
**SILVER STORM MINING LTD.
(FORMERLY GOLDEN TAG RESOURCES LTD.)
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE MONTHS ENDED JUNE 30, 2024
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.) (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	As at June 30, 2024	As at March 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	\$ 4,349,862	\$ 1,206,905
Restricted cash (note 5)	56,380	61,611
Marketable securities (note 6)	49,000	42,000
Sales taxes receivable (note 7)	163,247	121,744
Prepaid expenses and other assets (note 8)	276,232	791,773
Total current assets	4,894,721	2,224,033
Non-current assets		
Restricted cash (note 5)	48,783	53,310
Sales taxes receivable (note 7)	319,459	527,288
Inventories (note 9)	1,057,803	1,022,286
Property, plant and equipment (note 10)	13,444,948	13,344,231
Right-of-use assets (note 11)	1,450,121	1,629,588
Other long-term assets	99,901	99,077
Mining interests (note 12)	15,435,221	15,307,787
Total assets	\$ 36,750,957	\$ 34,207,600
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 13)	\$ 1,314,530	\$ 1,528,738
Due to First Majestic Silver Corp. (note 21)	4,017,488	3,927,889
Lease obligations (note 14)	279,080	363,581
Total current liabilities	5,611,098	5,820,208
Non-current liabilities		
Lease obligations (note 14)	1,256,148	1,369,022
Decommissioning liabilities (note 15)	7,644,003	7,403,422
Contingent consideration (note 16)	306,689	272,384
Total liabilities	14,817,938	14,865,036
Equity		
Share capital (note 17)	54,075,986	50,284,705
Shares to be issued (note 17)	-	57,198
Options reserves (note 18)	3,615,379	1,952,885
Warrant reserves (note 17)	2,754,967	732,681
Accumulated other comprehensive income	145,071	433,701
Deficit	(38,658,384)	(34,118,606)
Total equity	21,933,019	19,342,564
Total equity and liabilities	\$ 36,750,957	\$ 34,207,600

Nature of operations and going concern (note 1)

Contingencies and commitments (note 22)

Subsequent event (note 24)

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

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended June 30,	
	2024	2023
Operating expenses		
Administrative costs	\$ 66,519	\$ 15,318
Foreign exchange (gain) loss	(14,122)	66,953
Listing, filing and transfer agency fees (note 21)	12,033	29,153
Management, consulting fees and directors' fees (note 21)	149,316	437,385
Mineral property expenses (note 12)	2,154,847	63,041
Professional fees (note 21)	116,075	196,744
Promotion costs	151,479	184,864
Rent	-	11,218
Salaries	44,606	72,341
Investor relations	110,025	11,256
Stock based compensation (note 18)	1,662,494	-
Total operating expenses	4,453,272	1,088,273
Accretion	133,118	-
Depreciation (note 11)	45,083	-
Finance cost (note 14)	7,155	-
Finance income	(64,281)	(56,041)
Rent	(27,569)	-
Unrealized (gain) loss on change in fair value of marketable securities (note 6)	(7,000)	17,500
Net loss for the period	\$ (4,539,778)	\$ (1,049,732)
Other comprehensive (loss) income		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	\$ (288,630)	\$ 60,558
Other comprehensive (loss) income for the period period	(288,630)	60,558
Total comprehensive loss for the period period	\$ (4,828,408)	\$ (989,174)
Basic and diluted loss per share (note 19)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	448,174,885	216,324,566

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

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended June 30,	
	2024	2023
Operating activities		
Net loss for the period	\$ (4,539,778)	\$ (1,049,732)
Non-cash items:		
Stock based compensation (note 18)	1,662,494	-
Depreciation (notes 10 and 11)	103,211	-
Accretion (notes 15 and 16)	210,935	-
Finance cost (note 14)	53,550	-
Foreign exchange (gain) loss	(491,757)	53,313
Unrealized (gain) loss on change in fair value of marketable securities (note 6)	(7,000)	17,500
Changes in working capital items (note 20)	531,499	(330,310)
Net cash used in operating activities	(2,476,846)	(1,309,229)
Financing activities		
Proceeds from subscription receipts	-	1,402,785
Proceeds from private placements (note 17)	6,042,802	-
Share issue costs (note 17)	(286,433)	-
Lease obligation payments (note 14)	(127,197)	-
Net cash provided by financing activities	5,629,172	1,402,785
Net change in cash and cash equivalents	3,152,326	93,556
Effect of change in foreign exchange rate on cash	(9,369)	7,245
Cash and cash equivalents, beginning of period	1,206,905	7,824,485
Cash and cash equivalents, end of period	\$ 4,349,862	\$ 7,925,286
Cash	\$ 1,105,427	\$ 5,064,998
Cash equivalents	3,244,435	2,860,288
Cash and cash equivalents	\$ 4,349,862	\$ 7,925,286

