
**SILVER STORM MINING LTD.
(FORMERLY GOLDEN TAG RESOURCES LTD.)
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
DECEMBER 31, 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 December 31, 2024	As at March 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents (note 5)	\$ 506,472	\$ 1,206,905
Restricted cash (note 6)	-	61,611
Marketable securities (note 7)	-	42,000
Sales taxes receivable (note 8)	37,290	121,744
Prepaid expenses and other assets (note 9)	415,052	791,773
Total current assets	958,814	2,224,033
Non-current assets		
Restricted cash (note 6)	35,912	53,310
Sales taxes receivable (note 8)	709,694	527,288
Inventories (note 10)	1,074,171	1,022,286
Property, plant and equipment (note 11)	14,175,120	13,344,231
Right-of-use assets (note 12)	1,213,544	1,629,588
Other long-term assets	557	99,077
Mining interests (note 13)	16,226,885	15,307,787
Total assets	\$ 34,394,697	\$ 34,207,600
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 14)	\$ 2,033,146	\$ 1,528,738
Due to First Majestic Silver Corp. (note 22)	4,296,168	3,927,889
Lease obligations (note 15)	232,662	363,581
Total current liabilities	6,561,976	5,820,208
Non-current liabilities		
Lease obligations (note 15)	970,310	1,369,022
Decommissioning liabilities (note 16)	8,412,317	7,403,422
Contingent consideration (note 17)	343,441	272,384
Total liabilities	16,288,044	14,865,036
Equity		
Share capital (note 18)	54,501,957	50,284,705
Shares to be issued (note 25)	40,300	57,198
Options reserves (note 19)	3,615,379	1,952,885
Warrant reserves (note 18)	2,928,092	732,681
Accumulated other comprehensive income	1,027,060	433,701
Deficit	(44,006,135)	(34,118,606)
Total equity	18,106,653	19,342,564
Total equity and liabilities	\$ 34,394,697	\$ 34,207,600

Nature of operations and going concern (note 1)

Contingencies and commitments (note 23)

Subsequent events (note 25)

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 December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Operating expenses				
Administrative costs	\$ 44,853	\$ 46,099	\$ 200,308	\$ 87,623
Foreign exchange loss	1,188	603	28,801	76,427
Investor relations	65,714	55,009	248,832	82,287
Listing, filing and transfer agency fees (note 22)	29,544	28,436	49,035	83,773
Management, consulting fees and directors' fees (note 22)	87,395	335,560	357,327	955,042
Mineral property expenses (note 13)	1,553,103	2,414,380	6,467,484	12,994,973
Professional fees (note 22)	56,036	84,500	288,887	380,926
Promotion costs	80,036	121,785	286,697	416,533
Rent	-	29,370	-	69,414
Salaries	18,227	39,019	95,354	144,802
Stock based compensation (notes 19 and 22)	-	-	1,662,494	-
Project investigation costs	-	-	-	621,866
Total operating expenses	1,936,096	3,154,761	9,685,219	15,913,666
Accretion (notes 4 and 17)	12,262	-	255,778	-
Depreciation (note 12)	45,083	-	135,250	-
Finance cost (note 15)	5,117	-	18,419	-
Finance income	622	(12,064)	(80,312)	(119,133)
Gain on settlement of debt (note 18)	-	-	(34,031)	-
Rent (note 22)	(54,255)	-	(100,129)	-
Unrealized gain/loss on change in fair value of marketable securities	7,335	(7,000)	7,335	21,000
Net loss for the period	\$ (1,952,260)	\$ (3,135,697)	\$ (9,887,529)	\$ (15,815,533)
Other comprehensive income (loss)				
Items that may be reclassified to profit or loss				
Exchange differences on translating foreign operations	\$ 769,099	\$ (724,930)	\$ 593,359	\$ (639,194)
Other comprehensive income (loss) for the period	769,099	(724,930)	593,359	(639,194)
Total comprehensive loss for the period	\$ (1,183,161)	\$ (3,860,627)	\$ (9,294,170)	\$ (16,454,727)
Basic and diluted loss per share (note 20)	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.05)
Weighted average number of common shares outstanding - basic and diluted	454,522,880	397,146,339	452,466,772	308,338,502

