# Management's Discussion and Analysis

## For the Year Ended March 31, 2024

(Expressed in Canadian dollars, except where indicated)

## Dated June 27, 2024

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This Management's Discussion and Analysis ("MD&A") focuses on significant factors that have affected Silver Elephant Mining Corp. (the "Company", "Issuer", "Silver Elephant" or "ELEF") and its subsidiaries' performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended March 31, 2024 (the "Annual Financial Statements"), which was prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the Company's Annual Information Form ("AIF"), dated June 27, 2024 (the "AIF"), all of which are available under the Company's SEDAR profile at www.sedarplus.ca. For the purposes of this MD&A, "Financial Position Date" means March 31, 2024, "this quarter" or "current quarter" means the three month period ended March 31, 2024, the "prior year quarter" means the three month period ended March 31, 2023, "this year" or "current year" means the year ended March 31, 2024, and the "prior year period" means the fifteen month period ended March 31, 2023. The information contained in this MD&A is current to June 27, 2024.

On December 30, 2022, the Company changed its financial year end from December 31 to March 31.

The information provided herein supplements but does not form part of the financial statements. Financial information is expressed in Canadian dollars, unless stated otherwise. All references to "$" or "dollars" in this MD&A refer to Canadian dollars. References to "US$" or "USD" in this MD&A refer to United States dollars. Readers are cautioned that this MD&A contains "forward-looking statements" and that actual events may vary from management's expectations. Readers are encouraged to read the cautionary note contained herein regarding such forward-looking statements. Information on risks associated with investing in the Company's securities are contained in the AIF.

**Profile and Strategy**

The Company is incorporated under the laws of the province of British Columbia, Canada. The common shares without par value in the capital of the Company (the "Common Shares") are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "ELEF" and on the Frankfurt Stock Exchange under the symbol "1P2" and are quoted on the OTC under the symbol "SILEF". The Company maintains its registered and records office at Suite 1610 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

On January 14, 2022, the Company's share capital was consolidated on the basis of one (1) new Common Share for each ten (10) old Common Shares (the "Consolidation"). All Common Share, warrant, option and per Common Share amounts have been retroactively adjusted.

On January 14, 2022, the Company completed a strategic reorganization of the Company's business through a statutory plan of arrangement (the "Spin-off Arrangement") under the Business Corporations Act (British Columbia), dated November 8, 2021. Pursuant to the Spin-off Arrangement, the common shares of the Company were consolidated on a 10:1 basis and each holder of common shares of the Company received in exchange for every 10 pre-consolidation common shares held: (i) one post-consolidation common share of the Company; (ii) one common share of Flying Nickel Mining Corp. ("Flying Nickel"); (iii) one common share of Nevada Vanadium Mining Corp. ("Nevada Vanadium"); and (iv) two common shares of Oracle Commodity Holding Inc. ("Oracle") (formerly Battery Metals Royalties Corp. ("Battery Metals")).

The Company is a mineral exploration stage company. The Company's projects are the Pulacayo Paca silver-lead-zinc property in Bolivia (the "Pulacayo Paca Project"), and the El Triunfo gold-silver-lead-zinc project in Bolivia (the "Triunfo Project"). In addition, as the Company has de facto control over Nevada Vanadium, by extension, the Gibellini vanadium property in Nevada, USA (the "Gibellini Project") is also included in the Company's exploration and evaluation assets. The Company also had de facto control over Flying Nickel, by extension, the Minago nickel property in Canada (the "Minago Project") was also included in the Company's exploration and evaluation assets. The Company ceased to have de facto control over Flying Nickel as at October 1, 2023, therefore Flying Nickel and its Minago Project were deconsolidated from the Company's consolidated financial statements effective October 1, 2023. The Company also owns or holds 100% interests in each of the following projects: (a) the Ulaan Ovoo coal project located in Mongolia, and (b) the Chandgana coal project, located in Mongolia; all of which have been fully impaired.

(Expressed in Canadian dollars, except where indicated)

**Overall Performance and Outlook**

The following highlights the Company's overall performance for the periods presented:

| | Year Ended March 31, 2024 ($) | Fifteen Months Ended March 31, 2023 ($) | Change |
|---|---|---|---|
| Net loss attributable to shareholders of the Company | (6,538,045) | (4,562,213) | (1,975,832) |
| Cash used in operating activities | (260,081) | (6,330,557) | 6,070,476 |
| Cash at end of period | 2,209,099 | 1,504,969 | 704,130 |
| Loss per share attributable to shareholders of the Company – basic and diluted | (0.20) | (0.17) | (0.03) |

Corporate Updates

- On April 19, 2023, the Company announced the appointment of Mr. Douglas M. Flett, J.D. to its board of directors. Mr. Flett has been a director of KWG Resource Inc. since 2006 and presently serves as Chairman of the Board. He has also been a director of Tartisan Nickel Corp. since 2006 and is a member of the compensation and audit Committees for both companies. He is a past president and a director of Fletcher Nickel Inc. and a past director of Debut Diamonds Inc. Mr. Flett graduated from the University of Windsor Law School in 1972 and was called to the (Ontario) Bar in 1974. He practiced law in his own corporate commercial law firm until 1996 when he retired from practising law for a career in the resource industry. He continues to be a member of the Law Society of Ontario. He has also completed the Rotman Institute of Corporate Directors SME Program.

- On April 24, 2023, the Company appointed Mr. Adrian Lupascu as the Company's VP of Exploration. Mr. Lupascu is a "Qualified Person" as defined in National Instrument 43-101 ("NI 43-101"). He holds a bachelor's degree in geological engineering and a master's degree in geochemistry. As an accomplished geologist and engineer, he has more than 20 years of experience in mining exploration and development for nickel platinum-group-metals, and other precious and base metals projects. Mr. Lupascu ceased to serve as the Company's VP of Exploration effective August 2, 2023.

- On May 15, 2023, the TSX issued confirmation that it has accepted the Company's intention to extend the terms of common share purchase warrants to purchase 960,000 common shares for an additional two years. The warrants were issued by the Company on May 20, 2020, with a three-year term, closing in two tranches, due to expire on May 1, 2023, and May 20, 2023. The warrants to purchase 463,800 common shares will have their expiry date extended to May 1, 2025 and warrants to purchase 496,200 common shares will have their expiry date extended to May 20, 2025.

- On July 6, 2023, the Company was ceased traded for failing to file its annual financial statements and management's discussion and analysis for the 15 months ended March 31, 2023. The Company filed its annual financial statements and management's discussion and analysis for the 15 months ended March 31, 2023, on August 3, 2023, and the cease trade order was lifted on August 4, 2023.

- On October 18, 2023, the Company appointed Jenna Virk as its Chief Legal Officer. Ms. Virk has been a practising lawyer in British Columbia since 2007 and has over 15 years of experience in corporate finance, securities and commercial law. She also brings with her prior experience as in house counsel for various organizations since 2015, including most recently serving as Director, Legal Affairs and Corporate Secretary of Lithium Americas Corp. She holds a Bachelor of Law from the University of British Columbia and a Bachelor of Business Administration from Simon Fraser University.

- On January 18, 2024, the Company filed a Form 15 with the United States Securities and Exchange Commission ("SEC") with the intention of voluntarily deregistering its common shares with the SEC as a cost saving measure. The Company's common shares do not trade on a national stock exchange such as NYSE or NYSE American in the United States and are not otherwise required to be registered. This move does not affect the trading and listing of the Company's common shares on the Toronto Stock Exchange. The deregistration was completed in April 2024.

**Discussion Of Operations**

Pulacayo Paca Project, Bolivia

The Company holds an interest in the Pulacayo Paca silver-lead-zinc project in Bolivia.

The Pulacayo Paca Project comprises seven mining concessions covering an area of approximately 3,560 hectares of contiguous areas centered on the historical Pulacayo mine and town site. The Pulacayo Paca Project is located 18 kilometers east of the town of Uyuni in the Department of Potosí, in southwestern Bolivia. It is located 460 kilometers south-southeast of the national capital of La Paz and 150 kilometers southwest of the City of Potosí, which is the administrative capital of the department. The Pulacayo Paca Project is fully permitted with secured social licenses for mining.

The Company's 2024 Pulacayo Paca Project objectives are:

- Complete a 3D geological model incorporating collected metadata;
- Design a drill program to test high priority targets identified through modeling and IP mapping; and
- Advance permitting for potential mining exploitation on the property.

On May 11, 2023, the Company reported chip and channel sampling assay results from the ongoing exploration at the Company's flagship Pulacayo-Paca silver project in Bolivia. A total of 120 samples were collected from three exploration priority target areas: Paca conglomerate zone, the Pulacayo San Leon tunnel, and the Rothschild zone (an area immediately northwest of Pulacayo's Tajo Vein system). Assays with significant silver were returned from many of the chip and channel samples taken at regular intervals in those areas. Further details are included in the May 11, 2023 press release available on the Company's website.

On September 11, 2023, the Company entered into a sales and purchase agreement (the "SPA") with Andean Precious Metals Corp. ("APM") and its subsidiary (together "APM Group"), for the sale of up to 800,000 tonnes (the "SPA Quantity") of silver-bearing oxide materials from the Company's Paca property, which, together with the Pulacayo property, comprises the Pulacayo Paca Project. In addition, the Company entered into a master services agreement (the "MSA") with APM Group to provide expertise in mining operations, community relations, logistics and access to technical and geological information, in exchange for APM Group agreeing to pay the Company an aggregate of $6,772,500 (US$5,000,000) (the MSA Payments") as follows:

(a) $1,636,632 (US$1,200,000) in cash and non-refundable on signing of the MSA (received);

(b) $2,452,077 (US$1,800,000) in cash and non-refundable by January 31, 2024 (the "Second Payment");

(c) $2,031,750 (US$1,500,000) in cash and non-refundable before January 31, 2025; and

(d) $677,250 (US$500,000) in cash and non-refundable by January 31, 2026 (the "Final MSA Payment").

In addition to the cash consideration, if the London Bullion Market Association silver spot price averages over (the "Additional Consideration"):

(a) US$28/oz in any given 260 trading day-interval during the term, then APM Group will pay Silver Elephant a one-time payment of $1,354,500 (US$1,000,000) in cash; and

(b) US$32/oz in any given 150 trading day-interval during the term, then APM Group shall pay Silver Elephant a one-time payment of $1,354,500 (US$1,000,000) in cash;

provided that the Additional Consideration is subject to a $2,709,000 (US$2,000,000) maximum in aggregate, and once any payment described under (a) or (b) above is made, the applicable trading day-interval resets to zero to determine whether Additional Consideration is payable.

The MSA also serves to provide comfort to the APM Group to receive the 800,000 tonnes of silver-bearing oxide materials from the Company.

On January 30, 2024, the parties amended the MSA to: (1) extend the date for completion of certain permitting and other contractual milestones in respect of the Pulacayo Paca Project pursuant to which the APM Group paid a non-refundable extension fee of $201,573 (US$150,000) (the "MSA Extension Fee") to the Company; and, (2) to modify the second payment of $2,452,077 (US$1,800,000) under the MSA to provide for it to be payable in two equal installments, the first of $1,213,497 (US$900,000) received on March 7, 2024 and the second $1,238,580 (US$900,000) received on May 1, 2024, in order for APM Group to proceed with additional purchases of threshold tonnage under the MSA as amended. APM Group has the right to offset the MSA Extension Fee from the Final MSA Payment.

Under the MSA, if the Company fails to comply with certain service commitments and not cured within a certain period, the Company will pay to APM a penalty that is the greater of:

(a) $948,150 (US$700,000) in cash, and subject to the approval and policies of the TSX, shares (or cash at the Company's discretion) of the Company with a value of $677,250 (US$500,000) as determined in accordance with the MSA; or

(b) the positive difference, if any, between 1.2 times the MSA Payments received by the Company and US$12.00 (US$15.00 if the average London Bullion Market Association silver spot price exceeds US$26/oz from the start of the term of the MSA to the conclusion of the MSA) multiplied by the aggregate tonnage of products that have been acquired by APM Group under the SPA.

In connection with the MSA, shares of ISMC, Apogee Bolivia, ASC Bolivia and ASC Holdings are held in escrow. These shares will be released upon the earlier of:

(a) the escrow agent receiving a joint written notice from Silver Elephant and APM; or

(b) the escrow agent receives a written direction or decision of a duly appointed arbitrator or court of competent jurisdiction in each case pursuant to the dispute resolution mechanisms provided for in the MSA directing the escrow agent to release the shares.

As at March 31, 2024, the Company has delivered 50,930 tonnes to APM Group under the SPA.

On May 21, 2024 the Company announced that it has identified multiple occurrences of gallium (Ga) and indium (In) in selected drill core at its Pulacayo Paca Project. Further details are included in the May 21, 2024 press release available on the Company's website.

On June 12, 2024, the Company announced the commencement of a diamond drilling program at the Pulacayo Paca Project. The initial drilling program consists of drilling 24 holes totaling 1,500 meters to test and confirm continuity of oxide mineralization at depth in the Paca north area. Further details are included in the June 12, 2024 press release available on the Company's website.

<u>Minago Project, Manitoba Canada</u>

The Minago property is located in northern Manitoba, Canada within the southern part of the Thompson Nickel Belt, approximately 107 kilometers north of the Town of Grand Rapids, Manitoba and 225 kilometres south of the City of Thompson, Manitoba. Provincial Highway 6 transects the eastern portion of the Minago property. The Minago Project is comprised of 94 mining claims and two mining leases.

As a result of the Spin-off Arrangement, the Company consolidated Flying Nickel from January 14, 2022 to September 30, 2023, the period for which the Company had de facto control over Flying Nickel. Effective October 1, 2023, the Company deconsolidated Flying Nickel (the "Flying Nickel Deconsolidation") as de facto control was lost due to dilution. However, as the Company still maintains significant influence over Flying Nickel, it has applied the equity method of accounting for Flying Nickel. The Company has significant influence over Flying Nickel as a result of having the power to participate in the financial and operating policy decisions of Flying Nickel but does not have control or joint control.

(Expressed in Canadian dollars, except where indicated)

The Company recorded the carrying value of its investment in Flying Nickel at its fair value of $1,657,229, resulting in a loss from deconsolidation of $1,373,090. The fair value of the Company's investment in Flying Nickel is determined based on share price of Flying Nickel on October 12, 2023.

| | $ |
|---|---|
| Balance, January 1, 2022 and March 31, 2023 | - |
| Derecognition of net assets of Flying Nickel | 24,946,212 |
| Derecognition of non-controlling interest of Flying Nickel | (21,915,893) |
| Fair value loss from deconsolidation of Flying Nickel | (1,373,090) |
| | **1,657,229** |
| Proportionate share of losses | (122,445) |
| **Balance, March 31, 2024** | **1,534,784** |

Gibellini Project, USA

The Gibellini vanadium project (the "Gibellini Project") is comprised of the Gibellini, Bisoni and Louie Hill vanadium deposits and associated claims located in the State of Nevada, USA.

On April 6, 2022, Nevada Vanadium acquired the Fish Creek Ranch property located in Eureka County, Nevada USA for an aggregate purchase price of $5,291,641 (US$4,245,895). The Fish Creek Ranch is adjacent to the Gibellini Project, contains a part of the irrigation canal, and will provide support to the Gibellini Project in the form of water supply.

Triunfo Project, Bolivia

On July 10, 2020, the Company entered into an agreement (the "Triunfo Agreement") with a third party (the "Triunfo Vendor") for the right to conduct mining exploration activities (the "Exploration Right") within the El Triunfo gold-silver-lead-zinc project in La Paz District, Bolivia (the "Triunfo Project") and the right, at the Company's election, to purchase the Triunfo Project for $1,354,500 (US$1,000,000) (the "Purchase Right" and together with the Exploration Right, the "Triunfo Rights"). The Purchase Right can be exercised at any time after the Triunfo Vendor completes the required Bolivian administrative procedures for the Triunfo Project until July 13, 2025 or such further period as the parties may agree. To secure the Triunfo Rights, the Company paid the Triunfo Vendor $135,676 (US$100,000) upon execution of the Triunfo Agreement. Until the Company exercises its Purchase Right, beginning in 2021 the Company must pay the Triunfo Vendor $67,725 (US$50,000) on June 15 of each year to maintain the Triunfo Rights. The Company may elect to terminate the Triunfo Agreement at any time. If the Company exercises the Purchase Right, the Triunfo Vendor will maintain up to a 5% interest of the profits, net of taxes and royalties, derived from the sale of concentrate produced from the Triunfo Project (the "Residual Interest").

