and cash flows.

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

4. Significant accounting estimates, judgments and assumptions (continued)

Estimates (continued)

Decommissioning liabilities

The Company assesses its decommissioning liability on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for decommissioning provision requires management to make estimates of the time and future costs the Company will incur to complete the rehabilitation work required to comply with existing laws and regulations. Also, future changes to environmental laws and regulations could increase the extent of rehabilitation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged for decommissioning provision. The provision represents management's best estimate of the present value of the future decommissioning provision. The actual future expenditures may differ from the amounts currently provided.

Value added tax receivable

The Company pays VAT on expenditures that it incurs in Mexico. Such VAT payments are considered to be refundable, however the timing and successful recovery includes estimation uncertainty. Management has estimated and accrued the likely refundable amount.

5. Acquisition of La Parrilla Property

On August 14, 2023, the Company completed its transaction (the "Transaction") with First Majestic Silver Corp. ("First Majestic") to acquire a 100% interest in the La Parrilla property in the locality of San Jose de la Parrilla, Durango, Mexico through its wholly-owned subsidiary Parrilla Plata Mining, S.A. de C.V.

Under the terms of the Transaction, the consideration for the acquisition with a fair value of \$22,448,682 included the following:

- the issuance of 143,673,684 common shares of the Company (valued at \$15,086,004 based on the closing price of August 14, 2023);
- aggregate cash payments of US\$2,700,000 million (C\$3,037,772) (unpaid as at March 31, 2025) using a discount rate of 12.7% over a period of eighteen months;
- US\$5.75 million when either (a) 5 million ounces of silver equivalent ("Ag.Eq") reserves are declared from the La Parrilla Property, or (b) 22 million ounces of Ag.Eq of measured and indicated resources are declared, from the La Parrilla Property (valued at C\$270,117 based on probability of achieving this milestone);
- US\$5.05 million when a new zone is discovered on the La Parrilla claims inclusive of a NI 43-101 resource of 12.5 million ounces of Ag.Eq (valued at \$nil based on probability of achieving this milestone is 0%); and
- VAT payable on acquisition of C\$3,768,028 (C\$3,163,751 paid as at March 31, 2024).

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

5. Acquisition of La Parrilla Property (continued)

The transaction does not constitute a business combination as the La Parrilla Property did not meet the definition of a business in accordance with IFRS 3 - Business combinations. For accounting purposes, the transaction is accounted for as an equity-settled share-based payment transaction in accordance with IFRS 2 - Share-based payments.

The Company will pay cash of US\$10.8 million, as contingent consideration for the acquisition if certain milestones are met. The Company has determined the fair value of the contingent consideration on the Transaction date based on the probability of achieving each respective milestone. Management estimated the probability of achieving the first milestone to be 5% in three years, and the probability of the other milestones being reached to be 0%. The first milestone amount of \$5.75 million has been discounted using the 3 years CCC-rated materials corporate bond rate, which is an estimate of the Company's credit adjusting borrowing rate at the Transaction date.

The following table summarizes the total consideration paid and the fair value of the identifiable net assets assumed as of the date of acquisition:

Consideration paid:

143,673,684 common shares	15,086,004
Cash payment	3,037,772
Contingent consideration	270,117
VAT paid on acquisition	3,768,028
Transaction costs	286,761
	<u>22,448,682</u>

Less fair value of net assets:

Inventories	1,048,589
Prepaid expenses	33,491
Property, plant and equipment	14,959,186
Accounts payable and accrued liabilities	(191,403)
Lease obligations	(1,437,586)
Decommissioning liabilities	(7,226,187)
Total fair value of net assets acquired	<u>7,186,090</u>
Mining assets	<u>15,262,592</u>

As at March 31, 2025, the balance due to First Majestic of \$4,549,008 (2024 - \$3,927,889) consists of the amortized cost of accrued VAT of US\$2,700,000, cash payment of US\$432,000, and recovery of mineral property costs of US\$32,307 (refer to note 23).

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars, unless otherwise stated)

6. Cash and cash equivalents

	March 31, 2025	March 31, 2024
Bank balances	2,353,167	832,364
Short-term deposits	-	374,541
	2,353,167	1,206,905

7. Sales taxes receivable

	March 31, 2025	March 31, 2024
GST receivable	67,211	121,744
VAT receivable	4,160,722	527,288
Total	4,227,933	649,032
Less current balance	(67,211)	(121,744)
Non-current balance	4,160,722	527,288

The Company incurs VAT on expenditures in Mexico, which is either refundable or creditable against income taxes payable. The Company, in coordination with its external advisors, is actively engaged with the relevant tax authorities to expedite the recovery process. Based on current assessments, the Company believes the full amount of VAT is recoverable and, accordingly, no allowance has been recorded. Due to the inherent uncertainty in the timing of the refund process, the VAT has been classified as a non-current asset.