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)

	Nine Months Ended December 31,	
	2024	2023
Operating activities		
Net loss for the period	\$ (9,887,529)	\$(15,815,533)
Non-cash items:		
Stock based compensation (note 19)	1,662,494	-
Depreciation (notes 11 and 12)	295,378	516,158
Accretion (notes 16 and 17)	590,539	-
Finance cost (note 15)	153,181	38,272
Foreign exchange gain	(674,930)	(22,357)
Mining property expenses (note 4)	-	9,578,060
Remeasurement of right-of-use assets	-	15,483
Change in provision	-	319,969
Gain on settlement of debt (note 18)	(34,031)	-
Unrealized gain/loss on change in fair value of marketable securities	7,335	21,000
Changes in working capital items (note 21)	1,452,100	(2,742,894)
Net cash used in operating activities	(6,435,463)	(8,091,842)
Investing activities		
Proceeds on sale of marketable securities (note 7)	34,665	-
Purchase of property, plant and equipment (note 11)	(62,389)	(68,206)
Net cash used in investing activities	(27,724)	(68,206)
Financing activities		
Proceeds from shares to be issued (note 25)	40,300	-
Proceeds from private placements (note 18)	6,508,422	5,065,178
Share issue costs (note 18)	(293,926)	(192,990)
Proceeds from options exercised (note 19)	-	120,000
Lease obligation payments (note 15)	(479,912)	(210,743)
Net cash provided by financing activities	5,774,884	4,781,445
Net change in cash and cash equivalents	(688,303)	(3,378,603)
Effect of change in foreign exchange rate on cash	(12,130)	23,821
Cash and cash equivalents, beginning of period	1,206,905	7,824,485
Cash and cash equivalents, end of period	\$ 506,472	\$ 4,469,703
Cash	\$ 506,472	\$ 1,227,225
Cash equivalents	-	3,242,478
Cash and cash equivalents	\$ 506,472	\$ 4,469,703
Supplementary cash flow information		
Shares issued for settlement of debt (note 18)	\$ 140,969	\$ -

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
Private placements	35,392,610	7,078,522	(2,013,344)	-	-	-	-	5,065,178
Warrants	-	(1,589,149)	-	-	1,589,149	-	-	-
Share issue costs	-	(204,076)	-	-	11,086	-	-	(192,990)
Options exercised	1,500,000	221,596	-	(101,596)	-	-	-	120,000
Acquisition - La Parrilla	143,673,684	15,085,737	-	-	-	-	-	15,085,737
Options cancelled	-	-	-	(929,076)	-	-	929,076	-
Net loss and comprehensive loss	-	-	-	-	-	(639,194)	(15,815,533)	(16,454,727)
Balance, December 31, 2023	397,390,860	\$ 49,414,142	\$ -	\$ 1,952,887	\$ 2,362,386	\$ (335,373)	\$ (41,658,282)	\$ 11,735,760
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 placements	60,628,101	6,565,620	(16,898)	-	-	-	-	6,548,722
Warrants	-	(2,100,787)	-	-	2,100,787	-	-	-
Share issue costs	-	(388,550)	-	-	94,624	-	-	(293,926)
Shares issued for settlement of debt	972,200	140,969	-	-	-	-	-	140,969
Stock based compensation	-	-	-	1,662,494	-	-	-	1,662,494
Net loss and comprehensive loss	-	-	-	-	-	593,359	(9,887,529)	(9,294,170)
Balance, December 31, 2024	458,991,161	\$ 54,501,957	\$ 40,300	\$ 3,615,379	\$ 2,928,092	\$ 1,027,060	\$ (44,006,135)	\$ 18,106,653

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 and Nine Months Ended December 31, 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 nine months ended December 31, 2024, the Company incurred a net loss of \$9,887,529 and as at December 31, 2024, the Company's current liabilities exceed its current assets by \$5,603,162 and it has an accumulated deficit of \$44,006,135. 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 and Nine Months Ended December 31, 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 February 28, 2025.