If the Company exercises the Purchase Right, the Company may reduce some or all of the Residual Interest at any time by making a lump sum payment to the Triunfo Vendor at any time to reduce some or all of the Residual Interest as follows:

- the Residual Interest may be extinguished for $406,350 (US$300,000);
- the Residual Interest may be reduced by 4% for $338,625 (US$250,000);
- the Residual Interest may be reduced by 3% for $270,900 (US$200,000);
- the Residual Interest may be reduced by 2% for $203,175 (US$150,000); or
- the Residual Interest may be reduced by 1% for $135,450 (US$100,000).

The Triunfo Project area covers approximately 256 hectares located in the La Paz Department, which is located about 75 kilometers to the east of the city of La Paz, Bolivia. The Triunfo Project has access to power and water and is accessible by road year-round. The Triunfo Vendor maintains a positive relationship with the local community.

During the year ended March 31, 2024, the Company recorded an impairment charge of $1,235,460 related to the Triunfo Project. As at the Financial Position Date, the Triunfo Project was impaired to $1.

Other Projects

The Company had a 100% interest in the Titan property (the "Titan Project"), a vanadium-titanium-iron project located in Ontario, Canada, which has been fully impaired since 2014.

On August 4, 2023, the Company divested its Titan Project in exchange for cash totaling $231,000, and 13,283,801 common shares (the "Cachee Shares") of Cachee Gold Mines Corp. ("Cachee"), representing a 19.99% interest in Cachee. The Company attributed a value of $199,257 for the Cachee Shares based on Cachee's net assets. During the year ended March 31, 2024, the Company recorded an impairment charge of $199,257 related to the Cachee Shares. As at March 31, 2024, the Cachee Shares were fully impaired. In addition, the Company retains a net smelter royalty ("SE Titan NSR") on the Titan Project equal to 0.5% applicable after the commencement of commercial production if the V205 Vanadium Pentoxide Flake 98% price per pound exceeds US$12 per pound. The SE Titan NSR may be purchased by the acquirer, Osprey Advanced Materials Corp. ("Osprey"), a subsidiary of Cachee, at any time for cash of $500,000.

In addition, Oracle holds a 2% net smelter royalty (the "Oracle Titan NSR") on all mineral products produced from certain mineral claims and leases on the Titan Project after the commencement of commercial production if the V205 Vanadium Pentoxide Flake 98% price per pound exceeds US$12. On August 4, 2023, Oracle granted Osprey, the right to acquire the Oracle Titan NSR at any time, for $1,000,000 in cash. Osprey paid the Company $5,000 as consideration for this right.

Under certain conditions, each of the SE Titan NSR and Oracle Titan NSR (together, the Titan NSRs) may be increased by 0.25% or a portion of each of the Titan NSRs reduced by up to $500,000.

On September 8, 2023, the Company announced that it has successfully renewed the Detailed Environmental Impact Assessment license ("DEIA") required to restart its Ulaan Ovoo coal operations in Mongolia. The DEIA is subject to renewal by the Ministry of Environment every 5 years. The Company has held 100% rights to Ulaan Ovoo mineral claims and mining licenses in Mongolia since 2007. The Ulaan Ovoo project is fully impaired.

(Expressed in Canadian dollars, except where indicated)

Exploration and Evaluation Assets

The table below is a summary of the Company's exploration and evaluation assets:

| | Bolivia | | Canada | USA | |
|---|---|---|---|---|---|
| | Pulacayo Paca ($) | Triunfo ($) | Minago ($) | Gibellini ($) | Total ($) |
| Balance, January 1, 2022 | 20,461,951 | 672,925 | 16,452,655 | 16,017,568 | 53,605,099 |
| Contingent consideration | - | - | 2,000,000 | 500,000 | 2,500,000 |
| Licenses, tax and permits | - | 69,390 | 373,740 | 462,922 | 906,052 |
| Geological and consulting | 843,490 | 368,948 | - | 760,989 | 1,973,427 |
| Feasibility | - | - | 1,183,974 | - | 1,183,974 |
| Exploration and drilling | - | - | 1,589,653 | - | 1,589,653 |
| Royalties | - | - | - | 272,941 | 272,941 |
| Personnel, camp and general | 995,951 | 63,907 | 376,296 | 21,840 | 1,457,994 |
| Incremental cost related to Flying Nickel warrants | - | - | 426,468 | - | 426,468 |
| Foreign exchange | 241,585 | 93,368 | - | 657,020 | 991,973 |
| **Balance, March 31, 2023** | **22,542,977** | **1,268,538** | **22,402,786** | **18,693,280** | **64,907,581** |
| Licenses, tax and permits | 14,359 | 3,003 | 132,917 | 37,297 | 187,576 |
| Geological and consulting | 422,516 | 413 | - | 110,653 | 533,582 |
| Feasibility study | - | - | 47,297 | 19,917 | 67,214 |
| Exploration and drilling | - | - | 114,409 | - | 114,409 |
| Royalties | - | - | - | 269,930 | 269,930 |
| Personnel, camp and general | 322,920 | 1,450 | 174,005 | 37,311 | 535,686 |
| Proceeds from MSA | (431,158) | - | - | - | (431,158) |
| Impairment | - | (1,235,460) | - | - | (1,235,460) |
| Deconsolidation of Flying Nickel | - | - | (22,871,414) | - | (22,871,414) |
| Foreign exchange | 192,586 | (37,943) | - | 20,922 | 175,565 |
| **Balance, March 31, 2024** | **23,064,200** | **1** | **-** | **19,189,310** | **42,253,511** |

**Selected Annual Information**

| | Year Ended March 31 2024 ($) | 15 Months Ended March 31, 2023 ($) | Year Ended December 31 2021 ($) |
|---|---|---|---|
| Net loss attributable to shareholders of the Company | (6,538,045) | (4,562,213) | (6,829,714) |
| Basic loss per share attributable to shareholders of the Company | (0.20) | (0.17) | (0.33) |
| Diluted loss per share attributable to shareholders of the Company | (0.20) | (0.17) | (0.33) |

(Expressed in Canadian dollars, except where indicated)

| | March 31, 2024 ($) | March 31, 2023 ($) | December 31, 2021 ($) |
|---|---|---|---|
| Cash | 2,209,099 | 1,504,969 | 1,378,693 |
| Restricted cash | - | - | 6,715,407 |
| Total assets | 50,739,783 | 72,577,218 | 62,046,418 |
| Total non-current financial liabilities | (4,531,846) | (2,052,620) | (2,037,731) |

During the year ended March 31, 2024, the Company recorded a net loss of $9,312,514, and a net loss attributable to shareholders of the Company of $6,538,045, compared to $9,739,129 and $4,562,213, respectively, for the fifteen months ended March 31, 2023.

Of note for the year ended March 31, 2024 compared to the fifteen months ended March 31, 2023 are the following items:

- An increase in amortization from $190,016 to $478,198, primarily relating to the Company's building and equipment in Nevada.

- A decrease in advertising and promotion from $757,130 to $115,002. The current year amount is reduced as a result of the Flying Nickel Deconsolidation, and during the prior, Company acquired the domain www.nickel.com for $313,977 and spent $205,947 in advertising.

- Consulting and management fees decreased by $219,392, to a total of $1,023,411 this year. The prior year period included certain bonus payments totalling $186,920, financial advisory for $100,000 and administrative services outsourced to a third party service provider totalling $67,500. The current year amount is also reduced as a result of the Flying Nickel Deconsolidation.

- Professional fees of $1,061,851 this year compared to $1,765,487 during the prior year period. The higher amounts during the prior year period primarily relates to legal and audit fees in connection with the Spin-off Arrangement and the Merger Transaction (see *Proposed Transactions* section). The current year amount is also reduced as a result of the Flying Nickel Deconsolidation.

- Salaries and benefits decreased to $1,464,417 this year, compared to $1,996,092 during the prior year period. The lower amount during the current year is mainly attributable to the prior year period including 15 months of expenses, whereas the current year period includes 12 months of expenses, combined with improved employee retention. Employee turnover was higher during the prior year period which resulted in increased turnover related payments. The current year amount is also reduced as a result of the Flying Nickel Deconsolidation.

- Share-based payments decreased by $2,603,584, to a total of $1,472,006 this year compared to $4,075,590 during the prior year period. The higher amount during the prior year period is also impacted by the Spin-Off Arrangement and its effect on share purchase options outstanding as at January 14, 2022. Under *IFRS 2 – Share Based Payment*, the effect is considered a modification, which resulted in incremental share-based payments expense of $1,368,938. The current year amount is also reduced as a result of the Flying Nickel Deconsolidation.

- Other income of $215,745 this year, compared to $572,567 during the prior year period. The current year amount is mainly comprised of $133,237 from hay sales and pasture leasing at the Fish Creek Ranch, $119,803 from the sale of a parcel of land at the Fish Creek Ranch and the reversal of an over accrual for employment related expenses of $313,567. These amounts were partially offset with an impairment charge of $199,257 related to the Cachee Shares, and certain penalties of $135,615 which the Company is in the process of disputing. The prior year period amount is primarily comprised of $448,675 from the sale of cattle and hay at the Fish Creek Ranch, $25,372 from the disposal of Fish Creek Ranch equipment, and $31,743 from Government grant.

- A gain of $430,257 from the sale of the Titan Project as described in the section titled *Other Projects*.

- Foreign exchange loss of $19,387 compared to $531,665. The Company has activity in the USA, Bolivia and Mongolia. Consequently, the Company incurs foreign exchange gains and losses from changes in exchange rates of the US Dollar, Bolivian Boliviano, and Mongolian Tugrik relative to the Canadian Dollar.

- Loss of $1,373,090 this year from the Flying Nickel Deconsolidation as discussed above.

- An impairment of exploration and evaluation asset of $1,249,257 this year, compared to $nil. The current year impairment is in connection with the Company's El Triunfo Project in Bolivia.

- A gain of $852,175 during the prior year period in connection with fair value changes in contingent consideration, compared to $nil during the current year. The prior year period amounts are in connection with the Minago Project and Gibellini Project.

- Loss from care and maintenance of coal properties of $375,551 this year, compared to a gain of $867,077 during the prior year period. These amounts are in connection with the Company's Ulaan Ovoo project in Mongolia. The Company benefited from the rise in coal prices and sold coal during the prior year period. Additionally, the Company through its Mongolian activities, received $560,571 from tax refunds during the prior year period.

**Summary Of Quarterly Results**

Financial data for the three months ended June 30, 2022 have been restated (the "June 2022 Restatement") in this MD&A. The June 2022 Restatement was primarily to: 1) reverse *Impairment of NSR* of $253,469 and *Impairment of exploration and evaluation asset* of $83,553; 2) reclassify a *Gain on Sale of Marketable Securities* of $1,490,195 to equity, in accordance with IFRS 10 – Consolidated Financial Statements; 3) Recognize a *Gain on derivative liability* of $266,053; 4) reclassify *Loss on debt settlement* of $1,431,873 to the Minago Project as an asset; 5) recognize a corresponding *Gain on settlement of contingent consideration* of $568,126; 6) reduce *General and Administrative Expenses* by $1,233,412, sale of hay by $284,168 and *recovery of flow through liability* by $58,034; and 7) reverse the *Reversal of gain on transfer of spin-out assets* of $24,210,145. Accordingly, net loss attributable to shareholders of the Company for the three months ended June 30, 2022 was restated from $24,780,523 to $21,718. Basic and diluted loss per share attributable to shareholders of the Company for the three months ended June 30, 2022 was restated from $0.85 to $0.00.

Financial data for the three months ended September 30, 2022 have been restated (the "September 2022 Restatement") in this MD&A. In addition to the effects from the June 2022 Restatement, the September 2022 Restatement was primarily to: 1) reverse *Impairment of NSR* of $679,374 and *Impairment of exploration and evaluation asset* of $75,789; 2) reclassify a *Loss on Sale of Marketable Securities* of $15,606,946 and *Loss on debt settlement* of $906,072 to equity, in accordance with IFRS 10 – Consolidated Financial Statements; 3) recognizing an additional *Foreign exchange loss* of $490,611; 4) reduction *in General and Administrative Expenses* of $245,632 and an increase in sale of hay and other income of $230,904. Accordingly, net loss attributable to shareholders of the Company for the three months ended September 30, 2022 was restated from $18,442,122[1] to $1,258,580. Basic and diluted loss per share attributable to shareholders of the Company for the three months ended September 30, 2022 was restated from $0.77 to $0.05.
*[1] This was originally incorrectly presented as $24,780,523 which was a data entry error, and should have been $18,442,122.*

Financial data for the three months ended December 31, 2022 have been restated (the "December 2022 Restatement") in this MD&A. In addition to the effects from the June 2022 Restatement and September 2022 Restatement, the December 2022 Restatement was primarily to: 1) reduce other income by $159,342 relating to the correction of impairment of exploration and evaluation and $191,198 relating to the correction of loss on debt settlement, totaling $350,540; 2) reclassify $11,763 from office and administration to salaries and benefits, $191,512 from salaries and benefits to loss from care and maintenance of coal properties and $19,555 from government grant to other income; and 3) recognize gain on fair value change in derivative liabilities of $58,487 as it relates to certain warrants, additional share-based payments expense of $91,806 and finance expense of $4,143. Accordingly, net loss attributable to shareholders of the Company for the three months ended December 31, 2022 was restated from $730,336 to $929,465. There was no impact to basic and diluted loss per share attributable to shareholders of the Company.

(Expressed in Canadian dollars, except where indicated)

The following tables summarize selected consolidated financial information prepared in accordance with IFRS for the eight most recently completed quarters:

| Quarter Ending | Quarter Name | Net Income (Loss) for the Quarter Attributable to Shareholders of the Company ($) | Basic Earnings (Loss) Per Share Attributable to Shareholders of the Company ($) | Diluted Earnings (Loss) Per Share Attributable to Shareholders of the Company ($) |
|---|---|---|---|---|
| March 31, 2024 | Q4 2024 | (5,749,808) | (0.18) | (0.18) |
| December 31, 2023 | Q3 2024 | 604,279 | 0.02 | 0.02 |
| September 30, 2023 | Q2 2024 | (437,430) | (0.01) | (0.01) |
| June 30, 2023 | Q1 2024 | (955,086) | (0.03) | (0.03) |
| March 31, 2023 | Q5 2023 | (266,203) | (0.01) | (0.01) |
| December 31, 2022 (restated) | Q4 2023 | (929,465) | (0.03) | (0.03) |
| September 30, 2022 (restated) | Q3 2023 | (1,258,580) | (0.05) | (0.05) |
| June 30, 2022 (restated) | Q2 2023 | (21,718) | (0.00) | (0.00) |

Net loss attributable to shareholders of the Company for the three months ended March 31, 2024 was $5,749,808, and a net loss of $1,058,029 was attributable to non-controlling interests for a total net loss of $6,807,837, as compared to a net loss of $963,408 for the three months ended March 31, 2023. The prior year quarter's net loss is comprised of $266,203 attributable to shareholders of the Company and $697,205 attributable to non-controlling interests.

Of note for the current quarter as compared to the prior year quarter, are the following items:

- A general decrease in general and administrative expenses effective as of October 1, 2023 due to the Company no longer consolidating Flying Nickel, and instead accounting for Flying Nickel using the equity method of accounting. Accordingly, the Company recorded a loss from equity accounted investment of $54,417 this quarter, compared to $nil.

- Professional fees increased to $502,981, compared to $403,594, mainly attributable to legal fees in connection with employment matters.

- Salaries and benefits decreased to $329,826, compared to $744,779, mainly attributable to the deconsolidation of Flying Nickel and changes in salary allocations to various projects.

- Share-based payments of $360,116 compared to $619,567. Share-based payments is a non-cash expense, and such expense is recognized in profit or loss over the vesting period of the underlying share purchase options granted to certain directors, officers, employees and consultants of the Company.

- Other income of $59,236 this quarter compared to other income of $329,822. Other income in the prior year quarter primarily consisted of a gain on equipment disposal of $26,904, gain on debt settlement of $65,452 and recovery of flow through liability of $132,224.

- An impairment of exploration and evaluation asset of $1,249,257 this quarter, compared to $nil. The current quarter impairment is in connection with the Company's El Triunfo Project in Bolivia.