8. Other receivables

	March 31, 2025	March 31, 2024
Marketable securities	-	42,000
Restricted cash	46,345	61,611
Other	2,828	-
Other receivables - current	49,173	103,611
Restricted cash - non-current	-	53,310
	49,173	156,921

9. Prepaids expenses

	March 31, 2025	March 31, 2024
Mining rights	53,518	444,652
Prepaid insurance	216,356	192,285
Other minors	23,711	154,836
	293,585	791,773

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

10. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Other	Right-of-use assets	Total
Cost						
Balance as at December 31, 2022	-	-	-	-	-	-
Acquisition of the La Parrilla	767,705	5,671,079	6,868,936	116,149	1,437,586	14,861,455
Additions	-	-	-	70,001	541,000	611,001
Change in decommissioning provision	-	-	(237,731)	-	-	(237,731)
Foreign exchange	5,076	48,975	57,662	975	(3,789)	108,899
Balance as at March 31, 2024	772,781	5,720,054	6,688,867	187,125	1,974,797	15,343,624
Additions	-	-	-	62,333	-	62,333
Dispositions	-	-	-	-	(31,348)	(31,348)
Change in decommissioning provision	-	-	(564,107)	-	-	(564,107)
VAT reclassification	-	-	-	-	-	-
Foreign exchange	47,108	336,512	394,756	11,055	20,385	809,816
Balance as at March 31, 2025	819,889	6,056,566	6,519,516	260,513	1,963,834	15,620,318
Accumulated Depreciation						
Balance as at December 31, 2022	-	-	-	-	-	-
Depreciation	-	-	-	24,596	345,209	369,805
Balance as at March 31, 2024	-	-	-	24,596	345,209	369,805
Depreciation	-	33,897	-	60,828	353,088	447,813
Dispositions	-	-	-	-	(31,348)	(31,348)
Foreign exchange	-	-	-	1,453	(7,012)	(5,559)
Balance as at March 31, 2025	-	33,897	-	86,877	659,937	780,711
Carrying Amounts						
Balance as at March 31, 2024	772,781	5,720,054	6,688,867	162,529	1,629,588	14,973,819
Balance as at March 31, 2025	819,889	6,022,669	6,519,516	173,636	1,303,897	14,839,607

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

10. Property, plant and equipment (continued)

Right-of-use assets

The right-of-use assets consist of one lease agreement for office space, two lease agreements for vehicles and one lease agreement for the land. The lease agreements have terms between 1 year to 8 years.

During the twelve-month period ended March 31, 2025, two lease agreements for vehicles were terminated.

11. Mining interests

La Parrilla Property

The La Parrilla Silver Mine is a complex consisting of five non-operational underground mines, a non-operational open pit mine and a 2,000 tons per day processing facility located southeast of the city of Durango, the capital of Durango State. The La Parrilla property comprised of 40 contiguous mining concessions, in good standing, covering 38,128 hectares.

Metalla Royalty & Streaming Ltd. ("Metalla") retains a 2% net smelter return royalty on the La Parrilla Property.

In January 2025, the Company submitted an application with the government to drop a non-core concession (Michis - title No. 230602).

The La Parrilla Silver Mine has been on care and maintenance since September 2019, and no royalties have been incurred as of March 31, 2025.

Mexico San Diego Property

The Company holds a 100% interest in the San Diego Property, Durango State, Mexico. Golden Minerals Company has a 2% net smelter return royalty on the property.

	March 31, 2025	March 31, 2024
Opening balance	15,307,787	-
Movements during the period:		
Additions - Acquisition of the La Parrilla Property (note 5)	-	15,262,592
Change in decommissioning provision	(181,888)	(76,653)
Recovery of processing plant material	(535,509)	-
VAT reclassification	(3,990,706)	-
Foreign exchange	904,438	121,848
Closing balance	11,504,122	15,307,787

12. Accounts payable and accrued liabilities

	March 31, 2025	March 31, 2024
Accounts payable	1,015,865	266,933
Payroll and related benefits	27,332	53,028
Accrued liabilities	858,297	1,208,777
Total	1,901,494	1,528,738

Silver Storm Mining Ltd.

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(Expressed in Canadian Dollars, unless otherwise stated)

13. Lease obligations

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate of 15%. Lease liabilities are subsequently measured at amortized cost using the effective interest rate method. During the twelve-month period ended March 31, 2025, finance costs of \$178,520 (fifteen-month period ended March 31, 2024 - \$134,312) relating to the vehicle and land leases have been included in mineral property expenses, and \$22,483 (fifteen-month period ended March 31, 2024 - \$50,144) relating to the office lease has been included in finance costs expense on the consolidated statement of loss and comprehensive loss.