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

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Number of shares	Share capital	Shares to be issued	Options reserves	Warrants reserves	Accumulated other comprehensive income	Deficit	Total
Balance, March 31, 2023	216,824,566	\$ 28,821,512	\$ 2,013,344	\$ 2,983,559	\$ 762,151	\$ 303,821	\$ (26,771,825)	\$ 8,112,562
Subscription receipts	-	-	1,402,785	-	-	-	-	1,402,785
Net loss and comprehensive loss	-	-	-	-	-	60,558	(1,049,732)	(989,174)
Balance, June 30, 2023	216,824,566	\$ 28,821,512	\$ 3,416,129	\$ 2,983,559	\$ 762,151	\$ 364,379	\$ (27,821,557)	\$ 8,526,173
Balance, March 31, 2024	397,390,860	\$ 50,284,705	\$ 57,198	\$ 1,952,885	\$ 732,681	\$ 433,701	\$ (34,118,606)	\$ 19,342,564
Private placement	55,454,546	6,100,000	(57,198)	-	-	-	-	6,042,802
Warrants	-	(1,930,177)	-	-	1,930,177	-	-	-
Share issue costs	-	(378,542)	-	-	92,109	-	-	(286,433)
Stock based compensation	-	-	-	1,662,494	-	-	-	1,662,494
Net loss and comprehensive loss	-	-	-	-	-	(288,630)	(4,539,778)	(4,828,408)
Balance, June 30, 2024	452,845,406	\$ 54,075,986	\$ -	\$ 3,615,379	\$ 2,754,967	\$ 145,071	\$ (38,658,384)	\$ 21,933,019

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

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations and going concern

Silver Storm Mining Ltd. (formerly Golden Tag Resources 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 started trading on the OTCQB November 5, 2020 at the opening of the market under the stock symbol "GTAGF" and remains listed on the TSX Venture Exchange ("TSXV") under the ticker symbol "GOG".

On May 9, 2023, the Company announced the listing of the Company's common share on the Frankfurt Stock Exchange under the trading symbol "GTD".

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.

A certificate of amendment was filed on October 30, 2023 to change the name of the Company to "Silver Storm Mining Ltd.". On November 7, 2023, the Company's common shares started trading on the TSXV under the new trading symbol "SVRS", on the OTCQB under the new trading symbol "SVRSF" and on the Frankfurt Stock Exchange under the new trading symbol "SVR".

These unaudited condensed interim consolidated financial statements comprise of the financial statements of Silver Storm Mining Ltd. and its wholly-owned subsidiaries, Golden Tag Mexico SA de CV 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.

These unaudited condensed interim 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 determined whether its mineral properties contain mineral deposits that are economically recoverable, and the Company has not yet generated income or cash flows from its operations. During the three months ended June 30, 2024, the Company incurred a net loss of \$4,539,778 and as at June 30, 2024, the Company's current liabilities exceed its current assets by \$716,377 and it has an accumulated deficit of \$38,658,384. 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 unaudited condensed interim 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 unaudited condensed interim consolidated financial statements. Such adjustments could be material.

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

2. Basis of presentation

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") under international Accounting Standard 34 – Interim Financial Reporting. These unaudited condensed interim consolidated financial statements do not include all the notes required in annual financial statements and accordingly, should be read in conjunction with the annual consolidated financial statements for the fifteen month period ended March 31, 2024.

Approval of financial statements

The Company's Board of Directors approved these unaudited condensed interim consolidated financial statements on November 8, 2024.

Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information and certain financial instruments measured at fair value.