- Foreign exchange gain of $31,277 compared to a loss of $337,214. The Company has activity in the USA, Bolivia and Mongolia. Consequently, the Company incurs foreign exchange gains and losses from changes in exchange rates of the US Dollar, Bolivian Boliviano, and Mongolian Tugrik relative to the Canadian Dollar.

- A loss from the deconsolidation of Flying Nickel of $3,517,132 as a result of the adoption of ED/2014/4 (see *Changes in Accounting Standards* section); loss from care and maintenance of coal properties of $113,886 this quarter, compared to a gain of $964,886 in the prior year quarter. The Company benefited from the rise in coal prices and sold certain stockpiled coal during the prior year quarter.

Variations Over the Quarters

Q3 2024 resulted in net income of $486,501, largely a result of recognizing a gain from the deconsolidation the of Flying Nickel of $2,144,042, partially offset by general and administrative expenses totalling $1,398,314 and other items. General and administrative expenses include amortization of $278,089, salaries and benefits of $250,141, share-based payments of $200,584.

Q2 2024 resulted in a net loss of $1,290,378, mainly comprised of operating expenses totalling $1,789,729, partially offset by amounts included in other income of $392,091, which includes $430,257 from the sale of the Titan Project partially offset with certain other expenses of $38,166, and a gain of $176,825 from the care and maintenance of the Company's coal properties in Mongolia.

Q1 2024 resulted in a net loss of $1,700,800, mainly comprised of operating expenses totalling $1,746,160, partially offset by amounts included in Other Items, including a gain on fair value of change in derivative liabilities of $255,162 and a gain on fair value change in contingent consideration of $71,984. Operating expenses this quarter included, but were not limited to, salaries and benefits of $441,680, share-based payments of $400,153, consulting and management fees of $235,491.

Q5 2023 resulted in a net loss of $963,408, mainly comprised of operating expenses totalling $2,242,349 and foreign exchange loss of $337,209, partially offset by other income of $772,193, gain on fair value change in contingent consideration and liabilities of $378,917 and gain from care and maintenance of coal properties of $488,801. Operating expenses in Q5 2023 includes, but not limited to, salaries and benefits of $744,779, share-based payments of $619,567, professional fees of $403,594, and consulting fees of $247,358. Other income is mainly a result of $560,571 in recovery of bad debts.

Q4 2023 resulted in a net loss of $2,298,493, mainly comprised of operating expenses totalling $2,502,060, partially offset by a foreign exchange gain of $368,340. Operating expenses include salaries and benefits of $521,644 and share-based payments of $751,603. The Company, and its subsidiaries, Flying Nickel and Nevada Vanadium, granted share purchase options to certain of its directors, officers, employees and consultants. Share-based payments expense is recognized during the period in which the options vest.

Q3 2023 resulted in a net loss of $2,675,528, mainly comprised of a foreign exchange loss of $512,111 and higher operating expenses of $2,246,092, including share-based payments of $930,162. The Company, and its subsidiaries, Flying Nickel and Nevada Vanadium, granted share purchase options to certain of its directors, officers, employees and consultants. Share-based payments expense is recognized during the period in which the options vest.

Q2 2023 resulted in a net loss of $347,925, primarily attributable to operating expenses totalling $1,226,092, partially offset with fair value gains recognized in connection with certain liabilities to be settled with equity instruments relating to the Minago Project and Gibellini Project totalling $834,179.

**Liquidity And Capital Resources**

The Company utilizes existing cash received from prior issuances of equity instruments to provide liquidity to the Company and finance exploration projects.

As at the Financial Position Date, the Company had a working capital deficiency of $8,327,177 compared to $6,356,704 at March 31, 2023.

On April 4, 2023, the Company announced the closing of the second and final tranche of its March 2023 unit private placement offering and issued 1,128,111 units at $0.45 per unit for gross proceeds of $507,650. Each unit consisted of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at $0.55 per share for a period of three years. In connection with the closing, the Company issued 34,650 units as finder's fees. Each finder's unit consisted of one common share of the Company and one non-transferable share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.55 per share for 3 years. Proceeds of the private placement were used for mineral project development and general working capital purposes.

(Expressed in Canadian dollars, except where indicated)

On August 17, 2023, the Company closed a non-brokered private placement through the issuance of 639,999 units at a price of $0.30 for gross proceeds of $192,000. Each unit consists of one common share of the Company and one-half share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of $0.45 per share for 24 months. In connection with the closing, finder's fees of $210.

On April 29, 2024, the Company closed the first tranche of a non-brokered private placement through the issuance of 950,000 units at a price of $0.30 for gross proceeds of $285,000. Each unit consists of one common share of the Company and one-half share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of $0.45 per share for 24 months. In connection with the closing, 33,600 units were issued as finders' fees.

On May 22, 2024, the Company closed the second tranche of a non-brokered private placement through the issuance of 250,000 units at a price of $0.30 for gross proceeds of $75,000. Each unit consists of one common share of the Company and one-half share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of $0.45 per share for 24 months.

Cash flow information:

| | **Year Ended March 31, 2024 ($)** | **Fifteen Months Ended March 31, 2023 ($)** |
|---|---|---|
| Cash used in operating activities | (260,081) | (6,330,557) |
| Cash used in investing activities | (1,864,157) | (11,878,128) |
| Cash from financing activities | 2,828,082 | 11,616,006 |
| Cash, end of the period | **2,209,099** | **1,504,969** |

Cash Flow Highlights

***Operating activities:*** During the current year, the Company used $260,081 in operating activities, compared to cash used of $6,330,557 during the prior year period. The variance is primarily attributable to changes in non-cash working capital and a decrease in general and administrative expenses, which reflect the effects of the Flying Nickel Deconsolidation.

***Investing activities*****:** During the current year, the Company used $1,864,157 in investing activities, compared to cash used of $11,878,128 during the prior year period. During the current year, the Company invested $1,826,069 in its exploration and evaluation assets, sold the Titan Project for $231,000 and other non cash consideration, and sold certain land holdings in Nevada for $507,161. The Company also deconsolidated Flying Nickel on October 1, 2023, resulting in a cash decrease of $776,249. During the prior year period, the Company invested $6,861,484 in its exploration and evaluation assets, acquired the Fish Creek Ranch, comprised of land for $3,724,577, equipment for $625,619, buildings and structures for $657,277, and livestock for $284,168, which was partially offset by $332,497 received from the sale of livestock.

***Financing activities*****:** During the current year the Company received $192,000 from share issuances, $2,233,036 from subsidiary share issuances, $720,707 in subsidiary subscription receipts, and $212,765 from the sale of shares of Flying Nickel. These were partially offset with a loan repayment of $508,571 in connection with the Fish Creek Ranch and lease payments of $21,855 for the Company's Vancouver office. During the prior year period, the Company received $11,616,006 from financing activities, comprised of $2,901,041 from share issuances, $2,361,733 from subsidiary share issuances, $504,330 from exercise of warrants, $3,752,400 as a loan from Cache Valley Bank for acquiring the Fish Creek Ranch, and $2,110,476 from the sale of Flying Nickel shares, partially offset with lease payments of $13,974 for the Company's Vancouver office.

As at the Financial Position Date, the Company had cash of $2,209,099, and current liabilities of $10,903,584. The Company will need to conduct additional financings to meet working capital requirements, and obligations as they become due.

(Expressed in Canadian dollars, except where indicated)

## Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

## Related Party Transactions

The Company entered into a Mutual Management and Technical Services Agreement (the "MMTSA") with Flying Nickel effective April 1, 2023, pursuant to which the companies would provide each other with general, technical and administrative services, as reasonably requested, on a fixed fee basis. The fixed fee is adjusted periodically to reflect the relative allocation of costs to each company.

During the year ended March 31, 2024, the Company had related party transactions with key management personnel who provide management and consulting services to the Company. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include, but are not limited to, the CEO, CFO, COO, and executive and non-executive directors.

A summary of related party transactions is as follows:

| | Year Ended March 31, 2024 ($) | Fifteen Months Ended March 31, 2023 ($) |
|---|---|---|
| MMTSA fees charged by Flying Nickel, a company with certain directors and officers in common | 342,675 | - |
| MMTSA recoveries from Flying Nickel | (95,992) | - |
| Management fees to Linx Partners Ltd., a company controlled by John Lee, Director, CEO and Executive Chairman of the Company | 420,000 | 525,000 |
| Directors' fees | 95,316 | 106,400 |
| Salaries and benefits paid to key management of the Company | 401,242 | 296,159 |
| Salaries and benefits paid to former key management of the Company | - | 248,648 |
| Share-based payments – John Lee | 153,046 | 981,084 |
| Share-based payments – directors | 79,469 | 160,980 |
| Share-based payments – former directors | 20,378 | 159,861 |
| Share-based payments – key management of the Company | 79,315 | 204,365 |
| Share-based payments – former key management of the Company | 12,494 | 60,976 |
| | **1,507,943** | **2,743,473** |

The Company had balances due to related parties as follows:

| | March 31, 2024 ($) | March 31, 2023 ($) |
|---|---|---|
| Payable to Flying Nickel | (1,926,807) | - |
| Directors' fees payable | (136,800) | (102,452) |
| Management fees prepaid to John Lee | 32,907 | - |

**Contingencies**

As at March 31, 2024, $243,810 (March 31, 2023 - $558,236) was included in accounts payable and accrued liabilities in connection with a former employee's claim for severance (the "Claim").

During the year ended March 31, 2023 the Company accrued $558,236 (US$412,500) in connection with the Claim. On March 29, 2024, the Claim was settled for installment payments to be made, totaling $243,810 (US$180,000).

**Proposed Transactions**

On October 6, 2022, Nevada Vanadium and Flying Nickel entered into an arrangement agreement, and as amended, pursuant to which Flying Nickel proposes to acquire all of the issued and outstanding common shares of Nevada Vanadium by way of a court-approved plan of arrangement (the "Merger Transaction").

Under the terms of the agreement, the Nevada Vanadium shareholders will receive one (1) (the "Exchange Ratio") Flying Nickel common share (a "Flying Nickel Share") for each Nevada Vanadium Share held immediately prior to the effective time of the Merger Transaction. All convertible securities of Nevada Vanadium outstanding immediately prior to the effective time of the Merger Transaction will be exchanged for securities of Flying Nickel bearing substantially the same terms as the securities replaced based on the Exchange Ratio. As at the date of this MD&A, the Merger Transaction remains in progress.

**Critical Accounting Policies and Estimates**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions used by management where there is risk of material adjustments to assets and liabilities in future accounting periods include the estimated useful lives of depreciated and amortized assets, and exploration and evaluation assets, assumptions used in determination of the fair value of share-based payments, decommissioning, restoration and similar liabilities and contingent liabilities.

The Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining 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 reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in preparing the Company's financial statements include the assumption that the Company will continue as a going concern and whether the Company has significant influence over other entities, classification of expenditures as exploration and evaluation expenditures or operating expenses, the classification of financial instruments and determining de facto control.

**Changes in Accounting Standards**

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

*Classification of liabilities as current or non-current (amendments to IAS 1)*

The amendments aim to promote consistency in applying the requirements by helping entities determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

The amendments are applied on or after the first annual reporting period beginning on or after January 1, 2024, with early application permitted. This amendment is not expected to have a material impact on the Company's financial statements.

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

*Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments— Disclosure of Accounting Policies*

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023, with earlier application permitted and are applied prospectively. This amendment did not have a material impact on the Company's financial statements.

*Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates*

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The amendments are effective for annual periods beginning on or after January 1, 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted. This amendment did not have a material impact on the Company's financial statements.

*Exposure Draft ED/2014/4: Measuring Quoted Investments in Subsidiaries, Joint Ventures and Associates at Fair Value: Proposed amendments to IFRS 10, IFRS 12, IAS 27, IAS 28, IAS 36 and Illustrative Examples for IFRS 13, IASB, September 2014 ("ED/2014/4")*

In September 2014, in response to these questions regarding the unit of account for an investment in a listed subsidiary, joint venture or associate, the IASB proposed amendments to clarify that:

- The unit of account for investments in subsidiaries, joint ventures and associates should be the investment as a whole and not the individual financial instruments that constitute the investment.
- For investments that are comprised of financial instruments for which a quoted price in an active market is available, the requirement to use P×Q would take precedence, irrespective of the unit of account. Therefore, for all such investments, the fair value measurement would be the product of P×Q, even when the reporting entity has an interest that gives it control, joint control or significant influence over the investee.
- When testing CGUs for impairment, if those CGUs correspond to an entity whose financial instruments are quoted in an active market, the fair value measurement would be the product of P×Q.

When testing for impairment in accordance with IAS 36, the recoverable amount of a CGU is the higher of its value in use or fair value less costs of disposal. The fair value component of fair value less costs of disposal is required to be measured in accordance with IFRS 13.

When a CGU effectively corresponds to a listed entity, the same issue arises regarding whether the requirement to use P×Q, without adjustment, to measure fair value applies.

Consistent with its proposal in relation to listed investments in subsidiaries, joint ventures and associates, the IASB proposed that, if the CGU corresponds to an entity whose financial instruments are quoted in an active market, the requirement to use P×Q would apply.

The IASB proposed the following transition requirements:

- For quoted investments in subsidiaries, joint ventures and associates, an entity would recognise a cumulative catch–up adjustment to opening retained earnings for the period in which the proposed amendments are first applied. The entity would then recognise the change in measurement of the quoted investments during that period in profit or loss (i.e., retrospective application).

- For impairment testing in accordance with IAS 36, an entity would apply the requirements on a prospective basis. If an entity incurs an impairment loss or reversal during the period of initial application, it would provide quantitative information about the likely effect on the impairment loss, or reversal amount, had the amendments been applied in the immediately preceding period presented.

The exposure draft did not include a proposed effective date. However, permitting early adoption was proposed.

On January 1, 2024, the Company adopted ED/2014/4. The cumulative catch-up resulted in the recognition of an additional loss of $3,517,132 from the deconsolidation of Flying Nickel during Q4 2024. The original gain from the deconsolidation of Flying Nickel of $2,144,042 was therefore adjusted to $1,373,090.

**Capital Management**

Management considers its capital structure to consist of share capital, share purchase options and warrants. The Company manages its capital structure and makes adjustments to it, based on the funds available to, and required by the Company in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative returns on capital criteria for management. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors.

The properties in which the Company currently holds interests are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out exploration and development plans and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. There were no changes in management's approach to capital management during the year ended March 31, 2024. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

**Fair Value Measurements and Financial Instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. As at the Financial Position Date, there were no financial assets measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

The fair value of the Company's financial instruments including cash, receivables, accounts payable and accrued liabilities and due to related parties approximates their carrying value due to the immediate or short-term maturity of these financial instruments. Restricted cash equivalents included in other non-current assets is readily convertible into cash, and therefore its carrying value approximates fair value. The fair values of the Company's interest-bearing promissory note is determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The non-performance risk as at the Financial Position Date was assessed to be insignificant. Derivative liabilities and contingent liability are recorded at fair value based on the quoted market price at the end of each reporting period with changes in fair value through profit or loss. As at the Financial Position Date, the fair value of: 1) derivative liabilities is $72,000 (March 31, 2023 - $401,042), 2) contingent liability is $157,463 (March 31, 2023 - $215,951), and 3) promissory note is $3,985,681 (March 31, 2023 - $4,271,857). The Company does not offset financial assets with financial liabilities. There were no transfers between Level 1, 2 and 3 for the year ended March 31, 2024.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at the Financial Position Date are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its financial obligations as they fall due. The Company manages liquidity risk by preparing cash flow forecasts of upcoming cash requirements. As at the Financial Position Date, the Company had a cash balance of $2,209,099 (March 31, 2023 – $1,504,969) and accounts payable and accrued liabilities of $3,672,760 (March 31, 2023 - $3,807,809). Liquidity risk is assessed as very high.

The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of its mineral property interests. The Company coordinates this planning and budgeting process with its financing activities through the capital management process in normal circumstances.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk primarily associated with cash, restricted cash equivalents included in other non-current assets and receivables, net of allowances. The carrying amount of financial assets included on the statements of financial position represents the maximum credit exposure.

(c) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash and restricted cash equivalents included in other non-current assets primarily include highly liquid investments that earn interest at market rates that are fixed to maturity. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have significant impact on the fair values of the financial instruments as of the Financial Position Date. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity

(ii) Foreign currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has foreign exploration and development projects in the USA, Mongolia and Bolivia and undertakes transactions in various foreign currencies. The Company is therefore exposed to foreign currency risk arising from transactions denominated in a foreign currency and the translation of financial instruments denominated in US dollars, Mongolian tugrik, and Bolivian boliviano into its reporting currency, the Canadian dollar.