A reconciliation of lease obligations is as follows:

	March 31, 2025	March 31, 2024
Opening balance	1,732,603	-
Movements during the period:	-	1,437,586
Acquisition of the "La Parrilla"		
Additions	-	553,328
Finance costs	201,003	184,456
Lease payments	(500,857)	(485,936)
Foreign exchange	(229,332)	43,169
Closing balance	1,203,417	1,732,603
Less current balance	(311,536)	(363,581)
Non-current balance	891,881	1,369,022

	March 31, 2025	March 31, 2024
Maturity analysis - contractual undiscounted cash flow		
Less than one year	472,938	575,939
One to five years	1,061,971	1,292,982
More than five years	265,493	851,312
Total	1,800,402	2,720,233

14. Decommissioning liabilities

The Company's decommissioning and closure obligations relates to the cost of removing and restoring the La Parrilla property in Durango, Mexico. Significant decommissioning and closure activities include land rehabilitation, demolition of buildings and mine facilities, ongoing care and maintenance and other costs. This estimate depends on the development of an environmentally accepted mine closure plan.

A reconciliation for decommissioning liability is as follows:

	March 31, 2025	March 31, 2024
Opening balance	7,403,422	-
Movements during the period:		
Acquisition of the La Parrilla	-	7,226,187
Accretion expense	753,088	430,228
Change in estimate	(745,995)	(314,384)
Foreign exchange	436,165	61,391
Closing balance	7,846,680	7,403,422

Silver Storm Mining Ltd.

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Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

14. Decommissioning liabilities (continued)

The provision for decommissioning was estimated using the following inputs and assumptions:

	March 31, 2025	March 31, 2024
Undiscounted future reclamation costs	\$ 12,056,889	\$ 10,892,818
Risk free rate used	9.82%	9.61%
Inflation rate	3.66%	4.37%
Weighted average expected timing of cash outflows	19 years	20 years

15. Contingent consideration

The Company has recorded contingent consideration liabilities as part of the assets acquired. The contingent consideration liabilities are paid to the vendors if certain milestones are met. Management estimated the probability of achieving the first milestone at 5% in three years, and the probability of the other milestones at 0%. The first milestone amount of \$5.75 million is discounted using the 3 years CCC-rated materials corporate bond rate, which is an estimate of the Company's credit adjusting borrowing rate at the Transaction date.

	March 31, 2025	March 31, 2024
Opening balance	272,384	-
Movements during the period:		
Acquisition of the La Parrilla	-	270,117
Accretion expense	63,326	-
Foreign exchange	18,191	2,267
Closing balance	353,901	272,384

16. Equity

(a) Share capital

Authorized share capital: An unlimited number of the following classes of shares:

- Common shares, voting
- Preferred shares, non-voting, redeemable for the amount paid thereon, all rights and privileges to be determined by the Board of Directors.

Issued during the twelve months ended March 31, 2025

(i) On April 2, 2024, the Company closed the first tranche of a non-brokered private placement. Under the first tranche, the Company issued 13,340,455 units at a price of \$0.11 per unit for proceeds of \$1,467,450. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant issued pursuant to the first tranche entitles the holder thereof to acquire one common share at a price of \$0.16 until April 2, 2026. The fair value of the 6,670,228 warrants is \$0.06 using the Black-Scholes option valuation model.

Silver Storm Mining Ltd.

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Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

16. Equity (continued)

(a) Share capital (continued)

Issued during the twelve months ended March 31, 2025 (continued)

(i) (continued) On April 10, 2024, the Company completed the second and final tranche of the non-brokered private placement. In connection with the second tranche, the Company issued an aggregate of 42,114,091 units at a price of \$0.11 per unit for proceeds of \$4,632,550. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant issued pursuant to the second tranche entitles the holder thereof to acquire one common share at a price of \$0.16 until April 10, 2026. The fair value of the 21,057,046 warrants is \$0.07 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 96%, a risk-free interest rate of 4.35%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.145.

In connection with the first and second tranche, the Company paid aggregate cash finder's fees of \$230,347 and issued 1,127,515 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.11 for a period of 24 months from the date of issuance. The fair value of the 1,127,515 finders' warrants was estimated at \$0.07 to \$0.09 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 96%, a risk-free interest rate of 4.24% to 4.35%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.13 to \$0.145.

As at March 31, 2024, \$57,198 was received by the Company related to the non-brokered private placement.

(ii) On July 4, 2024, the Company issued 972,200 common shares of the Company to settle \$175,000 of accounts payable for professional services. The fair value of the shares issued was \$140,969, resulting in a gain on settlement of debt of \$34,031 recognized in other income.

(iii) On December 19, 2024, the Company closed the first tranche of a non-brokered private placement. Under the first tranche, the Company issued 5,173,555 units at a price of \$0.09 per unit for proceeds of \$465,620. Each unit consists of one common share and one common share purchase warrant. Each whole warrant issued pursuant to the first tranche entitles the holder thereof to acquire one common share at a price of \$0.16 until December 19, 2027. The fair value of the 5,173,555 warrants is \$170,610 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 93.69%, a risk-free interest rate of 3.02%, and expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.075.