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 and Nine Months Ended December 31, 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. Acquisition

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 (CAD\$3,037,772) (unpaid as at September 30, 2024) discounted 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 CAD\$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 \$3,768,028 (\$3,163,751 paid as at March 31, 2024).

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 fair value of the total milestone payments is \$270,117.

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

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

4. Acquisition (continued)

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 and other assets	33,491
Property, plant and equipment	13,423,869
Right-of-use assets	1,437,586
Other long-term assets	97,731
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>

During the three and nine months ended December 31, 2024, the Company recognized accretion of \$102,346 and \$203,436, respectively on the US\$2,700,000 cash payment obligation which has been presented with the accretion expense on the unaudited condensed interim consolidated statement of loss and comprehensive loss.

5. Cash and cash equivalents

	December 31, 2024	March 31, 2024
Bank balances	\$ 506,472	\$ 832,364
Short-term deposits	-	374,541
Total	<u>\$ 506,472</u>	<u>\$ 1,206,905</u>

6. Restricted cash

	December 31, 2024	March 31, 2024
Current balance	\$ -	\$ 61,611
Non-current balance	35,912	53,310
Total	<u>\$ 35,912</u>	<u>\$ 114,921</u>

On July 3, 2024, one of the security letter of credits of \$61,611 was released.

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

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

7. Marketable securities

Balance as at March 31, 2024 and December 31, 2022	\$ 42,000	\$ 49,000
Unrealized loss on change in fair value of marketable securities	(7,335)	(7,000)
Disposal during the period - 700,000 shares	(34,665)	-
Balance as at December 31, 2024 and March 31, 2024	\$ -	\$ 42,000

During the nine months ended December 31, 2024, the Company sold 700,000 common shares of Sirios Resources Inc. for gross proceeds of \$34,665 which resulted in a realized loss on marketable securities of \$7,335.

8. Sales taxes receivable

	December 31, 2024	March 31, 2024
Aging analysis		
GST receivable	\$ 37,290	\$ 121,744
VAT receivable	709,694	527,288
Total	746,984	649,032
Less current balance	(37,290)	(121,744)
Non-current balance	\$ 709,694	\$ 527,288

9. Prepaids and other assets

	December 31, 2024	March 31, 2024
Mining rights	\$ -	\$ 444,652
Prepaid insurance	268,406	192,285
Other prepaid expenses	146,646	154,836
Total	\$ 415,052	\$ 791,773

10. Inventories

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

	December 31, 2024	March 31, 2024
Materials and supplies	\$ 1,074,171	\$ 1,022,286

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

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

11. 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
Additions	-	-	-	62,389	62,389
Foreign exchange	43,771	346,067	401,198	11,236	802,272
Balance as at December 31, 2024	\$ 816,552	\$ 6,066,121	\$ 7,090,065	\$ 260,750	\$ 14,233,488
Accumulated Depreciation					
Balance as at March 31, 2024	\$ -	\$ -	\$ -	\$ 24,596	\$ 24,596
Depreciation	-	-	-	32,705	32,705
Foreign exchange	-	-	-	1,067	1,067
Balance as at December 31, 2024	\$ -	\$ -	\$ -	\$ 58,368	\$ 58,368
Carrying Amounts					
Balance as at March 31, 2024	\$ 772,781	\$ 5,720,054	\$ 6,688,867	\$ 162,529	\$ 13,344,231
Balance as at December 31, 2024	\$ 816,552	\$ 6,066,121	\$ 7,090,065	\$ 202,382	\$ 14,175,120

Included in Other are computer equipment, office equipment, laboratory equipment and transportation equipment. During the three and nine months ended December 31, 2024, depreciation of \$12,250 and \$32,705, respectively for the property, plant and equipment is included in mineral property expenses on the unaudited condensed interim consolidated statement of loss and comprehensive loss.