(iii) Commodity and equity price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for these commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities including governmental reserves and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The Company is also exposed to price risk with regards to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market

(iv) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's derivative financial liability includes debts to be settled in common shares of Silver Elephant. A 10% increase or decrease in the market price of common shares of Silver Elephant or Flying Nickel has a corresponding effect of approximately $23,000 to net loss.

The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

<u>Sensitivity Analysis</u>

A 1% change in interest rates does not have a material effect on the Company's profit or loss and equity.

The Company has certain cash balances, receivables, accounts payables and the CVB Loan denominated in either the US Dollar, Mongolian Tugrik or Bolivian Boliviano (the "Foreign Currencies"), currencies other than the functional currency of Company. Based on the above, net exposures as at the Financial Position Date, with other variables unchanged, a 10% strengthening (weakening) of the Canadian dollar against the Mongolian Tugrik would impact net loss and comprehensive loss with other variables unchanged by approximately $14,000. A 10% strengthening (weakening) of the Canadian dollar against the Bolivian Boliviano would impact net loss and comprehensive loss with other variables unchanged by approximately $83,000. A 10% strengthening (weakening) of the US Dollar against the Canadian Dollar would impact net loss with other variables unchanged by approximately $434,000. The Company currently does not use any foreign exchange contracts to hedge this currency risk.

**Outstanding Share Data**

The Company has an authorized capital of an unlimited number of common shares without par value. The table below represents the Company's capital structure as at the dates presented:

| | As at Date Of this MD&A | March 31, 2024 |
|---|---|---|
| Common shares issued and outstanding | 34,249,788 | 32,841,918 |
| Share purchase options outstanding | 2,444,500 | 2,494,500 |
| Share purchase warrants | 8,067,226 | 7,450,426 |

**Risks And Uncertainties**

The Company's business is the exploration, evaluation and development of mining properties. Thus, the Company's operations are speculative due to the high-risk nature of its business. The following list details existing and future material risks to the Company. The risks listed below are not arranged in any particular order and are not exhaustive. Additional risks and uncertainties not currently known to the Company, or those that it currently deems to be immaterial, may become material and adversely affect the Company. The realization of any of these risks may materially and adversely impact the Company's business, financial condition or results of operations and/or the market price of the Company's securities. Certain risk factors is discussed in more detail under the heading "*Risk Factors*" in the AIF, which is available under the Company's SEDAR profile at www.sedarplus.ca.

- The Company's history of net losses;
- Capital costs, operating costs, production, and economic returns;
- Exploration and development risks;
- The Company has no history of profitable mineral production;
- The risks inherent to the estimation of mineral reserves and mineral resources;
- Environmental risks;
- Foreign operations risks;
- The reform of the mining laws, including the General Mining Act of 1872 in the U.S;
- Government approvals and permits;
- Risks associated with the Company's property and mining interests;
- Risks associated with the Company's mineral claims, mining leases, licenses and permits;
- Title risks;
- Risks associated with claims from First Nations and other Aboriginal or community groups;
- Risks associated with competition;
- Inherent risks;
- The Company's reliance on key personnel;
- The volatility of mineral prices,
- Currency fluctuations;
- Global, national and local financial conditions;
- Risks associated with third-party contractors;
- Anti-bribery legislation;
- Uninsured risks;
- The Company has no history of making dividend payments;
- Related party transactions;
- Litigation and regulatory proceedings;
- Cyber security risks;
- Risks associated with being a foreign private issuer;
- Risks associated with non-Canadian investors;
- Risks associated with the Company's operations in emerging markets; and
- Emerging risks, as described below.

An emerging risk is a risk not well understood at the current time and for which the impacts on strategy and financial results are difficult to assess or are in the process of being assessed.

Capital Resources

As an exploration company, the Company has no regular cash in-flow from operations, and the level of operations is principally a function of availability of capital resources. The Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. To date, the principal sources of funding have been equity and debt financing. Many factors influence the Company's ability to raise funds, and there is no assurance that the Company will be successful in obtaining adequate financing with favourable terms, or at all, for these or other purposes including general working capital purposes. For the foreseeable future, as existing properties are explored, evaluated and developed, the Company will continue to seek capital through the issuance of equity, strategic alliances or joint ventures, and debt.

The Company expects to continue requiring cash for operations and exploration and evaluation activities as expenditures are incurred while no revenues are generated. Therefore, its continuance as a going concern is dependent upon its ability to obtain adequate financing to fund future operations based on annual budgets approved by the Company's board of directors, consistent with established internal control guidelines, and programs recommended in certain technical reports. The Company has managed its working capital by controlling its spending on its properties and operations. Due to the ongoing planned advancement of Pulacayo Paca Project milestones, the Company will continue to incur costs associated with exploration, evaluation and development activities, while no revenues are being generated.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. There have been no changes in the Company's internal control over financial reporting during the current quarter that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Design of Internal Controls over Financial Reporting

The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions, acquisition and disposition of assets and liabilities;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with the authorization of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets, and incurrence of liabilities, that could have a material effect on the financial statements.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

**Cautionary Note Regarding Forward-Looking Statements**

*Certain statements contained in this MD&A constitute "forward-looking statements" within the meaning of United States securities laws and "forward-looking information" within the meaning of Canadian securities laws and are intended to be covered by the safe harbors provided by such regulations (such forward-looking statements and forward-looking information are collectively referred to herein as "forward-looking statements"). These forward-looking statements concern anticipated developments in the Company's continuing and future operations in the United States, Canada, Bolivia and Mongolia, and the adequacy of the Company's financial resources and financial projections.*

*Forward-looking statements in this MD&A are frequently, but not always, identified by words such as "expects", "anticipates", "intends", "believes", "estimates", "potentially" or similar expressions, or statements that events, conditions or results "will", "may", "would", "could" or "should" occur or are "to be" achieved, and statements related to matters which are not historical facts. Information concerning management's expectations regarding the Company's future growth, results of operations, performance, business prospects and opportunities may also be deemed to be forward-looking statements, as such information constitutes predictions based on certain factors, estimates and assumptions subject to significant business, economic, competitive and other uncertainties and contingencies, and involve known and unknown risks which may cause the actual results, performance, or achievements to be different from future results, performance, or achievements contained in the forward- looking statements. Such forward-looking statements include but are not limited to statements regarding the Company's planned and future exploration and/or development of any of the Company's projects; permitting and feasibility any of the Company's projects; ability to complete the Merger Transaction and on a timely basis; political instability and social unrest in Bolivia and other jurisdictions where the Company operates; the Company's goals regarding exploration, and development of, and production from its projects, and regarding raising capital and conducting further exploration and developments of its properties; approval by regulatory authorities and over-the-counter markets of filings or applications; the Company's future business plans; the Company's future financial and operating performance; the future price of silver, lead, zinc, vanadium and other metals; expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations; the ability to obtain or maintain any required permits, licenses or other necessary approvals for the exploration or development of the Company's projects; government regulation of mineral exploration and development operations in Bolivia and other relevant jurisdictions; the Company's reliance on key management personnel, advisors and consultants; the volatility of global financial markets; the timing and amount of estimated future operating and exploration expenditures; the costs and timing of the development of new deposits; the continuation of the Company as a going concern; the likelihood of securing project financing; the impacts of changes in the legal and regulatory environment in which the Company operates; the timing and possible outcome of any pending litigation and regulatory matters; and other information concerning possible or assumed future results of the Company's operations, including: estimated future coal production at any of the Company's coal properties, and other information concerning possible or assumed future results of operations of the Company.*

*Statements relating to mineral resources are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described exist in the quantities predicted or estimated and may be profitably produced in the future. Estimated values of future net revenue do not represent fair market value. There is no certainty that it will be commercially viable to produce any portion of the mineral resources.*

*Forward-looking statements are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including, among other things, the following: timely receipt of regulatory and governmental approvals (including licenses and permits) for the development, construction and production of the Company's properties and projects; there being no significant disruptions affecting operations, whether due to labour disruptions, COVID 19 or other causes; currency exchange rates being approximately consistent with current levels; certain price assumptions for silver, lead, zinc, vanadium* *and other metals; prices for and availability of fuel and electricity; parts and equipment and other key supplies remaining consistent with current levels and prices; production forecasts meeting expectations; the accuracy of the Company's current mineral resource estimates and of any metallurgical testing completed to date; labour and materials costs increasing on a basis consistent with the Company's current expectations; any additional required financing being available on reasonable terms; market developments and trends in global supply and demand for silver, lead, zinc, nickel, vanadium and other metals meeting expectations; favourable operating conditions; political stability; access to necessary financing; stability of labour markets and in market conditions in general; and estimates of costs and expenditures to complete the Company's programs. The Company has no assurance that any of these assumptions will prove to be correct.*

*Many of these assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies, and other factors that are not within the control of the Company and could thus cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements. Furthermore, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from those reflected in the forward-looking statements, whether expressed or implied. Such factors include, among others, the following: the Company is an exploration stage company; the cost, timing and amount of estimated future capital, operating exploration, acquisition, development and reclamation activities; the volatility of the market price of the Common Shares; judgment of management when exercising discretion in the use of proceeds from offerings of securities; sales of a significant number of Common Shares in the public markets, or the perception of such sales, could depress the market price of the Common Shares; potential dilution with the issuance of additional Common Shares; none of the properties in which the Company has a material interest have mineral reserves; estimates of mineral resources are based on interpretation and assumptions and are inherently imprecise; the Company has not received any material revenue or net profit to date; exploration, development and production risks; no history of profitable mineral production; actual capital costs, operating costs, production and economic returns may differ significantly from those the Company has anticipated; foreign operations and political condition risks and uncertainties; legal and political risk; amendments to local laws; the ability to obtain, maintain or renew underlying licenses and permits; title to mineral properties; environmental risks; competitive conditions in the mineral exploration and mining business; availability of adequate infrastructure; the ability of the Company to retain its key management and employees and the impact of shortages of skilled personnel and contractors; limits of insurance coverage and uninsurable risk; reliance on third party contractors; the availability of additional financing on reasonable terms or at all; foreign exchange risk; impact of anti-corruption legislation; recent global financial conditions; changes to the Company's dividend policy; conflicts of interest; cyber security risks; litigation and regulatory proceedings; the obligations which the Company must satisfy in order to maintain its interests in its properties; the influence of third-party stakeholders; the Company's relationships with the communities in which it operates; human error; the speculative nature of mineral exploration and development in general, including the risk of diminishing quantities or grades of mineralization; and other risks and the factors discussed under the heading "Risk Factors" in the AIF and in analogous disclosure in other disclosure documents of the Company available on SEDAR+ at www.sedarplus.ca.*

*The foregoing list is not exhaustive and additional factors may affect any of the Company's forward-looking statements. Although the Company has attempted to identify important factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward-looking statements, there may be other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended.*

*These forward-looking statements, may involve, but are not limited to, statements with respect to future events or future performance, the general performance of the assets of the Company, and the results of exploration, development and production activities as well as expansions projects relating to the properties of the Company. Such forward-looking statements, which reflect management's expectations regarding the Company's future growth, results of operations, performance, and business prospects and opportunities, are based on certain factors and assumptions, including, without limitation, management's perceptions of historical trends; current conditions; expected future developments; the ongoing operation of the properties of the Company; the accuracy of public statements and disclosures made by the operators of such underlying properties; no material adverse change in the market price of the commodities that underlie the asset portfolio; no adverse development in respect of any significant property of the Company; the accuracy of expectations for the development of underlying properties that are not yet in production; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended, and involve known and unknown risks and uncertainties which may cause the actual results, performance, or achievements to be materially different from future results, performance, or achievements expressed or implied by such forward-looking statements.*

*The forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. All forward-looking statements attributable to the Company are expressly qualified by these cautionary statements.*

**Additional Information**

Additional information relating to the Company is on SEDAR at www.sedarplus.ca.

**General Corporate Information:**

**Head Office and Registered Office**
Suite 1610 - 409 Granville Street,
Vancouver, BC, Canada, V6C 1T2
Tel: +1 (604) 569-3661

**Odyssey Trust Company**
350 - 409 Granville Street
Vancouver, BC V6C 1T2
Tel: +1 (604) 961-8633

**Investor and Contact Information**

Financial reports, news releases and corporate information can be accessed by visiting the Company's website at: www.silverelef.com.

Investor & Media requests and queries can be emailed to: ir@silverelef.com

**Directors and Officers**

As at the date of this MD&A, the Company's directors and officers are as follows:

**Directors**
John Lee, Chief Executive Officer and Executive Chairman
Greg Hall
Nigel Lees
Douglas Flett

**Officers**
John Lee, Chief Executive Officer and Executive Chairman
Andrew Yau, Chief Financial Officer
Robert Van Drunen, Chief Operating Officer
Jenna Virk, Chief Legal Officer
Ronald Espell, Vice President, Environment and Sustainability
Marion McGrath, Corporate Secretary
Sara Knappe, Assistant Corporate Secretary

SILVER ELEPHANT MINING CORP.

**Consolidated Financial Statements**

**For the Year Ended**
**March 31, 2024**

**(Expressed in Canadian Dollars)**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Silver Elephant Mining Corp.**

**Opinion**

We have audited the consolidated financial statements of Silver Elephant Mining Corp. (the "Company"), which comprise the statements of financial position as at March 31, 2024 and 2023, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the year ended March 31, 2024 and for the fifteen months ended March 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and 2023, and its financial performance and its cash flows for the year ended March 31, 2024 and for the fifteen months ended March 31, 2023 in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

We conducted our audits 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 consolidated financial statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the consolidated 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 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significate doubt about 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial 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 matters described below to be the key audit matters to be communicated in this report.

*Impairment Assessment of Exploration and Evaluation Assets ("E&E Assets")*

As described in Note 9 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $42,253,511 as at March 31, 2024.

The principal considerations for our determination that the assessment of impairment of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators;

- Evaluating the intent for the E&E Assets through discussion and communication with management;
- Reviewing the Company's recent expenditure activity; and
- Obtaining supporting of title to ensure mineral rights underlying the E&E Assets are in good standing.

**Other Information**

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 Consolidated financial statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

The engagement partner on the audit resulting in this independent auditor’s report is Shaohua Huang.