Basis of consolidation

The Company's unaudited condensed interim 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 transactions have been eliminated on consolidation.

Functional and presentation currency

These unaudited condensed interim 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.

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

3. Material accounting policy information

These unaudited condensed interim consolidated financial statements were prepared using the same accounting policies, methods of computation and basis of presentation as outlined in note 3 – Material Accounting Policy Information, as described in the Company's annual audited consolidated financial statements for the fifteen month period ended March 31, 2024.

4. Cash and cash equivalents

	June 30, 2024	March 31, 2024
Bank balances	\$ 1,105,427	\$ 832,364
Short-term deposits	3,244,435	374,541
Total	\$ 4,349,862	\$ 1,206,905

5. Restricted cash

	June 30, 2024	March 31, 2024
Current balance	\$ 56,380	\$ 61,611
Non-current balance	48,783	53,310
Total	\$ 105,163	\$ 114,921

6. Marketable securities

Balance as at March 31, 2024 and December 31, 2022	\$ 42,000	\$ 49,000
Unrealized gain (loss) on change in fair value of marketable securities	7,000	(7,000)
Balance as at June 30, 2024 and March 31, 2024	\$ 49,000	\$ 42,000

Marketable securities consist of 700,000 common shares of Sirios Resources Inc.:

June 30, 2024	March 31, 2024
\$ 49,000	\$ 42,000

7. Sales taxes receivable

	June 30, 2024	March 31, 2024
Aging analysis		
GST receivable	\$ 163,247	\$ 121,744
VAT receivable	319,459	527,288
Total	482,706	649,032
Less current balance	(163,247)	(121,744)
Non-current balance	\$ 319,459	\$ 527,288

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended June 30, 2024 and 2023****(Expressed in Canadian Dollars)****(Unaudited)**

8. Prepays and other assets

	June 30, 2024	March 31, 2024
Mining rights	\$ -	\$ 444,652
Prepaid insurance	70,077	192,285
Other prepaid expenses	206,155	154,836
Total	\$ 276,232	\$ 791,773

9. Inventories

Inventories consist of materials and supplies. The following is a breakdown of inventories:

	June 30, 2024	March 31, 2024
Materials and supplies	\$ 1,057,803	\$ 1,022,286

10. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Other	Total
Cost					
Balance as at March 31, 2024	\$ 772,781	\$ 5,720,054	\$ 6,688,867	\$ 187,125	\$ 13,368,827
Foreign exchange	6,433	47,618	55,626	1,558	111,235
Balance as at June 30, 2024	\$ 779,214	\$ 5,767,672	\$ 6,744,493	\$ 188,683	\$ 13,480,062
Accumulated Depreciation					
Balance as at March 31, 2024	\$ -	\$ -	\$ -	\$ 24,596	\$ 24,596
Depreciation	-	-	-	10,370	10,370
Foreign exchange	-	-	-	148	148
Balance as at June 30, 2024	\$ -	\$ -	\$ -	\$ 35,114	\$ 35,114
Carrying Amounts					
Balance as at March 31, 2024	\$ 772,781	\$ 5,720,054	\$ 6,688,867	\$ 162,529	\$ 13,344,231
Balance as at June 30, 2024	\$ 779,214	\$ 5,767,672	\$ 6,744,493	\$ 153,569	\$ 13,444,948

Included in Other are computer equipment, office equipment, laboratory equipment and transportation equipment. During the three month ended June 30, 2024, depreciation of \$10,370 for the property, plant and equipment is included in mineral property expenses on the unaudited condensed interim consolidated statement of loss and comprehensive loss.

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

11. Right-of-use assets

Balance as at March 31, 2024	\$ 1,629,588
Foreign exchange	(86,626)
Depreciation	(92,841)
Balance as at June 30, 2024	\$ 1,450,121

The right-of-use assets consist of 1 lease agreement for office space, 2 lease agreements for vehicles and 1 lease agreement for the land. The lease agreements have terms between 1 year to 8 years.

During the three month ended June 30, 2024, depreciation expense of \$47,758 relating to the vehicles and land leases has been presented in mineral property expenses, and depreciation of \$45,083 relating to the office space has been included in depreciation expense in the unaudited condensed interim consolidated statement of loss and comprehensive loss.