In connection with the first tranche, the Company paid aggregate cash finder's fees of \$7,493 and issued 76,260 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.16 for a period of 36 months from the date of issuance. The fair value of the 76,260 finder's warrants was estimated at \$2,514 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 93.69%, a risk-free interest rate of 3.02%, an expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.075.

Silver Storm Mining Ltd.

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Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

16. Equity (continued)

(a) Share capital (continued)

Issued during the twelve months ended March 31, 2025 (continued)

(iv) On January 6, 2025, the Company closed the second tranche of the non-brokered private placement. Under the second tranche, the Company issued 447,778 units at a price of \$0.09 per unit for proceeds of \$40,300. Each whole warrant issued pursuant to the second tranche entitles the holder thereof to acquire one common share at a price of \$0.16 until January 6, 2028. In connection with the second tranche of the offering, the Company did not pay any finder's fees or issue any finder's warrants. The fair value of the 447,778 warrants is \$19,150 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 99.87%, a risk-free interest rate of 2.85%, and expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.085.

(v) On January 16, 2025, the Company closed the third tranche of the non-brokered private placement. Under the third tranche, the Company issued 8,716,667 units at a price of \$0.09 per unit for proceeds of \$784,500. Each whole warrant issued pursuant to the third tranche entitles the holder thereof to acquire one common share at a price of \$0.16 until January 16, 2028. The fair value of the 8,716,667 warrants is \$437,461 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 100.19%, a risk-free interest rate of 2.94%, and expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.095.

In connection with the third tranche, the Company paid aggregate cash finder's fees of \$6,930 and issued 77,000 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.16 for a period of 36 months from the date of issuance. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.11 for a period of 36 months from the date of issuance. The fair value of the 77,000 finders' warrants was estimated at \$3,864 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of %100.19, a risk-free interest rate of 2.94%, an expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.095.

(vi) On January 30, 2025, the Company closed an additional tranche of the non-brokered private placement. Under the additional tranche, the Company issued 23,951,999 units at a price of \$0.09 per unit for proceeds of \$2,155,680. Each whole warrant issued pursuant to the additional tranche entitles the holder thereof to acquire one common share at a price of \$0.16 for a period of 36 months. The fair value of the 23,951,999 warrants is \$1,264,763 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 98.54%, a risk-free interest rate of 2.72%, and expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.10.

In connection with the additional tranche, the Company paid aggregate cash finder's fees of \$33,075 and issued 367,500 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.16 for a period of 36 months from the date of issuance. The fair value of the 367,500 finders' warrants was estimated at \$19,405 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 98.54%, a risk-free interest rate of 2.72%, an expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.10.

First Majestic subscribed to 16,666,667 units pursuant to this tranche for gross proceeds of \$1,500,000.

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(Expressed in Canadian Dollars, unless otherwise stated)

16. Equity (continued)

(a) Share capital (continued)

Issued during the twelve months ended March 31, 2025 (continued)

(vii) On February 6, 2025, the Company closed the final tranche of the non-brokered private placement. Under the additional tranche, the Company issued 5,043,335 units at a price of \$0.09 per unit for proceeds of \$453,900. Each whole warrant issued pursuant to the additional tranche entitles the holder thereof to acquire one common share at a price of \$0.16 for a period of 36 months. The fair value of the 5,043,335 warrants is \$422,442 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 99.13%, a risk-free interest rate of 2.57%, and expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.14.

In connection with the final tranche, the Company paid aggregate cash finder's fees of \$8,190 and issued 91,000 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.16 for a period of 36 months from the date of issuance. The fair value of the 91,000 finders' warrants was estimated at \$7,622 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 99.13%, a risk-free interest rate of 2.57%, an expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.14.

(viii) On March 31, 2025, the Company issued 4,818,333 common shares of the Company to settle \$578,200 of accounts payable for mineral property expenses. The fair value of the shares issued was \$674,567, resulting in a loss on settlement of debt of \$96,367 recognized in other income.

Issued during the fifteen months ended March 31, 2024

(ix) On August 14, 2023, the Company issued 143,673,684 common shares for the acquisition of La Parrilla. Refer to note 5.

(x) The Company raised \$7,078,522 pursuant to a subscription receipt offering. Immediately prior to the completion of the Transaction, in accordance with their terms, each subscription receipt of the Company issued pursuant to the offering was exchanged for one common share of the Company and one-half of one common share purchase warrant with each warrant exercisable into one common share at an exercise price of \$0.34 until August 14, 2026. The fair value of the 17,696,305 warrants is \$0.04 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 88%, a risk-free interest rate of 4.47%, an expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.11.