Mao & Ying LLP

Chartered Professional Accountants

Vancouver, Canada
June 27, 2024

(Expressed in Canadian Dollars)

| | March 31, 2024 ($) | March 31, 2023 ($) |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash | 2,209,099 | 1,504,969 |
| Receivables (note 5) | 82,616 | 440,982 |
| Prepaid expenses | 284,692 | 413,556 |
| | 2,576,407 | 2,359,507 |
| Non-current assets | | |
| Exploration and evaluation assets (note 9) | 42,253,511 | 64,907,581 |
| Land (note 6) | 3,627,076 | 4,044,061 |
| Investment in Flying Nickel Mining Corp. (note 10) | 1,534,784 | - |
| Buildings and structures (note 8) | 657,567 | 685,580 |
| Equipment (note 7) | 28,516 | 436,678 |
| Other non-current assets | 61,922 | 143,811 |
| **Total assets** | **50,739,783** | **72,577,218** |
| | | |
| **Liabilities And Equity** | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (note 18) | 3,672,760 | 3,807,809 |
| Due to Flying Nickel Mining Corp. (note 18) | 1,926,807 | - |
| Promissory note (note 12) | 3,985,681 | 4,271,857 |
| Other current liabilities (note 11, 13) | 1,318,336 | 636,545 |
| | 10,903,584 | 8,716,211 |
| Non-current liabilities | | |
| Lease liability (note 11) | 7,936 | 30,285 |
| Other non-current liabilities (note 14) | 2,437,914 | - |
| Provision for closure and reclamation (note 15) | 2,085,996 | 2,022,335 |
| Total liabilities | 15,435,430 | 10,768,831 |
| | | |
| **Equity** | | |
| Share capital (note 16) | 219,568,237 | 219,321,270 |
| Reserves (note 16) | 28,740,877 | 28,958,228 |
| Accumulated other comprehensive income | 530,098 | 463,740 |
| Deficit | (226,913,916) | (220,375,871) |
| Equity attributable to equity holders of parent | 21,925,296 | 28,367,367 |
| Equity attributable to non-controlling interest (note 17) | 13,379,057 | 33,441,020 |
| Total equity | 35,304,353 | 61,808,387 |
| **Total liabilities and equity** | **50,739,783** | **72,577,218** |

Nature of Operations and Going Concern (note 1)
Subsequent Events (note 27)

**Approved by the Board of Directors**

| | |
|---|---|
| *"John Lee"* | *"Greg Hall"* |
| John Lee – Director | Greg Hall – Director |

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

(Expressed in Canadian Dollars)

| | Year Ended March 31, 2024 ($) | Fifteen Months Ended March 31, 2023 ($) |
|---|---|---|
| **General and administrative expenses** | | |
| Amortization (note 7, 8 and 11) | 478,198 | 190,016 |
| Advertising and promotion | 115,002 | 757,130 |
| Consulting and management fees (note 18) | 1,023,411 | 1,242,803 |
| Director fees (note 18) | 222,778 | 306,434 |
| Insurance | 158,014 | 184,213 |
| Office and administration | 474,575 | 445,916 |
| Professional fees | 1,061,851 | 1,765,487 |
| Salaries and benefits (note 18) | 1,464,417 | 1,996,092 |
| Share-based payments (note 16c, 17b, 17c and 17d) | 1,472,006 | 4,075,590 |
| Stock exchange and shareholder services | 332,824 | 484,130 |
| Travel and accommodation | 156,512 | 258,293 |
| | (6,959,588) | (11,706,104) |
| **Other items** | | |
| Other income | 215,745 | 572,567 |
| Finance expense | (247,787) | (208,088) |
| Foreign exchange loss | (19,387) | (531,665) |
| Gain from sale of Titan project | 430,257 | - |
| Loss from equity accounted investment (note 10) | (122,445) | - |
| Loss from deconsolidation of Flying Nickel (note 10) | (1,373,090) | - |
| Impairment of exploration and evaluation asset (note 9) | (1,249,257) | - |
| Gain (loss) from care and maintenance of coal properties (note 21) | (375,551) | 867,077 |
| Gain from fair value change in derivative liabilities (note 13 and 16) | 388,589 | 414,909 |
| Gain from fair value change in contingent consideration (note 9) | - | 852,175 |
| **Net loss for the period** | **(9,312,514)** | **(9,739,129)** |
| Other comprehensive income (loss): | | |
| Foreign currency translation | 87,707 | 1,146,218 |
| **Comprehensive loss for the period** | **(9,224,807)** | **(8,592,911)** |
| | | |
| Net loss attributable to: | | |
| Equity holders of parent | (6,538,045) | (4,562,213) |
| Non-controlling interest (note 17) | (2,774,469) | (5,176,916) |
| | **(9,312,514)** | **(9,739,129)** |
| | | |
| Comprehensive loss attributable to: | | |
| Equity holders of parent | (6,471,687) | (4,098,473) |
| Non-controlling interest (note 17) | (2,753,120) | (4,494,438) |
| | **(9,224,807)** | **(8,592,911)** |
| | | |
| Basic and diluted loss per share attributable equity holders of parent | (0.20) | (0.17) |
| Basic and diluted weighted average number of shares outstanding (note 16e) | 32,593,257 | 26,454,938 |

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

(Expressed in Canadian Dollars)

| | Number of Shares | Share Capital ($) | Reserves ($) | AOCI[1] ($) | Deficit ($) | Total Shareholders' Equity ($) | Non-Controlling Interest ("NCI") ($) | Total ($) |
|---|---|---|---|---|---|---|---|---|
| Balance January 1, 2022 | 24,124,955 | 214,790,904 | 26,335,247 | - | (191,935,861) | 49,190,290 | 1,499,851 | 50,690,141 |
| Private placements, net of share issue costs (note 16) | 6,374,767 | 2,901,041 | - | - | - | 2,901,041 | - | 2,901,041 |
| Finders' units | 121,050 | (55,013) | - | - | - | (55,013) | - | (55,013) |
| Broker warrants | - | (9,218) | 9,218 | - | - | - | - | - |
| Exercise of warrants (note 16) | 10,000 | 26,000 | - | - | - | 26,000 | - | 26,000 |
| Bonus shares (note 16) | 187,049 | 235,682 | - | - | - | 235,682 | - | 235,682 |
| Warrant modification (note 16(d)) | - | - | 241,686 | | | 241,686 | | 241,686 |
| SBP[2] (note 16(c)) | - | - | 1,908,161 | - | - | 1,908,161 | - | 1,908,161 |
| Shares issued to settle liability (note 16) | 1,267,145 | 1,431,874 | - | - | - | 1,431,874 | - | 1,431,874 |
| Spin-off arrangement (note 17) | - | - | - | - | (23,877,797) | (23,877,797) | 23,877,797 | - |
| Changes in NCI ownership (note 17(a)) | - | - | 463,916 | - | - | 463,916 | 10,438,401 | 10,902,317 |
| SBP[2] – Flying Nickel Mining Corp. (note 17(c)) | - | - | - | - | - | - | 1,412,565 | 1,412,565 |
| SBP[2] – Nevada Vanadium Mining Corp. (note 17(d)) | - | - | - | - | - | - | 228,514 | 228,514 |
| Warrants – Flying Nickel Mining Corp. (note 17(e)) | - | - | - | - | - | - | 478,330 | 478,330 |
| Net loss | - | - | - | - | (4,562,213) | (4,562,213) | (5,176,916) | (9,739,129) |
| Other comprehensive income | - | - | - | 463,740 | - | 463,740 | 682,478 | 1,146,218 |
| **Balance, March 31, 2023** | **32,084,966** | **219,321,270** | **28,958,228** | **463,740** | **(220,375,871)** | **28,367,367** | **33,441,020** | **61,808,387** |

[1] *Accumulated other comprehensive income (loss)*
[2] *Share-based payments*

(Expressed in Canadian Dollars)

**Consolidated Statements of Shareholders' Equity** - *continued*

| | Number of Shares | Share Capital ($) | Reserves ($) | AOCI[1] ($) | Deficit ($) | Total Shareholders' Equity ($) | Non-Controlling Interest ($) | Total ($) |
|---|---|---|---|---|---|---|---|---|
| Balance, April 1, 2023 | 32,084,966 | 219,321,270 | 28,958,228 | 463,740 | (220,375,871) | 28,367,367 | 33,441,020 | 61,808,387 |
| Shares issued to settle liability (note 16) | 116,953 | 54,967 | - | - | - | 54,967 | - | 54,967 |
| Private placements (note 16) | 639,999 | 192,000 | - | - | - | 192,000 | - | 192,000 |
| SBP[2] (note 16(c)) | - | - | 477,081 | - | - | 477,081 | - | 477,081 |
| Changes in NCI ownership (note 17(a)) | - | - | (694,432) | - | - | (694,432) | 3,702,430 | 3,007,998 |
| Derecognition of NCI – Flying Nickel (note 17) | - | - | - | - | - | - | (21,915,893) | (21,915,893) |
| SBP[2] - Flying Nickel Mining Corp. (note 17(c)) | - | - | - | - | - | - | 383,036 | 383,036 |
| SBP[2] - Nevada Vanadium Mining Corp. (note 17(d)) | - | - | - | - | - | - | 393,565 | 393,565 |
| SBP[2] – Oracle Commodity Holding Corp. (note 17(b)) | - | - | - | - | - | - | 128,019 | 128,019 |
| Net loss | - | - | - | - | (6,538,045) | (6,538,045) | (2,774,469) | (9,312,514) |
| Other comprehensive income | - | - | - | 66,358 | - | 66,358 | 21,349 | 87,707 |
| **Balance, March 31, 2024** | **32,841,918** | **219,568,237** | **28,740,877** | **530,098** | **(226,913,916)** | **21,925,296** | **13,379,057** | **35,304,353** |

[1] *Accumulated other comprehensive income (loss)*
[2] *Share-based payments*

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

(Expressed in Canadian Dollars)

| | Year Ended March 31, 2024 ($) | Fifteen Months Ended March 31, 2023 ($) |
|---|---|---|
| **Operating Activities** | | |
| Net loss for the period | (9,312,514) | (9,739,129) |
| Items not involving cash: | | |
| Amortization and accretion | 494,504 | 190,016 |
| Share-based payments | 1,472,006 | 4,075,590 |
| Gain from fair value change in derivative liabilities | (388,589) | (414,909) |
| Gain from fair value change in contingent consideration | - | (852,175) |
| Gain from sale of Titan Project included in other income (note 9) | (430,257) | - |
| Impairment of marketable securities | 199,257 | - |
| Gain from sale of partial land included in other income (note 6) | (119,803) | - |
| Loss from deconsolidation of Flying Nickel Mining Corp. | 1,373,090 | - |
| Loss from equity accounted investment (note 10) | 122,445 | - |
| Impairment of exploration and evaluation asset (note 9) | 1,249,257 | - |
| Change in provision for closure and reclamation | (1,860) | (15,396) |
| Recovery of flow through liability included in other income | - | (132,224) |
| Finance expense | 247,787 | 208,088 |
| Gain on sale of equipment | - | (75,232) |
| Loss on debt settlement | - | 65,452 |
| Unrealized foreign exchange | 40,245 | 262,456 |
| | (5,054,432) | (6,427,463) |
| Changes in non-cash working capital | | |
| Accounts receivable | 331,596 | (359,774) |
| Prepaid expenses | (17,142) | (292,392) |
| Accounts payable and accrued liabilities | (200,643) | 749,072 |
| Other current liabilities | 1,066,523 | - |
| Other non-current liabilities | 2,869,072 | - |
| Due to Flying Nickel Mining Corp. | 744,945 | - |
| Cash used in operating activities | (260,081) | (6,330,557) |
| **Investing Activities** | | |
| Exploration and evaluation assets | (1,826,069) | (6,861,484) |
| Net proceeds from sale of Titan Project (note 9) | 231,000 | - |
| Net proceeds from sale of partial land (note 6) | 507,161 | - |
| Deconsolidation of Flying Nickel Mining Corp. | (776,249) | - |
| Transfer to restricted cash | - | (57,500) |
| Acquisition of land | - | (3,724,577) |
| Acquisition of equipment | - | (625,619) |
| Acquisition of buildings and structures | - | (657,277) |
| Acquisition of livestock | - | (284,168) |
| Sale of livestock | - | 332,497 |
| Cash used in investing activities | (1,864,157) | (11,878,128) |

(Expressed in Canadian Dollars)

**Consolidated Statements of Cash Flows** - *continued*

| | Year Ended March 31, 2024 ($) | Fifteen Months Ended March 31, 2023 ($) |
|---|---|---|
| **Financing Activities** | | |
| Proceeds from share issuances (note 16(b)) | 192,000 | 2,901,041 |
| Proceeds from share issuance of subsidiaries (note 17(a)) | 2,233,036 | 2,361,733 |
| Proceeds from exercise of warrants | - | 504,330 |
| Flying Nickel Mining Corp. subscription receipts (note 17) | 720,707 | - |
| Cash from promissory note (note 12) | - | 3,752,400 |
| Partial repayment of promissory note (note 12) | (508,571) | - |
| Sale of shares of subsidiary | 212,765 | 2,110,476 |
| Lease payments (note 11) | (21,855) | (13,974) |
| Cash from financing activities | 2,828,082 | 11,616,006 |
| Effect of foreign exchange on cash | 286 | 3,548 |
| Increase (decrease) in cash | 704,130 | (6,589,131) |
| Cash, beginning of period | 1,504,969 | 1,378,693 |
| Restricted cash | - | 6,715,407 |
| **Cash, end of period** | **2,209,099** | **1,504,969** |

Supplemental cash flow information (note 22)

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

## 1. Description of Business and Nature of Operations

Silver Elephant Mining Corp. (the "Company" or "Silver Elephant") is incorporated under the laws of the province of British Columbia, Canada. The common shares of the Company are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "ELEF" and on the Frankfurt Stock Exchange under the symbol "1P2" and are quoted on the OTC under the symbol "SILEF". The Company maintains its registered and records office at Suite 1610 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

The Company is a mineral exploration stage company. The Company's projects are the Pulacayo Paca silver-lead-zinc property in Bolivia (the "Pulacayo Paca Project"), and the El Triunfo gold-silver-lead-zinc project in Bolivia (the "Triunfo Project"). In addition, as the Company has de facto control over Nevada Vanadium Mining Corp. ("Nevada Vanadium") (note 2(c)), by extension, the Gibellini vanadium property in Nevada, USA (the "Gibellini Project") is also included in the Company's exploration and evaluation assets. The Company also had de facto control over Flying Nickel Mining Corp. ("Flying Nickel") (note 2(c)), by extension, the Minago nickel property in Canada (the "Minago Project") was also included in the Company's exploration and evaluation assets. The Company ceased to have de facto control over Flying Nickel as at October 1, 2023, therefore Flying Nickel and its Minago Project were deconsolidated from the Company's consolidated financial statements effective October 1, 2023 (note 10). The Company also owns or holds 100% interests in each of the following projects: (a) the Ulaan Ovoo coal project located in Mongolia, and (b) the Chandgana coal project, located in Mongolia; all of which have been fully impaired. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or from proceeds of disposition. The Company's exploration and evaluation activities are not dependent on seasonality and may operate year-round; however, the Company may adjust the level of exploration and evaluation activities to manage its capital structure in light of changes in global economic conditions. To date, the Company has not received any revenue from commercial mining operations and is considered to be in the exploration stage.

These consolidated financial statements have been prepared on a going concern basis which implies that the Company will continue realizing assets and discharging liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required.

At March 31, 2024 (the "Financial Position Date"), the Company had a working capital deficiency of $8,327,177 (March 31, 2023 - $6,356,704) and an accumulated deficit of $226,913,916 (March 31, 2023 - $220,375,871). Accordingly, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to raise additional debt or equity to fund ongoing costs of operations and/or secure new or additional partners in order to advance its projects. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern and such adjustments could be material.

## 2. Basis Of Presentation

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(Expressed in Canadian Dollars except where noted)

**2. Basis Of Presentation** - *continued*

On December 30, 2022, the Company changed its financial year end from December 31 to March 31.

These consolidated financial statements were approved by the Board of Directors and authorized for issue on June 27, 2024.

(b) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Certain amounts in the prior period have been reclassified to conform with the presentation in the current period.

(c) Basis of Consolidation

Subsidiaries are all entities over which the Company has control. The Company controls an entity where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Subsidiaries are deconsolidated from the date that control ceases. All intercompany balances, transactions, income and expenses, and profits or losses are eliminated on consolidation.

These consolidated financial statements include the accounts of the Company and its subsidiaries as follows:

| Entity | Location | Ownership Interest | Project |
|---|---|---|---|
| Apogee Minerals Bolivia SA ("Apogee Bolivia") | Bolivia | 100% | Pulacayo Paca Project |
| ASC Bolivia LDC ("ASC Bolivia") | Cayman | 100% | n/a |
| ASC Bolivia LDC Sucursal | Bolivia | 100% | Pulacayo Paca Project |
| ASC Holdings Limited ("ASC Holdings") | Cayman | 100% | n/a |
| Chandgana Coal LLC | Mongolia | 100% | Chandgana Project |
| Illumina Silver Bolivia S.A. | Bolivia | 100% | n/a |
| Illumina Silver Mining Corp. ("ISMC") | Canada | 100% | Triunfo Project |
| Mega Thermal Coal Corp. (formerly Asia Mining Inc.) | Canada | 100% | n/a |
| Prophecy Power Generation LLC | Mongolia | 100% | n/a |
| Red Hill Mongolia LLC | Mongolia | 100% | Ulaan Ovoo Project |
| Silver Elephant Bolivia S.A. | Bolivia | 100% | n/a |
| UGL Enterprises LLC | Mongolia | 100% | Ulaan Ovoo Project |
| Oracle Commodity Holding Corp. ("Oracle") | Canada | 35.82% | n/a |
| Nevada Vanadium Mining Corp. | Canada | 18.04% | n/a |
| Nevada Vanadium Holding Corp. [1] | Canada | 18.04% | n/a |
| 1104002 B.C. Ltd. [1] | Canada | 18.04% | n/a |
| Nevada Vanadium LLC[1] | USA | 18.04% | Gibellini Project |
| VC Exploration (US) Inc. [1] | USA | 18.04% | n/a |

[1] *These entities are wholly owned subsidiaries of Nevada Vanadium, and the accounts are included in the consolidated financial statements of Nevada Vanadium.*

**2. Basis Of Presentation** – *continued*

De facto control exists in circumstances when an entity owns less than 50% voting rights in another entity but has control for reasons other than voting rights or contractual and other statutory means. These consolidated financial statements include the results of Oracle, Flying Nickel and Nevada Vanadium and its subsidiaries, as applicable, as management has determined that the Company has de facto control over these entities as the Company has the practical ability to direct the relevant activities of these entities and controls the Board of Directors for all periods presented.