The Company has sub-leased a portion of the space under its office lease to a company with common officers (refer to note 21). The Company has classified the sub-lease as an operating lease. During the three month ended June 30, 2024, rent income of \$24,000 relating the sub-lease has been included in rent income in the unaudited condensed interim consolidated statement of loss and comprehensive loss.

During the three months ended June 30, 2024, 2 lease agreements for vehicles terminated.

12. 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 tonne per day processing facility located southeast of the city of Durango, the capital of Durango State. The La Parrilla property consists of 41 contiguous mining concessions covering a total of 69,478 hectares.

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

The La Parrilla Silver Mine has been on care and maintenance since September 2019 and no royalties have been incurred as of June 30, 2024.

	La Parrilla Property
Balance as at March 31, 2024	\$ 15,307,787
Foreign exchange	127,434
Balance as at June 30, 2024	\$ 15,435,221

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. This was the only mining property that the Company holds the rights to explore as at December 31, 2022.

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

13. Accounts payable and accrued liabilities

	June 30, 2024	March 31, 2024
Accounts payable	\$ 496,609	\$ 266,933
Payroll and related benefits	88,888	53,028
Other accrued liabilities	729,033	1,208,777
Total	\$ 1,314,530	\$ 1,528,738

14. Lease obligations

Finance costs of \$46,395 relating to the vehicle and land leases have been included in mineral property expenses, and \$7,155 relating to the office lease has been included in finance costs expense on the unaudited condensed interim consolidated statement of loss and comprehensive loss.

A reconciliation for lease obligations is as follows:

Balance as at March 31, 2024	\$ 1,732,603
Finance costs	53,550
Operating lease payments	(127,197)
Foreign exchange	(123,728)
Balance as at June 30, 2024	1,535,228
Less current balance	(279,080)
Non-current balance	\$ 1,256,148

15. Decommissioning liabilities

A reconciliation for decommissioning liability is as follows:

Balance as at March 31, 2024	\$ 7,403,422
Movements during the period:	
Accretion expense	178,898
Foreign exchange	61,683
Balance as at June 30, 2024	\$ 7,644,003

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

- Undiscounted future reclamation costs: \$10,892,818
- Risk free rate used: 9.61%
- Inflation rate used: 4.37%
- Weighted average expected timing of cash outflows (years): 20 years

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

16. Contingent consideration

Balance as at March 31, 2024	\$	272,384
Movements during the period:		
Accretion expense		32,037
Foreign exchange		2,268
Balance as at June 30, 2024	\$	306,689
Less current balance		-
Non-current balance	\$	306,689

17. 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 three months ended June 30, 2024

(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 aggregate gross 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 4, 2026. The fair value of the 6,670,228 warrants is \$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 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 aggregate gross 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 \$231,502 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.

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

17. Equity (continued)

Issued during the fifteen months ended March 31, 2024

(ii) On August 14, 2023, the Company issued 143,673,684 common shares for the acquisition of La Parrilla.

(iii) 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 arm's length 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 Silver Corp. ("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).

(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:

		Weighted average exercise price
	#	\$
Balance as at December 31, 2022	6,668,000	0.40
Issued	17,696,305	0.34
Issued broker warrants	620,700	0.20
Expired warrants	(6,668,000)	0.40
Balance as at March 31, 2024	18,317,005	0.34
Issued	27,727,274	0.16
Issued broker warrants	1,127,515	0.11
Balance as at June 30, 2024	47,171,794	0.23

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

17. Equity (continued)

(b) Share purchase warrants (continued)

During the three months ended June 30, 2024

On April 2, 2024, the Company issued 6,670,228 warrants exercisable into common shares at an exercise price of \$0.16 until April 4, 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 4, 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.