In connection in the offering, the Company agreed to pay certain eligible parties who introduced subscribers to the offering: (1) up to 7% cash fees, and (2) up to 7% finders' warrants. The finders' warrants entitle the holder to acquire one common share at a price of \$0.20 until August 14, 2025. The finders for the offering and their fees paid include: \$192,894 cash and 620,700 finders' warrants. The fair value of the 620,700 finders' warrants was estimated at \$0.04 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 86%, a risk-free interest rate of 4.72%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.11.

First Majestic subscribed to 18,009,000 subscription receipts pursuant to the offering. All of these subscription receipts were converted to common shares and warrants on August 14, 2023 in connection with the closing of the Transaction. Following completion of the offering and conversion of the subscription receipts, First Majestic owns and exercises control or direction over 161,682,684 common shares and 9,004,500 warrants, representing approximately 40.8% of the issued and outstanding common shares on a non-diluted basis and approximately 43% of the issued and outstanding common shares on a partially diluted basis (assuming the exercise of all warrants held by First Majestic).

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16. Equity (continued)

(b) Share purchase warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares, the continuity of activity for warrants is as follows:

	March 31, 2025		March 31, 2024	
		Weighted average exercise price		Weighted average exercise price
	#	\$	#	\$
Balance as at beginning of the period	18,317,005	0.34	6,668,000	0.40
Issued	71,060,608	0.16	17,696,305	0.34
Issued broker warrants	1,739,275	0.13	620,700	0.20
Expired warrants	-	-	(6,668,000)	0.40
Balance as at the end of the period	91,116,888	0.19	18,317,005	0.34

During the twelve months ended March 31, 2025

On April 2, 2024, the Company issued 6,670,228 warrants exercisable into common shares at an exercise price of \$0.16 until April 2, 2026. The fair value of the 6,670,228 warrants was estimated at \$0.06 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 96%, a risk-free interest rate of 4.24%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.13.

On April 10, 2024, the Company issued 21,057,046 warrants exercisable into common shares at an exercise price of \$0.16 until April 10, 2026. The fair value of the 21,057,046 warrants was estimated at \$0.07 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 96%, a risk-free interest rate of 4.35%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.145.

In addition, the Company issued 1,127,515 finder's warrants exercisable into common shares at an exercise price of \$0.11 until April 2, 2026 to April 10, 2026. The fair value of the 1,127,515 finders' warrants was estimated at \$0.07 to \$0.09 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 96%, a risk-free interest rate of 4.24% to 4.35%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.13 to \$0.145.

On December 19, 2024, the Company issued 5,173,555 warrants exercisable into common shares at an exercise price of \$0.16 until December 19, 2027. The fair value of the 5,173,555 warrants was estimated at \$0.03 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 94%, a risk-free interest rate of 3.02%, an expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.075.

In addition, the Company issued 76,260 finder's warrants exercisable into common shares at an exercise price of \$0.16 until December 19, 2027. The fair value of the 76,260 finders' warrants was estimated at \$0.03 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 94%, a risk-free interest rate of 3.02, an expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.075.

Silver Storm Mining Ltd.

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(Expressed in Canadian Dollars, unless otherwise stated)

16. Equity (continued)

(b) Share purchase warrants (continued)

During the twelve months ended March 31, 2025 (continued)

On January 6, 2025, the Company issued 447,778 warrants exercisable into common shares at an exercise price of \$0.16 until January 6, 2028. The fair value of the 447,778 warrants was estimated at \$0.04 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 99.87%, a risk-free interest rate of 2.85%, and expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.085.

On January 16, 2025, the Company issued 8,716,667 warrants exercisable into common shares at an exercise price of \$0.16 until January 16, 2028. The fair value of the 8,716,667 warrants was estimated at \$0.05 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 100.19%, a risk-free interest rate of 2.94%, and expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.095.

In addition, the Company issued 77,000 finder's warrants exercisable into common shares at an exercise price of \$0.11 until January 16, 2027. The fair value of the 77,000 finders' warrants was estimated at \$0.05 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 100.19%, a risk-free interest rate of 2.94%, an expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.095.

On January 30, 2025, the Company issued 23,951,999 warrants exercisable into common shares at an exercise price of \$0.16 until January 30, 2028. The fair value of the 23,951,999 warrants was estimated at \$0.05 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 98.54%, a risk-free interest rate of 2.72%, and expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.10.

In addition, the Company issued 367,500 finder's warrants exercisable into common shares at an exercise price of \$0.16 until January 30, 2028. The fair value of the 367,500 finders' warrants was estimated at \$0.05 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 98.54%, a risk-free interest rate of 2.72%, an expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.10.

On February 6, 2025, the Company issued 5,043,335 warrants exercisable into common shares at an exercise price of \$0.16 until February 6, 2028. The fair value of the 5,043,335 warrants was estimated at \$0.08 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 99.13%, a risk-free interest rate of 2.57%, and expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.14.