As at the date of the Spin-off Arrangement (note 4), Oracle had a 41% ownership interest in Flying Nickel and a 46% ownership interest in Nevada Vanadium. As at the Financial Position Date, these ownership interests decreased to 21% and 38% respectively. Oracle continues to have de facto control over Nevada Vanadium. Specifically, Oracle has 1) power over this investee, 2) exposure or rights to variable returns from its involvement with this investee, and 3) the ability to use its power over this investee to affect the amount of its returns from these investees. As a result, Oracle consolidates the accounts Nevada Vanadium (and its subsidiaries) in its consolidated financial statements. Oracle ceased to have de facto control over Flying Nickel as at October 1, 2023, therefore Flying Nickel and its Minago Project were deconsolidated from the Company's financial statements effective October 1, 2023 (note 10).

Similarly, as at the date of the Spin-off Arrangement, the Company had a 40% ownership interests in Oracle. As at the Financial Position Date, this ownership interest decreased to 36%. The Company has de facto control over Oracle since the Company has: 1) power over Oracle, 2) exposure or rights to variable returns from its involvement with Oracle, and 3) the ability to use its power over Oracle to affect the amount of its returns from Oracle. As a result, the Company consolidates the accounts of Oracle in its consolidated financial statements, which also includes the accounts of Nevada Vanadium (and its subsidiaries), and Flying Nickel as applicable.

(d) Use of Estimates and Judgments

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions used by management where there is risk of material adjustments to assets and liabilities in future accounting periods include the estimated useful lives of depreciated and amortized assets, and exploration and evaluation assets, assumptions used in determination of the fair value of share-based payments, decommissioning, restoration and similar liabilities and contingent liabilities.

The Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining 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 reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

**2. Basis Of Presentation** – *continued*

Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in preparing the Company's financial statements include the assumption that the Company will continue as a going concern and whether the Company has significant influence over other entities, classification of expenditures as exploration and evaluation expenditures or operating expenses, the classification of financial instruments and determining de facto control (note 2(c)).

**3. Material Accounting Policy Information**

(a) Foreign Currency Translation

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment. Management has determined the functional currency of all entities to be the Canadian dollar except as noted below:

| **Entity** | **Location** | **Functional Currency** |
|---|---|---|
| Apogee Minerals Bolivia SA | Bolivia | US Dollar |
| ASC Bolivia LDC Sucursal | Bolivia | US Dollar |
| Illumina Silver Bolivia S.A. | Bolivia | US Dollar |
| Silver Elephant Bolivia S.A. | Bolivia | US Dollar |
| Red Hill Mongolia LLC | Mongolia | Mongolian Tugrik |
| UGL Enterprises LLC | Mongolia | Mongolian Tugrik |
| Chandgana Coal LLC | Mongolia | Mongolian Tugrik |
| Prophecy Power Generation LLC | Mongolia | Mongolian Tugrik |
| Nevada Vanadium LLC | USA | US Dollar |

Transactions in foreign currencies are translated into the functional currency at exchange rates at the date of the transactions. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

At the end of each reporting period, assets and liabilities of the entities whose functional currency is not the Canadian dollar are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in other comprehensive income or loss for the year.

**3. Material Accounting Policy Information** - *continued*

(b) Exploration and Evaluation Assets

Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and evaluation are capitalized by property. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets is written down to its net realizable value.

Administration and overhead costs that are not directly attributable to a specific exploration area are charged to the consolidated statement of income.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. The recoverability of the exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

General exploration costs consist of exploration expenditures incurred in the process of evaluating potential property acquisitions. Such expenditures will continue to be expensed until the property is acquired.

The proceeds from royalties granted and operator fees earned are deducted from the costs of the related property and any excess is recorded as income.

(c) Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Amortization of equipment is recorded as follows:

| | |
|---|---|
| Computer equipment | Declining balance - 45% |
| Buildings and structures | Straight line over 25 years |
| Furniture and equipment | Declining balance - 20% |
| Mining equipment | Declining balance - 20% |
| Vehicles | Declining balance - 30% |
| Right-of-use asset | Straight line over term of lease |

**3. Material Accounting Policy Information** - *continued*

(d) Impairment of Long-Lived Assets

At each reporting date, the Company reviews the carrying amounts of its long-lived assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). This generally results in the Company evaluating its non-financial assets on an exploration asset by exploration asset basis.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense in the statement of comprehensive loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reduced if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

(e) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease or the incremental borrowing rate if the interest rate cannot be readily determined. Subsequently, the lease lability is measured at amortized cost using the effective interest rate method, and accreted accordingly.

(f) Closure and Reclamation Provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year.

**3. Material Accounting Policy Information** - *continued*

(g) Finance Income and Expenses

Finance expense comprises interest expense on borrowings and unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(h) Income Taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income taxes are accounted for using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are recognized for the tax consequences of temporary differences by applying substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

The effect on deferred taxes for a change in tax rates is generally recognized in income in the period that includes the substantive enactment.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Current and deferred taxes relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive loss.

(i) Loss per Share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The calculation of diluted loss per share assumes that outstanding options and warrants are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. The effect is to increase the number of shares used to calculate diluted earnings per share and is only recognized when the effect is dilutive.

**3. Material Accounting Policy Information** - *continued*

(j) Share-Based Payments

The Company grants share-based awards, including options, as an element of compensation to directors, officers, employees and service providers. Details of the Company's share option plan are disclosed in note 16c.

The Company uses the Black-Scholes Option Pricing Model to measure the fair value for all share options granted, modified or settled during the period. Compensation expense is recorded based on the fair value of the award at the grant date, amortized over the vesting period. Each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognised in the statement of comprehensive income or as capitalized mineral resource property cost with a corresponding entry within equity, against share-based payments reserve. No expense is recognised for awards that do not ultimately vest. When options are exercised, the proceeds received, together with any related amount in share-based payments reserve, are credited to share capital.

The proceeds from private placements that include warrants are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

(k) Financial Instruments

The Company's classification of its financial instruments is as follows:

| **Asset or Liability** | **IFRS 9 Classification** |
|---|---|
| Cash | Amortized cost |
| Receivables | Amortized cost |
| Restricted cash equivalents included in other non-current assets | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |
| Due to Flying Nickel Mining Corp. | Amortized cost |
| Promissory note | Amortized cost |
| Derivative liabilities | FVTPL |

[1] *Fair value through profit and loss ("FVTPL")*

Classification

On initial recognition, the Company classifies its financial instruments in the following categories: at ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**3. Material Accounting Policy Information** - *continued*

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVTOCI. This election is made on an investment-by-investment basis.

All financial assets not classified or measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

Measurement

*Financial Assets at FVTOCI*

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

*Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

*Financial Assets and Liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income (loss).

*Impairment of Financial Assets at Amortized Cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

**3. Material Accounting Policy Information** - *continued*

*Derecognition*

Financial Assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial Liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(l) Non-controlling Interest

Non-controlling interest in the Company's less than wholly owned subsidiaries is classified as a separate component of equity. On initial recognition, non-controlling interest is measured at the fair value of the non-controlling entity's contribution into the related subsidiary. Subsequent to the original transaction date, adjustments are made to the carrying amount of non-controlling interest for the non-controlling interest's share of changes to the subsidiary's equity.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interest is adjusted to reflect the change in the non-controlling interest's relative interest in the subsidiary, and the difference between the adjustment to the carrying amount of non-controlling interests and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to owners of the Company.

(m) Investment in Associate

An associate is an entity over which the Company has significant influence, and which is neither a subsidiary nor a joint arrangement. The Company has significant influence over an entity when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control.

During the year ended March 31, 2024, the Company adopted *Exposure Draft ED/2014/4: Measuring Quoted Investments in Subsidiaries, Joint Ventures and Associates at Fair Value: Proposed amendments to IFRS 10, IFRS 12, IAS 27, IAS 28, IAS 36 and Illustrative Examples for IFRS 13, IASB, September 2014 ("ED/2014/4")*

In September 2014, in response to these questions regarding the unit of account for an investment in a listed subsidiary, joint venture or associate, the IASB proposed amendments to clarify that:

- The unit of account for investments in subsidiaries, joint ventures and associates should be the investment as a whole and not the individual financial instruments that constitute the investment.

- For investments that are comprised of financial instruments for which a quoted price in an active market is available, the requirement to use P×Q would take precedence, irrespective of the unit of account. Therefore, for all such investments, the fair value measurement would be the product of P×Q, even when the reporting entity has an interest that gives it control, joint control or significant influence over the investee.

**3. Material Accounting Policy Information** - *continued*

- When testing CGUs for impairment, if those CGUs correspond to an entity whose financial instruments are quoted in an active market, the fair value measurement would be the product of P×Q.

  When testing for impairment in accordance with IAS 36, the recoverable amount of a CGU is the higher of its value in use or fair value less costs of disposal. The fair value component of fair value less costs of disposal is required to be measured in accordance with IFRS 13.

  When a CGU effectively corresponds to a listed entity, the same issue arises regarding whether the requirement to use P×Q, without adjustment, to measure fair value applies.

  Consistent with its proposal in relation to listed investments in subsidiaries, joint ventures and associates, the IASB proposed that, if the CGU corresponds to an entity whose financial instruments are quoted in an active market, the requirement to use P×Q would apply.

The IASB proposed the following transition requirements:

- For quoted investments in subsidiaries, joint ventures and associates, an entity would recognise a cumulative catch–up adjustment to opening retained earnings for the period in which the proposed amendments are first applied. The entity would then recognise the change in measurement of the quoted investments during that period in profit or loss (i.e., retrospective application).

- For impairment testing in accordance with IAS 36, an entity would apply the requirements on a prospective basis. If an entity incurs an impairment loss or reversal during the period of initial application, it would provide quantitative information about the likely effect on the impairment loss, or reversal amount, had the amendments been applied in the immediately preceding period presented.

The exposure draft did not include a proposed effective date. However, permitting early adoption was proposed.

Under the equity method, the Company’s investment in the common shares of the associate is initially recognized based on PxQ and subsequently increased or decreased to recognize the Company’s share of net income and losses of the associate, after any adjustments necessary to give effect to uniform accounting policies, any other movement in the associate’s reserves, and for impairment losses after the initial recognition date. The Company’s share of income and losses of the associate is recognized in profit or loss during the period. Dividends and repayment of capital received from an associate are accounted for as a reduction in the carrying amount of the Company’s investment. At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Objective evidence includes observable data indicating there is a significant or prolonged decline in the fair value of an equity investment below its cost. When there is objective evidence that an investment is impaired, the carrying amount of such investment is compared to its recoverable amount, being the higher of its fair value less costs of disposal and value-in use. If the recoverable amount of an investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss is recognized in the period in which the relevant circumstances are identified. When an impairment loss reverses in a subsequent period, the carrying amount of the investment is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in profit or loss in the period in which the reversal occurs.

**3. Material Accounting Policy Information** – *continued*

(n) Changes in Accounting Policies

*Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments—Disclosure of Accounting Policies*

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023, with earlier application permitted and are applied prospectively. This amendment did not have a material impact on the Company's financial statements.

*Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates*

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The amendments are effective for annual periods beginning on or after January 1, 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted. This amendment did not have a material impact on the Company's financial statements.

(o) Future Changes in Accounting Standards

*Classification of liabilities as current or non-current (amendments to IAS 1)*

The amendments aim to promote consistency in applying the requirements by helping entities determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

The amendments are applied on or after the first annual reporting period beginning on or after January 1, 2024, with early application permitted. This amendment is not expected to have a material impact on the Company's financial statements.

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(p) Comparative figures

Certain comparative period amounts have been reclassified to conform to the presentation for the current year.

(Expressed in Canadian Dollars except where noted)

## 4. Spin-off Arrangement

On January 14, 2022, the Company completed a strategic reorganization of the Company's business through a statutory plan of arrangement (the "Spin-off Arrangement") under the Business Corporations Act (British Columbia), dated November 8, 2021. Pursuant to the Spin-off Arrangement, the common shares of the Company were consolidated on a 10:1 basis and each holder of common shares of the Company received in exchange for every 10 pre-consolidation common shares held: (i) one post-consolidation common share of the Company; (ii) one common share of Flying Nickel; (iii) one common share of Nevada Vanadium; and (iv) two common shares of Oracle (formerly Battery Metals Royalties Corp.).

As a result of the Spin-off Arrangement:

i. certain intercompany royalties held by the Company were transferred to Oracle in exchange for the issuance of 1,785,430 Oracle shares;
ii. the Minago Project was spun out, into Flying Nickel in exchange for the issuance of 50,000,000 Flying Nickel shares, and the assumption of certain liabilities related to the underlying assets;
iii. and the Gibellini Project was spun out, into Nevada Vanadium in exchange for the issuance of 50,000,000 Nevada Vanadium shares, and the assumption of certain liabilities related to the underlying assets; and
iv. Oracle purchased 22,953,991 of the outstanding shares of both Nevada Vanadium and Flying Nickel in exchange for the issuance of 78,214,570 Oracle shares to the Company.

In addition, as a result of the Spin-off Arrangement, each of the Company's option and warrant holders as at January 14, 2022, (a "Holder") is entitled to receive, upon exercise of each such warrant and option at the same original exercise price and in accordance with the terms of such warrant and option, one share of each of Flying Nickel and Nevada Vanadium; two shares of Oracle (collectively, the "Reserved Shares"); and one share of Silver Elephant.

## 5. Receivables

| | March 31, 2024 ($) | March 31, 2023 ($) |
|---|---|---|
| Value added tax receivables | 37,197 | 211,493 |
| Other receivables | 45,419 | 229,489 |
| Total | **82,616** | **440,982** |

(Expressed in Canadian Dollars except where noted)

**6. Fish Creek Ranch**

On April 6, 2022, Nevada Vanadium acquired the Fish Creek Ranch property ("FCR") located in Eureka County, Nevada USA for an aggregate purchase price of $5,291,641 (US$4,245,895). The Fish Creek Ranch is adjacent to the Gibellini Project, contains a part of the irrigation canal, and will provide support to the Gibellini Project in the form of water supply.

Nevada Vanadium obtained independent appraisals on land and buildings where land was valued at $4,237,080 (US$3,400,000) and buildings at $747,720 (US$600,000). An independent appraisal value of the machinery and equipment was estimated at $711,705 (US$571,100). Livestock was sold immediately after the acquisition for $332,497 (US$259,403). As a result, the total fair market value of acquired assets is $6,019,773 (US$4,830,503), which exceeds the total consideration paid of $5,291,641 (US$4,245,895).

The transaction was accounted for based on a "basket" purchase whereas the price is allocated based on relative fair value on individual assets. Using this approach, the assets were recorded as follows:

| | **($)** |
|---|---|
| Buildings and structures (US$527,385) | 657,277 |
| Land (US$2,988,517) | 3,724,577 |
| Machinery and equipment (US$501,983) | 625,619 |
| Livestock held for sale (US$228,010) | 284,168 |
| | **5,291,641** |

On September 21, 2023, Nevada Vanadium sold a parcel of land from the Fish Creek Ranch for gross proceeds of $539,555 (US$400,000), of which $168,594 (US$125,000) was used to partially repay the promissory note (note 12). In addition, the Company recognized a gain of $119,803 (US$89,280) related to this sale and included in other income. Transaction costs totaled $32,394 (US$24,018). The carrying amount of the land before disposal was $419,752 (US$310,720)

During the year ended March 31, 2024, Nevada Vanadium sold hay and other ranch assets from the Fish Creek Ranch for income of $133,237 (fifteen months ended March 31, 2023 - $436,762), which is included in other income.