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 June 30, 2024, the following exercisable warrants were outstanding:

Number of warrants	Price (\$)	Expiry date
620,700	0.20	14-Aug-25
355,250	0.11	04-Apr-26
6,670,228	0.16	04-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
47,171,794	0.23	

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(Expressed in Canadian Dollars)

(Unaudited)

18. Stock options

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

	#	Weighted average exercise price \$
Balance as at December 31, 2022	12,600,000	0.28
Expired	(3,700,000)	0.25
Exercised	(1,500,000)	0.08
Balance as at March 31, 2024	7,400,000	0.32
Issued	12,800,000	0.17
Balance as at June 30, 2024	20,200,000	0.22

As at June 30, 2024, 20,200,000 (March 31, 2024 - 7,400,000) options are exercisable. The average share price on the exercise of stock options for the three months ended June 30, 2024 was \$nil (fifteen months ended March 31, 2024 - \$0.10).

During the three months ended June 30, 2024

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 unaudited condensed interim consolidated statements of loss and credited to options reserves. During the three months ended June 30, 2024, included in stock based compensation is \$1,662,494 (three months ended June 30, 2023 - \$nil) related to the vested portion of these options.

19. 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. In calculating the diluted loss per share, potential ordinary shares such as share options and warrants have not been included as their exercise prices were higher than the Company's share price as at June 30, 2024 and June 30, 2023. Details of share options and warrants issued that could potentially dilute loss per share in the future are given in notes 17 and note 18.

Both the basic and diluted loss per share have been calculated using the loss as the numerator, i.e. no adjustment to the loss were necessary for the three months ended June 30, 2024 and June 30, 2023.

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023
Loss for the period	\$ (4,539,778)	\$ (1,049,732)
Weighted average number of shares in circulation	448,174,885	216,324,566
Basic and diluted loss per share	\$ (0.01)	\$ (0.00)

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20. Additional cash flow information

The changes in working capital items are as follows:

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023
Restricted cash	\$ 9,758	\$ -
Sales taxes receivable	166,326	(61,238)
Prepaid expenses and other assets	515,541	(226,758)
Inventories	(35,517)	-
Accounts payable and accrued liabilities	(214,208)	(42,314)
Due to First Majestic	89,599	-
	<u>\$ 531,499</u>	<u>\$ (330,310)</u>

21. Major shareholders and related party transactions

Major shareholders

To the knowledge of the directors and senior officers of the Company, as at June 30, 2024, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 20% of the voting rights attached to all common shares of the Company other than set out below:

	Number of Common Shares	Percentage of Outstanding Common Shares
First Majestic	161,682,684	36%

First Majestic acquired 143,673,684 common shares of the Company during 2023 as part of the acquisition of La Parrilla (note 17(a)(ii)) and 18,009,000 units issued during 2023 as part of the private placement (note 17(a)(iii)). Balance due to First Majestic as at June 30, 2024 is \$4,017,488 (March 31, 2024 - \$3,927,889). First Majestic is considered a related party by virtue of its shareholdings.

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.

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21. Major shareholders and related party transactions (continued)

Related party transactions (continued)

Transactions with key management personnel

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:

	Three months ended June 30, 2024	Three months ended June 30, 2023
Management and administration fees paid to private companies controlled by directors and officers	\$ 193,985	\$ 437,385
Professional fees paid to private companies controlled by directors and officers	13,532	26,268
Listing, filing and transfer agency fees paid to private companies controlled by officers	3,030	5,079
Rent received from a company with common officers	24,000	-
Stock based compensation	1,350,776	-
	<u>\$ 1,585,323</u>	<u>\$ 468,732</u>

Included in accounts payable and accrued liabilities are amounts due to companies owned and controlled by key management personnel of \$122,522 and to directors of \$nil (March 31, 2024 - \$461,848 and \$65,000).

22. 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.

Refer to note 16.

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(Unaudited)

23. Segment reporting

Segmented information on a geographic basis is as follows:

	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	Canada	Mexico		Canada	Mexico	
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	As at June 30, 2024			As at March 31, 2024		
	Canada	Mexico		Canada	Mexico	
Non-current assets	\$ 270,500	\$31,585,736	\$31,856,236	\$ 315,583	\$31,667,984	\$31,983,567

24. Subsequent event

(i) On June 21, 2024, the Company announced that it entered into a debt settlement letter agreement with a legal service provider to the Company to settle the Company's outstanding debt for past services performed by the creditor in the amount of \$286,761 by issuing 972,200 common shares in the capital of the Company at a deemed price of \$0.18 per common share, in addition to the payment to the creditor of \$111,761. The transaction closed on July 4, 2024.