12. Right-of-use assets

Balance as at March 31, 2024	\$ 1,629,588
Foreign exchange	(153,371)
Depreciation	(262,673)
Balance as at December 31, 2024	\$ 1,213,544

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 and nine months ended December 31, 2024, depreciation expense of \$43,343 and \$127,423, respectively relating to the vehicles and land leases has been presented in mineral property expenses, and depreciation of \$45,083 and \$135,250, respectively 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. The Company has classified the sub-leases as operating leases. During the three and nine months ended December 31, 2024, rent income of \$38,150 and \$105,345, respectively relating the sub-leases has been included in rent income in the unaudited condensed interim consolidated statement of loss and comprehensive loss.

During the nine months ended December 31, 2024, 2 lease agreements for vehicles terminated.

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

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

13. 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.

The La Parrilla Silver Mine has been on care and maintenance since September 2019 and no royalties have been incurred as of December 31, 2024.

During the three and nine months ended December 31, 2024, recovery of processing plant material of \$23,213 and \$517,081, respectively was recorded against mineral property expenses.

	La Parrilla Property
Balance as at March 31, 2024	\$ 15,307,787
Foreign exchange	919,098
Balance as at December 31, 2024	\$ 16,226,885

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.

14. Accounts payable and accrued liabilities

	December 31, 2024	March 31, 2024
Accounts payable	\$ 1,407,025	\$ 266,933
Payroll and related benefits	45,781	53,028
Other accrued liabilities	580,340	1,208,777
Total	\$ 2,033,146	\$ 1,528,738

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

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

15. Lease obligations

During the three and nine months ended December 31, 2024, finance costs of \$45,696 and \$134,762, respectively relating to the vehicle and land leases have been included in mineral property expenses, and \$5,117 and \$18,419, respectively 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 of lease obligations is as follows:

Balance as at March 31, 2024	\$ 1,732,603
Finance costs	153,181
Lease payments	(479,912)
Foreign exchange	(202,900)
Balance as at December 31, 2024	1,202,972
Less current balance	(232,662)
Non-current balance	\$ 970,310

16. 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	538,197
Foreign exchange	470,698
Balance as at December 31, 2024	\$ 8,412,317

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 and Nine Months Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

17. Contingent consideration

Balance as at March 31, 2024	\$ 272,384
Movements during the period:	
Accretion expense	52,342
Foreign exchange	18,715
Balance as at December 31, 2024	\$ 343,441

18. 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 nine months ended December 31, 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.

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(Expressed in Canadian Dollars)

(Unaudited)

18. Equity (continued)

(a) Share capital (continued)

Issued during the nine months ended December 31, 2024 (continued)

(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.

(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 aggregate gross 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 \$2,515 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.

Issued during the fifteen months ended March 31, 2024

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

(v) 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 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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(Unaudited)

18. 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:

		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	32,900,829	0.16
Issued broker warrants	1,203,775	0.11
Balance as at December 31, 2024	52,421,609	0.22

During the nine months ended December 31, 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.

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.

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(Unaudited)

18. 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 December 31, 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
5,249,815	0.16	19-Dec-27
52,421,609	0.22	

19. 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 December 31, 2024	20,200,000	0.22

As at December 31, 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 nine months ended December 31, 2024 was \$nil (fifteen months ended March 31, 2024 - \$0.10).

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(Unaudited)

19. Stock options (continued)

During the nine months ended December 31, 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 and nine months ended December 31, 2024, included in stock based compensation is \$nil and \$1,662,494, respectively (three and nine months ended December 31, 2023 - \$nil) related to the vested portion of these options.

20. 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 December 31, 2024 and December 31, 2023. Details of share options and warrants issued that could potentially dilute loss per share in the future are given in notes 18 and note 19.

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 and nine months ended December 31, 2024 and December 31, 2023.