(Expressed in Canadian Dollars except where noted)

## 7. Equipment

The following table summarizes the Company's equipment information as at the dates presented:

| | Computer Equipment ($) | Furniture and Equipment ($) | Vehicles ($) | Mining Equipment ($) | FCR Equipment ($) | Total ($) |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| Balance, January 1, 2022 | 101,928 | 278,845 | 254,395 | 24,476 | - | 659,644 |
| Additions | - | - | 55,669 | 11,862 | 659,355 | 726,886 |
| Disposals | - | (2,015) | (70,539) | (24,476) | (199,839) | (296,869) |
| Foreign exchange | - | - | 1,683 | 359 | 19,927 | 21,969 |
| **Balance, March 31, 2023** | **101,928** | **276,830** | **241,208** | **12,221** | **479,443** | **1,111,630** |
| Foreign exchange | - | - | (487) | 26 | (21,735) | (22,196) |
| **Balance, March 31, 2024** | **101,928** | **276,830** | **240,721** | **12,247** | **457,708** | **1,089,434** |
| **Accumulated Amortization** | | | | | | |
| Balance, January 1, 2022 | (101,928) | (265,828) | (172,226) | (13,137) | - | (553,119) |
| Amortization | - | (14,337) | (48,535) | (2,715) | (124,910) | (190,497) |
| Disposals | - | 1,081 | 17,322 | 13,137 | 39,311 | 70,851 |
| Foreign exchange | - | 2,254 | (592) | (82) | (3,767) | (2,187) |
| **Balance, March 31, 2023** | **(101,928)** | **(276,830)** | **(204,031)** | **(2,797)** | **(89,366)** | **(674,952)** |
| Amortization | - | - | (17,148) | (2,439) | (362,813) | (382,400) |
| Foreign exchange | - | - | (1,429) | (269) | (1,868) | (3,566) |
| **Balance, March 31, 2024** | **(101,928)** | **(276,830)** | **(222,608)** | **(5,505)** | **(454,047)** | **(1,060,918)** |
| **Net book value, March 31, 2023** | **-** | **-** | **37,177** | **9,424** | **390,077** | **436,678** |
| **Net book value, March 31, 2024** | **-** | **-** | **18,113** | **6,742** | **3,661** | **28,516** |

(Expressed in Canadian Dollars except where noted)

## 8. Buildings and Structures

The continuity of buildings and structures relating to the Fish Creek Ranch are as follows:

| | ($) |
|---|---|
| **Cost** | |
| Balance, January 1, 2022 | - |
| Additions | 692,720 |
| Foreign exchange effect | 20,937 |
| **Balance, March 31, 2023** | **713,657** |
| Foreign exchange effect | 686 |
| **Balance, March 31, 2024** | **714,343** |
| **Accumulated Amortization** | |
| Balance, January 1, 2022 | - |
| Amortization for the period | (27,254) |
| Foreign exchange effect | (823) |
| **Balance, March 31, 2023** | **(28,077)** |
| Amortization for the period | (28,450) |
| Foreign exchange effect | (249) |
| **Balance, March 31, 2024** | **(56,776)** |
| **Net book value, March 31, 2023** | **685,580** |
| **Net book value, March 31, 2024** | **657,567** |

(Expressed in Canadian Dollars except where noted)

**9. Exploration and Evaluation Assets**

| | Bolivia | | Canada | USA | |
|---|---|---|---|---|---|
| | Pulacayo Paca ($) | Triunfo ($) | Minago ($) | Gibellini ($) | Total ($) |
| Balance, January 1, 2022 | 20,461,951 | 672,925 | 16,452,655 | 16,017,568 | 53,605,099 |
| Contingent consideration | - | - | 2,000,000 | 500,000 | 2,500,000 |
| Licenses, tax and permits | - | 69,390 | 373,740 | 462,922 | 906,052 |
| Geological and consulting | 843,490 | 368,948 | - | 760,989 | 1,973,427 |
| Feasibility study | - | - | 1,183,974 | - | 1,183,974 |
| Exploration and drilling | - | - | 1,589,653 | - | 1,589,653 |
| Royalties | - | - | - | 272,941 | 272,941 |
| Personnel, camp and general | 995,951 | 63,907 | 376,296 | 21,840 | 1,457,994 |
| Incremental cost related to Flying Nickel warrants | - | - | 426,468 | - | 426,468 |
| Foreign exchange | 241,585 | 93,368 | - | 657,020 | 991,973 |
| **Balance, March 31, 2023** | **22,542,977** | **1,268,538** | **22,402,786** | **18,693,280** | **64,907,581** |
| Licenses, tax and permits | 14,359 | 3,003 | 132,917 | 37,297 | 187,576 |
| Geological and consulting | 422,516 | 413 | - | 110,653 | 533,582 |
| Feasibility study | - | - | 47,297 | 19,917 | 67,214 |
| Exploration and drilling | - | - | 114,409 | - | 114,409 |
| Royalties | - | - | - | 269,930 | 269,930 |
| Personnel, camp and general | 322,920 | 1,450 | 174,005 | 37,311 | 535,686 |
| Proceeds from MSA (note 14) | (431,158) | - | - | - | (431,158) |
| Impairment | - | (1,235,460) | - | - | (1,235,460) |
| Deconsolidation of Flying Nickel (note 10) | - | - | (22,871,414) | - | (22,871,414) |
| Foreign exchange | 192,586 | (37,943) | - | 20,922 | 175,565 |
| **Balance, March 31, 2024** | **23,064,200** | **1** | **-** | **19,189,310** | **42,253,511** |

Pulacayo Paca Project, Bolivia

The Company holds an interest in the Pulacayo Paca silver-lead-zinc project in Bolivia.

The Pulacayo Paca Project comprises seven mining concessions covering an area of approximately 3,560 hectares of contiguous areas centered on the historical Pulacayo mine and town site. The Pulacayo Paca Project is located 18 kilometers east of the town of Uyuni in the Department of Potosí, in southwestern Bolivia. It is located 460 kilometers south-southeast of the national capital of La Paz and 150 kilometers southwest of the City of Potosí, which is the administrative capital of the department. The Pulacayo Project is fully permitted with secured social licenses for mining.

On September 11, 2023, the Company entered into a sales and purchase agreement (the “SPA”) with Andean Precious Metals Corp. (“APM”) and its subsidiary (together “APM Group”), for the sale of up to 800,000 tonnes (the “SPA Quantity”) of silver-bearing oxide materials from the Company’s Paca property, which, together with the Pulacayo property, comprises the Pulacayo Paca Project. In addition, the Company entered into a master services agreement (the “MSA”) with APM Group to provide expertise in mining operations, community relations, logistics and access to technical and geological information, in exchange for APM Group agreeing to pay the Company an aggregate of $6,772,500 (US$5,000,000) (the MSA Payments”) as follows:

(a) $1,636,632 (US$1,200,000) in cash and non-refundable on signing of the MSA (received);

(b) $2,452,077 (US$1,800,000) in cash and non-refundable by January 31, 2024 (the "Second Payment");

**9. Exploration and Evaluation Assets** - *continued*

(c) $2,031,750 (US$1,500,000) in cash and non-refundable before January 31, 2025; and

(d) $677,250 (US$500,000) in cash and non-refundable by January 31, 2026 (the "Final MSA Payment").

In addition to the cash consideration, if the London Bullion Market Association silver spot price averages over (the "Additional Consideration"):

(a) US$28/oz in any given 260 trading day-interval during the term, then APM Group will pay Silver Elephant a one-time payment of $1,354,500 (US$1,000,000) in cash; and

(b) US$32/oz in any given 150 trading day-interval during the term, then APM Group shall pay Silver Elephant a one-time payment of $1,354,500 (US$1,000,000) in cash;

provided that the Additional Consideration is subject to a $2,709,000 (US$2,000,000) maximum in aggregate, and once any payment described under (a) or (b) above is made, the applicable trading day-interval resets to zero to determine whether Additional Consideration is payable.

The MSA also serves to provide comfort to the APM Group to receive the 800,000 tonnes of silver-bearing oxide materials from the Company.

On January 30, 2024, the parties amended the MSA to: (1) extend the date for completion of certain permitting and other contractual milestones in respect of the Pulacayo Paca Project pursuant to which the APM Group paid a non-refundable extension fee of $201,573 (US$150,000) (the "MSA Extension Fee") to the Company; and, (2) to modify the second payment of $2,452,077 (US$1,800,000) under the MSA to provide for it to be payable in two equal installments, the first of $1,213,497 (US$900,000) received on March 7, 2024 and the second $1,238,580 (US$900,000) received on May 1, 2024, in order for APM Group to proceed with additional purchases of threshold tonnage under the MSA as amended. APM Group has the right to offset the MSA Extension Fee from the Final MSA Payment.

Under the MSA, if the Company fails to comply with certain service commitments and not cured within a certain period, the Company will pay to APM a penalty that is the greater of:

(a) $948,150 (US$700,000) in cash, and subject to the approval and policies of the TSX, shares (or cash at the Company's discretion) of the Company with a value of $677,250 (US$500,000) as determined in accordance with the MSA; or

(b) the positive difference, if any, between 1.2 times the MSA Payments received by the Company and US$12.00 (US$15.00 if the average London Bullion Market Association silver spot price exceeds US$26/oz from the start of the term of the MSA to the conclusion of the MSA) multiplied by the aggregate tonnage of products that have been acquired by APM Group under the SPA.

In connection with the MSA, shares of ISMC, Apogee Bolivia, ASC Bolivia and ASC Holdings are held in escrow. These shares will be released upon the earlier of:

(a) the escrow agent receiving a joint written notice from Silver Elephant and APM; or

(b) the escrow agent receives a written direction or decision of a duly appointed arbitrator or court of competent jurisdiction in each case pursuant to the dispute resolution mechanisms provided for in the MSA directing the escrow agent to release the shares.

**9. Exploration and Evaluation Assets** - *continued*

Triunfo Project, Bolivia

On July 10, 2020, the Company entered into an agreement (the "Triunfo Agreement") with a third party (the "Triunfo Vendor") for the right to conduct mining exploration activities (the "Exploration Right") within the El Triunfo gold-silver-lead-zinc project in La Paz District, Bolivia (the "Triunfo Project") and the right, at the Company's election, to purchase the Triunfo Project for $1,354,500 (US$1,000,000) (the "Purchase Right" and together with the Exploration Right, the "Triunfo Rights"). The Purchase Right can be exercised at any time after the Triunfo Vendor completes the required Bolivian administrative procedures for the Triunfo Project until July 13, 2025 or such further period as the parties may agree. To secure the Triunfo Rights, the Company paid the Triunfo Vendor $135,676 (US$100,000) upon execution of the Triunfo Agreement. Until the Company exercises its Purchase Right, beginning in 2021 the Company must pay the Triunfo Vendor $67,725 (US$50,000) on June 15 of each year to maintain the Triunfo Rights. The Company may elect to terminate the Triunfo Agreement at any time. If the Company exercises the Purchase Right, the Triunfo Vendor will maintain up to a 5% interest of the profits, net of taxes and royalties, derived from the sale of concentrate produced from the Triunfo Project (the "Residual Interest").

If the Company exercises the Purchase Right, the Company may reduce some or all of the Residual Interest at any time by making a lump sum payment to the Triunfo Vendor at any time to reduce some or all of the Residual Interest as follows:

- the Residual Interest may be extinguished for $406,350 (US$300,000);
- the Residual Interest may be reduced by 4% for $338,625 (US$250,000);
- the Residual Interest may be reduced by 3% for $270,900 (US$200,000);
- the Residual Interest may be reduced by 2% for $203,175 (US$150,000); or
- the Residual Interest may be reduced by 1% for $135,450 (US$100,000).

During the year ended March 31, 2024, the Company recorded an impairment charge of $1,235,460 related to the Triunfo Project. As at the Financial Position Date, the Triunfo Project was impaired to $1.

Minago Project, Manitoba Canada

The Minago property is located in northern Manitoba, Canada within the southern part of the Thompson Nickel Belt, approximately 107 kilometers north of the Town of Grand Rapids, Manitoba and 225 kilometres south of the City of Thompson, Manitoba. Provincial Highway 6 transects the eastern portion of the Minago property. The Minago Project is comprised of 94 mining claims and two mining leases.

On February 10, 2021, the Company acquired the Minago Project from Victory Nickel Inc. ("Victory Nickel") by way of an Asset Purchase Agreement (the "VN APA"). Additionally, the Company agreed to issue to Victory Nickel $2,000,000 (the "VN Contingent Consideration") in Common Shares, upon the price of nickel exceeding US$10 per pound for 30 consecutive business days, at any time before December 31, 2023 (the "VN Condition").

On January 14, 2022, pursuant to the Spin-off Arrangement, Flying Nickel issued 50,000,000 common shares to the Company in consideration for the Minago Project and the assumption of certain liabilities related to the underlying assets.

The VN condition was met on February 23, 2022, and as a result, Victory Nickel and the Company mutually agreed that the Company should issue 1,267,145 shares with the fair value of $2,000,000 on February 23, 2022, the date the VN condition was met. Therefore, a derivative liability of $2,000,000 was recognized, with a corresponding increase to exploration and evaluation assets on February 23, 2022. Subsequently on April 8, 2022, the Company issued the 1,267,145 shares with the fair value of $1,431,874 as of April 8, 2022 and transferred 45,392 shares of Flying Nickel with the fair value of $9,759 as of April 8, 2022, to Victory Nickel, the aggregate of which settles the VN Contingent Consideration. Accordingly, the Company recognized a fair value gain of $558,367 relating to the VN Contingent Consideration.

**9. Exploration and Evaluation Assets** - *continued*

On October 1, 2023, the Minago Project was deconsolidated from the Company's consolidated financial statements (note 10).

Gibellini Project, USA

The Gibellini vanadium project (the "Gibellini Project") is comprised of the Gibellini, Bisoni and Louie Hill vanadium deposits and associated claims located in the State of Nevada, USA.

On September 18, 2020, the company completed the acquisition of the Bisoni vanadium property situated immediately southwest of the Gibellini Project pursuant to an asset purchase agreement (the "Bisoni APA") dated August 18, 2020, with Cellcube Energy Storage Systems Inc. ("Cellcube"). The Bisoni property comprised of 201 lode mining claims. As consideration for the acquisition of the Bisoni property under the Bisoni APA, the Company issued 4 million Common Shares (the "Bisoni APA Shares") and paid $200,000 cash to Cellcube. Additionally, subject to TSX approval, if, on or before December 31, 2023, the price of European vanadium pentoxide on the Metal Bulletin (or an equivalent publication) exceeds US$12.00 a pound for 30 consecutive days, the Company will issue to Cellcube additional Common Shares with a value of $500,000 calculated based upon the 5-day volume weighted average price of the Common Shares immediately following the satisfaction of the vanadium pentoxide pricing condition. This condition was potentially met on April 5, 2022, and derivative liabilities of $500,000 was recognized, with a corresponding increase to exploration and evaluation assets. As at the Financial Position Date, these derivative liabilities were remeasured with a fair value of $157,463 (note 13).

Titan Project, Canada

The Company had a 100% interest in the Titan property (the "Titan Project"), a vanadium-titanium-iron project located in Ontario, Canada, which has been fully impaired since 2014.

On August 4, 2023, the Company divested its Titan Project in exchange for cash totaling $231,000, and 13,283,801 common shares (the "Cachee Shares") of Cachee Gold Mines Corp. ("Cachee"), representing a 19.99% interest in Cachee. The Company attributed a value of $199,257 for the Cachee Shares based on Cachee's net assets. During the year ended March 31, 2024, the Company recorded an impairment charge of $199,257 related to the Cachee Shares. As at March 31, 2024, the Cachee Shares were fully impaired. In addition, the Company retains a net smelter royalty ("SE Titan NSR") on the Titan Project equal to 0.5% applicable after the commencement of commercial production if the V205 Vanadium Pentoxide Flake 98% price per pound exceeds US$12 per pound. The SE Titan NSR may be purchased by the acquirer, Osprey Advanced Materials Corp. ("Osprey"), a subsidiary of Cachee, at any time for cash of $500,000.

In addition, Oracle holds a 2% net smelter royalty (the "Oracle Titan NSR") on all mineral products produced from certain mineral claims and leases on the Titan Project after the commencement of commercial production if the V205 Vanadium Pentoxide Flake 98% price per pound exceeds US$12. On August 4, 2023, Oracle granted Osprey, the right to acquire the Oracle Titan NSR at any time, for $1,000,000 in cash. Osprey paid the Company $5,000 as consideration for this right.

Under certain conditions, each of the SE Titan NSR and Oracle Titan NSR (together, the Titan NSRs) may be increased by 0.25% or a portion of each of the Titan NSRs reduced by up to $500,000.