In addition, the Company issued 91,000 finder's warrants exercisable into common shares at an exercise price of \$0.16 until February 6, 2028. The fair value of the 91,000 finders' warrants was estimated at \$0.08 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 99.13%, a risk-free interest rate of 2.57%, an expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.14.

Silver Storm Mining Ltd.

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Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

16. Equity (continued)

(b) Share purchase warrants (continued)

During the fifteen months ended March 31, 2024

On August 14, 2023, the Company issued 17,696,305 warrants exercisable into common shares at an exercise price of \$0.34 until August 14, 2026. The fair value of the 17,696,305 warrants was estimated at \$0.04 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 88%, a risk-free interest rate of 4.47%, an expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.11.

In addition, the Company issued 620,700 finder's warrants exercisable into common shares at an exercise price of \$0.20 until August 14, 2025. The fair value of the 620,700 finders' warrants was estimated at \$0.04 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 86%, a risk-free interest rate of 4.72%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.11.

At March 31, 2025, the following exercisable warrants were outstanding:

Number of warrants	Price (\$)	Expiry date
620,700	0.20	14-Aug-25
355,250	0.11	02-Apr-26
6,670,228	0.16	02-Apr-26
772,265	0.11	10-Apr-26
21,057,046	0.16	10-Apr-26
17,696,305	0.34	14-Aug-26
5,249,815	0.16	19-Dec-27
447,778	0.16	06-Jan-28
8,716,667	0.16	16-Jan-28
77,000	0.11	16-Jan-28
24,319,499	0.16	30-Jan-28
5,134,335	0.16	06-Feb-28
91,116,888	0.19	

17. Stock options

Outstanding options entitle their holders to subscribe to an equivalent number of common shares, the continuity for activity is as follows:

	March 31, 2025		March 31, 2024	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at the beginning of the period	7,400,000	0.32	12,600,000	0.28
Issued	12,800,000	0.17	-	-
Expired	-	-	(3,700,000)	0.25
Exercised	-	-	(1,500,000)	0.08
Balance as at the end of the period	20,200,000	0.22	7,400,000	0.32

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Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

17. Stock options (continued)

As at March 31, 2025, 20,200,000 (March 31, 2024 - 7,400,000) options are exercisable. The average share price on the exercise of stock options for the twelve-month period ended March 31, 2025 was \$nil (fifteen months ended March 31, 2024 - \$0.23).

During the twelve months ended March 31, 2025

On April 22, 2024, 12,800,000 stock options were granted to certain directors, officers and employees of the Company to purchase common shares at a price of \$0.165 per share until April 22, 2029. The options vested immediately. The fair value of the options was estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield - 0%; volatility - 106%; risk-free interest rate - 3.79%, an expected life of 5 years, no expected dividend yield and a price at date of grant of \$0.17. The fair value attributed to these options was \$1,662,494 and was expensed in the consolidated statements of loss and comprehensive loss.

18. Loss per share

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. Details of share options and warrants issued that could potentially dilute loss per share in the future are given in notes 16 and note 17 if the Company were not in a loss position and were to calculate diluted income per share.

Both the basic and diluted loss per share have been calculated using the loss as the numerator, i.e. no adjustment to the loss was necessary for the periods ended March 31, 2025 and 2024.

	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Loss for the period	(13,953,244)	(9,593,488)
Weighted average number of shares in circulation	460,426,809	307,747,246
Basic and diluted loss per share	(0.03)	(0.03)

Silver Storm Mining Ltd.

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(Expressed in Canadian Dollars, unless otherwise stated)

19. Expenses by nature

	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
General and administration		
Professional fees	503,679	607,310
Management, consulting fees and directors' fees	501,971	1,695,714
Promotion costs	381,588	617,820
Investor relations	292,097	157,994
Depreciation	180,333	225,417
Other	142,891	239,808
Salaries and labour	140,824	157,046
Listing, filing and transfer agency fees	81,787	133,665
	2,225,170	3,834,774
	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Mineral property expenses		
Exploration services	2,615,910	1,332,754
Mining concessions rights	1,844,156	1,138,253
Salaries and labour	1,273,257	697,592
Contractors	588,673	898,343
Energy	492,094	318,208
Insurance	453,312	216,751
General services	267,687	218,897
Depreciation	266,035	276,650
Raw materials	226,718	131,680
Other	31,820	59,733
Licenses	9,960	15,166
Lodging and expenses	306	3,890
Professional fees	139,150	621,866
	8,209,078	5,929,783

20. Finance cost

	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Finance cost		
Accretion	1,046,823	233,001
Interest	305,656	50,144
Other	13,848	-
	1,366,327	283,145

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

21. Income taxes

(a) Rate reconciliation

A reconciliation of income tax (expense) recovery and the product of accounting loss before income tax multiplied by the combined Canadian federal and provincial statutory income tax rate is as follows:

	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Loss before income taxes	(13,953,244)	(9,593,488)
	26.50%	26.50%
Tax recovery calculated using statutory rates	(3,698,000)	(2,542,000)
Statutory permanent differences	6,446,000	(4,308,000)
Difference in foreign tax rates	(326,000)	(101,000)
Movement in tax benefits not recognized	(2,422,000)	6,951,000
Income tax expense	-	-

(b) Unrecognized deferred tax assets

Deferred income tax assets have not been recognized in respect of the following:

	March 31, 2025	March 31, 2024
Canada		
Non-capital losses carried forward	4,574,000	3,508,000
Capital losses carried forward	99,000	5,000
Marketable securities	-	93,000
E&E assets	1,338,000	-
Right-of-use assets	(36,000)	(84,000)
Lease liabilities	40,000	90,000
Share issue costs	115,000	91,000
Tax reserves	102,000	102,000
	6,232,000	3,805,000

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(Expressed in Canadian Dollars, unless otherwise stated)

21. Income taxes (continued)

(b) Unrecognized deferred tax assets (continued)

Mexico	March 31, 2025	March 31, 2024
Net operating loss carried forward	1,740,000	5,176,000
Inventories	-	-
Property, plant and equipment	281,000	43,000
Exploration and evaluation assets	2,112,000	3,714,000
Right-of-use assets	(351,000)	(214,000)
Lease liabilities	315,000	227,000
	4,097,000	8,946,000

As at March 31, 2025 and March 31, 2024, the Company did not recognize the benefit related to the deferred tax assets for the above items in the consolidated financial statements as management did not consider it probable that the Company will be able to realize these deferred tax assets in the future.

(c) Tax loss carry-forwards

As at March 31, 2025, the Company had the following income tax attributes to carry forward:

	Amount	Expiry date
Canadian non-capital losses	17,259,000	2030 - 2044
Mexican net operating loss carryforwards	5,800,000	2023 - 2038

22. Additional cash flow information

The changes in working capital items are as follows:

	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Sales taxes receivable	268,045	(536,358)
Other receivables	65,748	(114,921)
Prepaid expenses	498,188	(431,714)
Inventories	(21,098)	26,303
Other long-term assets	43,896	-
Accounts payable and accrued liabilities	1,235,956	734,800
	2,090,735	(321,890)

Silver Storm Mining Ltd.

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Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

23. Related party transactions

	March 31, 2025	March 31, 2024
Due to First Majestic Silver Corp.		
Opening balance	3,927,889	-
Movements during the period:		
Acquisition of the La Parrilla	-	3,693,524
Accretion expense	424,838	234,365
Exchange difference	196,281	-
Closing balance	4,549,008	3,927,889
Accounts payable and accrued liabilities		
Management personnel	310,065	461,848
Directors	60,155	65,000
	370,220	526,848
Major shareholders - Number of common shares		
First Majestic Silver Corp.	178,349,350	161,682,684
	36%	41%

Related party transactions

The Company's related parties include private companies controlled by directors and joint key management, as described below. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

First Majestic acquired 143,673,684 common shares of the Company during 2023 as part of the acquisition of La Parrilla, 18,009,000 units issued during 2023 as part of the private placement and 16,666,666 units issued during 2025 as part of the private placement.

Key management personnel of the Company are members of the Board of Directors as well as members of key management personnel.

Remuneration includes the following expenses:

	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Management and administration fees paid to private companies controlled by directors and officers	604,848	1,530,675
Professional fees paid to private companies controlled by directors and officers	90,671	65,391
Listing, filing and transfer agency fees paid to private companies controlled by officers	10,877	23,778
Director fees	121,000	127,000
Rent received from a company with common officers	(96,000)	(120,000)
Stock based compensation	1,350,776	-
	2,082,172	1,626,844

Silver Storm Mining Ltd.

Notes to Consolidated Financial Statements

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24. Capital management policies and procedures

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company's capital items are cash and cash equivalents, marketable securities and share capital. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The property in which the Company currently has an interest is in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the twelve months ended March 31, 2025. The Company is not subject to externally imposed capital requirements.

25. Financial instruments risks

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in note 3 in the Company's consolidated financial statements. The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is coordinated in close cooperation with the Board of Directors, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes.

The most significant financial risks to which the Company is exposed are described below. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and market risk on the marketable securities. No changes were made in the objectives, policies and processes during the reporting periods.

Foreign currency risk

Most of the Company's transactions are carried out in Canadian dollars. Exposures to currency exchange rates arise from the Company's expenses in foreign currency, which are primarily denominated in US dollars and Mexican Pesos since a portion of the Company's expenditures related to exploration and evaluation activities are incurred in US dollars and Mexican Pesos. The Company does not enter into arrangements to hedge its foreign exchange risk.