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Nine Months Ended December 31, 2024	Nine Months Ended December 31, 2023
Loss for the period	\$ (1,952,260)	\$ (3,135,697)	\$ (9,887,529)	\$ (15,815,533)
Weighted average number of shares in circulation	454,522,880	397,146,339	452,466,772	308,338,502
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.05)

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Three and Nine Months Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

21. Additional cash flow information

The changes in working capital items are as follows:

	Nine Months Ended December 31, 2024	Nine Months Ended December 31, 2023
Restricted cash	\$ 79,009	\$ -
Sales taxes receivable	(97,952)	(4,095,527)
Prepaid expenses and other assets	376,721	(12,925)
Inventories	(51,885)	12,160
Other long-term assets	98,520	-
Accounts payable and accrued liabilities	679,408	838,277
Due to First Majestic	368,279	515,121
	<u>\$ 1,452,100</u>	<u>\$ (2,742,894)</u>

22. Major shareholders and related party transactions

Major shareholders

To the knowledge of the directors and senior officers of the Company, as at December 31, 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	35%

First Majestic acquired 143,673,684 common shares of the Company during 2023 as part of the acquisition of La Parrilla (note 18(a)(iv)) and 18,009,000 units issued during 2023 as part of the private placement (note 18(a)(v)). Balance due to First Majestic as at December 31, 2024 is \$4,296,168 (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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22. 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 December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Management and administration fees paid to private companies controlled by directors and officers	\$ 90,652	\$ 245,477	\$ 448,622	\$ 863,997
Professional fees paid to private companies controlled by directors and officers	6,727	5,915	64,910	38,621
Listing, filing and transfer agency fees paid to private companies controlled by officers	1,184	3,776	6,269	21,216
Director fees	21,154	146,000	21,154	146,000
Rent received from a company with common officers	(24,000)	-	(72,000)	-
Stock based compensation	-	-	1,350,776	-
	<u>\$ 95,717</u>	<u>\$ 401,168</u>	<u>\$ 1,819,731</u>	<u>\$ 1,069,834</u>

Included in accounts payable and accrued liabilities are amounts due to companies owned and controlled by key management personnel of \$167,444 and to directors of \$nil (March 31, 2024 - \$461,848 and \$65,000).

23. 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 17.

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24. Segment reporting

Segmented information on a geographic basis is as follows:

			Three Months Ended December 31, 2024		Three Months Ended December 31, 2023	
	Canada	Mexico	Canada	Mexico	Canada	Mexico
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

			Nine Months Ended December 31, 2024		Nine Months Ended December 31, 2023	
	Canada	Mexico	Canada	Mexico	Canada	Mexico
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

			As at December 31, 2024		As at March 31, 2024	
	Canada	Mexico	Canada	Mexico	Canada	Mexico
Non-current assets	\$ 180,333	\$33,255,550	\$33,435,883	\$ 315,583	\$31,667,984	\$31,983,567

25. Subsequent events

(i) 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 aggregate gross 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.

As at December 31, 2024, \$40,300 was received by the Company related to the second tranche of the non-brokered private placement.

(ii) 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 aggregate gross proceeds of \$784,500. The third tranche included a \$500,000 investment from current significant shareholder Eric Sprott. 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. 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.

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(Unaudited)

25. Subsequent events (continued)

(iii) On January 17, 2025, the Company announced the engagement of Whittle Consulting Ltd. ("WCL") to conduct a Strategic Optionality Planning Study ("SOPS") on the Company's 100% owned La Parrilla Silver Complex, located in Durango, Mexico. The SOPS involves a rigorous analytical and computational process using WCL Strategic Mine Planning software and Integrated Strategic Planning concepts.

The SOPS analysis by WCL will commence following receipt of the upcoming Mineral Resource Update for the project, being performed by SRK Canada Inc and will be completed over the course of a couple months focusing on optimizing the underground mining sequence and schedule, potential use of existing oxide stockpiles, and plant structure, throughput and staging.

WCL have agreed to receive their consulting fee in common shares of the Company (the "Fee Shares"). The Fee Shares will be payable following completion of the study and will be issued at the 7-day volume-weighted average price as of the date of the invoice. The issuance of the Fee Shares are subject to the policies and approval of the TSXV.

(iv) 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 aggregate gross proceeds of \$2,155,680. This tranche included a \$1,500,000 investment from First Majestic. 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. 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.

(v) 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 aggregate gross 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. 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.

(vi) On February 11, 2025, the Company announced the results of an Updated Mineral Resource Estimate reported in compliance with National Instrument 43-101 Standards of Disclosure for Mineral Projects for the Company's 100% owned La Parrilla Silver Mine Complex, located in Durango Mexico.