Financial instruments denominated in foreign currency are as follows:

	March 31, 2025	March 31, 2024
Short term exposure		
<i>US Dollars</i>		
Cash and cash equivalents	US\$ 845,872	US\$ 379,581
Accounts payable and accrued liabilities	(703,073)	(125,616)
Due to First Majestic Silver Corp.	(3,164,307)	(2,893,686)
Total short term exposure	US\$ (3,021,508)	US\$ (2,639,721)

Silver Storm Mining Ltd.

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Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

25. Financial instruments risks (continued)

Foreign currency risk (continued)

	March 31, 2025	March 31, 2024
Short term exposure		
<i>Mexican Pesos</i>		
Cash and cash equivalents	MX\$ 244,994	MX\$ 241,978
Other receivables	694,977	1,412,000
Accounts payable and accrued liabilities	(5,100,952)	(10,326,892)
Total short term exposure	MX\$ (4,160,981)	MX\$ (8,672,914)

At March 31, 2025, with other variables unchanged, a 10% change in the US/CDN and Peso/CDN exchange rate would impact pre-tax income by approximately \$434,372 and \$29,441, respectively (fifteen-month period ended March 31, 2024 - \$34,489 and \$461,695, respectively). Exposure to foreign exchange rates varies during the period depending on the volume of foreign transaction.

Interest rate risk

The Company has \$2,353,167 cash and cash equivalents balance and no interest-bearing debt and was not exposed to interest rate risk. The Company's current policy is to invest excess cash in high yield savings accounts and guaranteed investment certificates issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank. As a result, the Company's exposure to interest rate risk is minimal.

Credit risk

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets. The credit risk is considered not material, since the counterparties are reputable banks with high quality external credit ratings and Canadian sales taxes receivable.

Liquidity risk

Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

	1 year or less	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Accounts payable and accrued liabilities	1,901,494	-	-	-	-	-	1,901,494	1,901,494
Due to First Majestic	4,549,008	-	-	-	-	-	4,549,008	4,549,008
Lease liabilities	472,938	265,493	265,493	265,493	265,492	265,493	1,800,402	1,203,417
Contingent consideration	-	8,266,200	-	-	-	-	8,266,200	353,901
	6,923,440	8,531,693	265,493	265,493	265,492	265,493	16,517,104	8,007,820

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date. Where the counterparty has a choice of when an amount is paid, the liability has been included on the earliest date on which payment can be required.

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Notes to Consolidated Financial Statements

Twelve-month period ended March 31, 2025 and the Fifteen-month period ended March 31, 2024

(Expressed in Canadian Dollars, unless otherwise stated)

26. Contingencies and commitments

The Company's operations are subject to governmental laws and regulations regarding environmental protection. Environments' consequences, their impact and their duration are difficult to determine. To the best of its knowledge, management believes that the Company's operations are in compliance with all applicable laws and regulations. Provisions for estimated costs are recorded when environmental remedial efforts are likely and costs can be reasonably estimated.

27. Segment reporting

In accordance with IFRS 8 - Operating Segments, it is mandatory for the Company to present and disclose segmental information based on the internal reports that are regularly reviewed by the Board of Directors in order to assess each segment's performance. In this regard, the Company conducts its business in a single operating segment being the acquisition, exploration and development of mineral properties. The Company's only mining interests are located in Mexico as detailed in note 10.

Segmented information on a geographic basis is as follows:

	Canada	Mexico	As at March 31, 2025	Canada	Mexico	As at March 31, 2024
Non-current assets	135,250	30,817,904	30,953,154	315,583	31,667,984	31,983,567

28. Subsequent events

Private placements

On June 5, 2025, the Company closed the first tranche of Brokered LIFE Financing. Under the first tranche, the Company sold 81,085,000 units at a price of \$0.13 per unit for proceeds of \$10,541,050. Each unit consists of one common share and one common share purchase warrant. Each whole warrant issued pursuant to the first tranche entitles the holder thereof to acquire one common share at a price of \$0.20 at any time on or before that date, which is thirty-six (36) months from the date of issuance.

On June 11, 2025, the Company closed the second and final tranche of Brokered LIFE Financing. Under the final tranche, the Company sold 11,315,000 units at a price of \$0.13 per unit for proceeds of \$1,470,950. In aggregate pursuant to the Offering, the Company sold 92,400,000 Units at the Offering Price for aggregate gross proceeds of \$12,012,000, which includes the full exercise of the agents' option. The Offering was originally announced on May 20, 2025, and subsequently updated on May 29, 2025, May 30, 2025, and June 5, 2025. Each unit consists of one common share and one common share purchase warrant. Each whole warrant issued pursuant to the final tranche entitles the holder thereof to acquire one common share at a price of \$0.20 at any time on or before that date which is thirty-six (36) months from the date of issuance.

Exercise of stock options

On June 19, 2025, a director of the Company exercised 500,000 stock options with an exercise price of \$0.125 for gross proceeds of \$62,500.