(Expressed in Canadian Dollars except where noted)

## 10. Investment in Flying Nickel Mining Corp.

As a result of the Spin-off Arrangement (note 4), the Company consolidated Flying Nickel from January 14, 2022 to September 30, 2023, the period for which the Company had de facto control over Flying Nickel. Effective October 1, 2023, the Company deconsolidated Flying Nickel as de facto control was lost due to dilution. However, as the Company still maintains significant influence over Flying Nickel, it has applied the equity method of accounting for Flying Nickel. The Company has significant influence over Flying Nickel as a result of having the power to participate in the financial and operating policy decisions of Flying Nickel but does not have control or joint control.

The Company recorded the carrying value of its investment in Flying Nickel at its fair value of $1,657,229, resulting in a loss from deconsolidation of $1,373,090. The fair value of the Company's investment in Flying Nickel is determined based on share price of Flying Nickel on October 12, 2023.

| | $ |
|---|---|
| Balance, January 1, 2022 and March 31, 2023 | - |
| Derecognition of net assets of Flying Nickel | 24,946,212 |
| Derecognition of non-controlling interest of Flying Nickel | (21,915,893) |
| Fair value loss from deconsolidation of Flying Nickel | (1,373,090) |
| | **1,657,229** |
| Proportionate share of losses | (122,445) |
| **Balance, March 31, 2024** | **1,534,784** |

As at March 31, 2024, the Company owned approximately 20.91% (March 31, 2023 - 29.18%) of the common shares of Flying Nickel.

The following tables illustrates the summarized financial information of Flying Nickel:

| | **March 31, 2024 ($)** | **March 31, 2023 ($)** |
|---|---|---|
| Current assets | 2,225,116 | 2,096,211 |
| Non-current assets | 20,972,961 | 20,126,319 |
| Current liabilities | 481,448 | 294,437 |
| **Equity** | **22,716,629** | **21,928,093** |

| | **Year Ended March 31, 2024 ($)** | **Fifteen Months Ended March 31, 2023 ($)** |
|---|---|---|
| General and administrative expenses | (1,565,943) | (3,939,744) |
| Other items | (3,797) | (152,972) |
| **Net loss for the year** | **(1,569,740)** | **(4,092,716)** |

Flying Nickel had no contingent liabilities or capital commitments as at March 31, 2024 and 2023.

(Expressed in Canadian Dollars except where noted)

## 11. Right of Use Assets and Lease Liabilities

The company leases its office in Vancouver, Canada and has recognized a right of use asset and lease liability accordingly. The incremental borrowing rate for lease liability initially recognized as at August 1, 2022 was 5.6%. Right of Use Assets is included in Other non-current assets and Lease liabilities is included other current liabilities and non-current lease liability.

| | Right of Use Assets ($) | Lease Liabilities ($) |
|---|---|---|
| **Balance, January 1, 2022** | **-** | **-** |
| Additions | 61,700 | (61,700) |
| Amortization | (13,711) | - |
| Lease payments | - | 13,974 |
| Accretion | - | (2,111) |
| **Balance, March 31, 2023** | **47,989** | **(49,837)** |
| Amortization | (20,567) | |
| Lease payments | - | 21,855 |
| Accretion | - | (2,304) |
| **Balance, March 31, 2024** | **27,422** | **(30,286)** |
| Current portion | | (22,350) |
| Non-current portion | | (7,936) |

## 12. Promissory Note

In conjunction with the acquisition of Fish Creek Ranch on April 6, 2022 (note 6), Nevada Vanadium borrowed US$3,000,000 (approximately $3,752,400) in the form of a promissory note (the "CVB Loan") from Cache Valley Bank ("CVB"). The CVB Loan is secured by the equipment, buildings and structures, and land and water rights of Fish Creek Ranch. The CVB Loan bears a simple interest of 5.5% per annum and is repayable in full upon CVB's demand. If no demand is made by CVB, the CVB loan is repayable in installments as follows:

| | ($) |
|---|---|
| April 6, 2023 (US$251,045) (paid) | 339,977 |
| September 22, 2023 (US$125,000) (paid) | 168,594 |
| April 6, 2024 (US$251,045) (paid)[1] | 340,040 |
| April 6, 2025 (US$251,045) | 340,040 |
| April 6, 2026 (US$251,045) | 340,040 |
| April 6, 2027 (US$2,539,784) | 3,440,137 |
| | **4,968,828** |

[1] *Paid in full on June 14, 2024*

(Expressed in Canadian Dollars except where noted)

**12. Promissory Note** - *continued*

The CVB Loan is accounted for using the effective interest rate method, utilizing an implied interest rate of 5.27%. The continuity of the CVB Loan is as follows:

| | ($) |
|---|---|
| Balance, January 1, 2022 | - |
| Initial recognition of CVB Loan | 3,752,400 |
| Finance expense | 206,030 |
| Foreign exchange | 313,427 |
| **Balance, March 31, 2023** | **4,271,857** |
| Payments | (508,571) |
| Finance expense | 218,131 |
| Foreign exchange | 4,264 |
| **Balance, March 31, 2024** | **3,985,681** |

During the year ended March 31, 2024 the Company accrued finance expense of $218,131 (fifteen months ended March 31, 2023 - $206,030) related to the CVB Loan.

**13. Other Current Liabilities**

| | March 31, 2024 ($) | March 31, 2023 ($) |
|---|---|---|
| Derivative liabilities – options (note 16(c)) | - | 218,642 |
| Derivative liabilities – warrants (note 16(d)) | 72,000 | 182,400 |
| | 72,000 | 401,042 |
| Derivative liabilities – contingent liability (note 9) | 157,463 | 215,951 |
| Advances from APM Group | 1,066,523 | - |
| Lease liability | 22,350 | 19,552 |
| **Total other current liabilities** | **1,318,336** | **636,545** |

As the Company did not have sufficient shares of Flying Nickel to fulfill the potential obligations of the January 14, 2022 Options and January 14, 2022 Warrants and as described in note 16(c) and 16(d), the Company recognized derivative liabilities relating to the Flying Nickel shares that may potentially need to be transferred relating to the January 14, 2022 Options and January 14, 2022 Warrants as follows:

| | $ |
|---|---|
| Balance, January 1, 2022 | - |
| Recognition | 815,951 |
| Gain on change in fair value | (414,909) |
| **Balance, March 31, 2023** | **401,042** |
| Gain on change in fair value | (329,042) |
| **Balance, March 31, 2024** | **72,000** |

(Expressed in Canadian Dollars except where noted)

## 14. Other Non-current Liabilities

As at the Financial Position Date, the Company has received a total of $2,869,072 (US$2,256,000) of the $6,772,500 (US$5,000,000) from APM (note 9) related to the MSA Payments. Under the SPA, which is part and parcel with the MSA, the Company has delivered a total of 50,930 tonnes since inception to March 31, 2024. This represented 6.37% of the SPA Quantity that the Company has fulfilled. Amounts included in Other Non-Current Liabilities represent funds received in excess of the pro-rata portion of the SPA Quantity that the Company has fulfilled, and will be reclassified to Exploration and Evaluation as the SPA Quantity is fulfilled.

| | **($)** |
|---|---|
| Balance, January 1, 2022 and March 31, 2023 | - |
| MSA Proceeds | 2,869,072 |
| Reclassified to Exploration and Evaluation Assets (note 9) | (431,158) |
| **Balance, March 31, 2024** | **2,437,914** |

## 15. Provision for Closure and Reclamation

The Company's closure and reclamation costs consists of costs accrued based on the current best estimate of mine closure and reclamation activities that will be required at the Ulaan Ovoo site upon completion of mining activity. These activities include costs for earthworks, including land re-contouring and re-vegetation, water treatment and demolition. The Company's provision for future site closure and reclamation costs is based on the level of known disturbance at the reporting date, known legal requirements and estimates prepared by a third-party specialist.

Management used a risk-free interest rate of 3.34% at the Financial Position Date (March 31, 2023 – 3.15%) in preparing the Company's provision for closure and reclamation. Although the ultimate amount of reclamation costs to be incurred cannot be predicted with certainty, the total undiscounted amount of estimated cash flows required to settle the Company's estimated obligations is $3,438,665 (March 31, 2023 - $8,600,000) over the next 25 years from the Financial Position Date. The cash expenditures are expected to occur over a period of time extending several years after the projected mine closure of the mineral properties.

| | **($)** |
|---|---|
| Balance, January 1, 2022 | 2,037,731 |
| Change in estimate | (370,977) |
| Accretion | 215,117 |
| Foreign currency translation | 140,464 |
| **Balance, March 31, 2023** | **2,022,335** |
| | |
| Change in estimate | (1,860) |
| Accretion | 63,087 |
| Foreign currency translation | 2,434 |
| **Balance, March 31, 2024** | **2,085,996** |

## 16. Share Capital

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares. At the Financial Position Date, the Company had 32,841,918 (March 31, 2023 – 32,084,966) common shares issued and outstanding.

On January 14, 2022, the Company's share capital was consolidated on the basis of one (1) new share for each ten (10) old shares. All common share, warrant, option and per share amounts have been retroactively adjusted.

(b) Equity Issuances

<u>During the Year Ended March 31, 2024</u>

On April 24, 2023, the Company issued 116,953 shares with a fair value of $54,968 to settle $54,967 in directors' fees owing to certain directors.

On August 17, 2023, the Company closed a non-brokered private placement through the issuance of 639,999 units at a price of $0.30 for gross proceeds of $192,000. Each unit consists of one common share of the Company and one-half share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of $0.45 per share for 24 months. In connection with the closing, finder's fees of $210 were paid. The proceeds from private placements that include warrants are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants (the "Residual Method"). Based on the Residual Method, the fair value of the warrants is $nil.

<u>During the Fifteen Months Ended March 31, 2023</u>

On March 16, 2022, the Company issued 187,049 bonus shares with a fair value of $1.26 per common share to the company's directors, officers, employees, and consultants valued at $235,682.

On April 8, 2022, the Company issued 1,267,145 shares to settle liability related to the Minago Project (note 9). The fair value of the shares issued was $1,431,874.

On August 24, 2022, the Company closed a non-brokered private placement through the issuance of 640,000 units at a price of $0.50 for gross proceeds of $320,000. Each unit consists of one common share of the Company and one-half share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of $0.65 per share for 36 months. In connection with the closing, the Company issued 10,800 Units as finder's fees. Based on the Residual Method, the fair value of the warrants is $nil.

On December 5, 2022, the Company closed a private placement for gross proceeds of $1,384,500. Pursuant to the closing, the Company issued an aggregate of 3,076,666 Units. Each Unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.55 per share for 36 months from Closing. In connection with the Closing, the Company issued 75,600 Units and paid $4,620 in cash as finders' fees. The proceeds will be used for the Company's mineral project development and for general working capital purposes. Based on the Residual Method, the fair value of the warrants is $nil.

On December 9, 2022, the Company closed the final tranche of its December 2022 private placement for gross proceeds of $13,500. An aggregate of 30,000 units were issued. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.55 per share for 36 months from the closing date. In connection with the final tranche of the December 2022 private placement, the Company paid $945 in cash as finders' fees. Based on the Residual Method, the fair value of the warrants is $1,050.

(Expressed in Canadian Dollars except where noted)

**16. Share Capital** - *continued*

On March 22, 2023, the Company closed the first tranche of its March 13, 2023, private placement for gross proceeds of $675,000. An aggregate of 1,500,000 units were issued. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.55 per share for three years from the closing date. No finders' fees were paid in connection with the first tranche closing. Based on the Residual Method, the fair value of the warrants is $nil.

On March 31, 2023, the Company closed the second and final tranche of its March 13, 2023 private placement. The Company issued 1,128,111 units for aggregate gross proceeds of $507,650. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.55 per share for 3 years. In connection with the closing, an aggregate of 34,650 units were issued by the Company to eligible finders as finders' fees. Each finder's unit consists of one common share of the Company and one non-transferable share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.55 per share for 3 years. Based on the Residual Method, the fair value of the detached warrants is $nil.

A total of 10,000 share purchase warrants with an exercise price of $2.60 were exercised for total proceeds of $26,000.

(c) Share-based compensation plan

The Company has a 10% rolling equity-based compensation plan in place, as approved by the Company's shareholders on September 10, 2021 (the "2021 Plan"). Under the 2021 Plan the Company may grant stock options, bonus shares or stock appreciation rights. All stock options and other share-based awards granted by the Company, or to be granted by the Company, since the implementation of the 2021 Plan will be issued under, and governed by, the terms and conditions of the 2021 Plan. The stock option vesting terms are determined by the Board of Directors on the date of the grant with a maximum term of 10 years.

The continuity of the Company's share options is as follows:

| | Number of Options | Weighted Average Exercise Price ($) |
|---|---|---|
| Balance, January 1, 2022 | 1,577,750 | 3.00 |
| Granted | 1,805,000 | 0.55 |
| Expired | (227,000) | 3.81 |
| Cancelled | (724,500) | 1.48 |
| **Balance, March 31, 2023** | **2,431,250** | **1.54** |
| Granted | 1,304,500 | 0.32 |
| Expired | (98,750) | 3.01 |
| Cancelled | (1,142,500) | 2.45 |
| **Balance, March 31, 2024** | **2,494,500** | **0.43** |

(Expressed in Canadian Dollars except where noted)

**16. Share Capital** - *continued*

The following table summarizes the stock options outstanding as at the Financial Position Date.

| | Options Outstanding | | Options Exercisable | |
|---|---|---|---|---|
| **Exercise Price ($)** | **Number of Options Outstanding** | **Weighted Average Remaining Contractual Life (Years)** | **Number of Options Exercisable** | **Weighted Average Remaining Contractual Life (Years)** |
| 0.27 | 1,019,500 | 4.47 | 254,875 | 4.47 |
| 0.43 | 280,000 | 3.75 | 167,500 | 3.75 |
| 0.51 | 180,000 | 4.07 | 15,000 | 4.07 |
| 0.57 | 1,015,000 | 3.40 | 730,625 | 3.40 |
| | **2,494,500** | **3.92** | **1,168,000** | **3.69** |

The fair value of each share option is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on the historical volatility of the Company's shares, and other factors. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the share option is based on the Canadian government bond rate. Assumptions used for share options granted for the periods presented are as follows:

For the Year Ended March 31, 2024

| Grant Date | Number of Share Options | Share Price ($) | Exercise Price ($) | Expected Price Volatility | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Fair Value Per Option ($) | Total Fair Value ($) |
|---|---|---|---|---|---|---|---|---|---|
| September 18, 2023 | 1,019,500 | 0.31 | 0.27 | 105% | 3.92% | 5.0 | - | 0.25 | 254,875 |
| April 24, 2023 | 285,000 | 0.54 | 0.51 | 107% | 2.97% | 5.0 | - | 0.43 | 122,550 |

For the fifteen months ended, March 31, 2023

| Grant Date | Number of Share Options | Share Price ($) | Exercise Price ($) | Expected Price Volatility | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Fair Value Per Option ($) | Total Fair Value ($) |
|---|---|---|---|---|---|---|---|---|---|
| December 28, 2022 | 310,000 | 0.41 | 0.43 | 108% | 3.27% | 5.0 | - | 0.32 | 99,200 |
| August 25,2022 | 1,260,000 | 0.63 | 0.57 | 107% | 3.11% | 5.0 | - | 0.50 | 630,000 |
| June 1, 2022 | 235,000 | 0.59 | 0.61 | 105% | 2.86% | 5.0 | - | 0.46 | 108,100 |

As a result of the Spin-off Arrangement, each holder of the Company's stock options (the "January 14, 2022 Options") as at January 14, 2022, is entitled to receive, upon exercise of each such option at the same original exercise price and in accordance with the terms of such option, one share of each of Flying Nickel and Nevada Vanadium; two shares of the Oracle and one share of Silver Elephant. This is deemed a modification to the original stock options. As at January 14, 2022, there were 1,463,250 January 14, 2022 Options outstanding.

As a result of this modification and in accordance with *IFRS 2 Share-based Payment*, the incremental fair value of the January 14, 2022 Options totaled $2,556,442 of which $1,368,938 was recognized in the statement of loss during the fifteen months ended March 31, 2023. The weighted average fair value of these January 14, 2022 Options is $3.65

(Expressed in Canadian Dollars except where noted)

**16. Share Capital** - *continued*

The fair values of the January 14, 2022 Options immediately before and after the modification is determined based on the key assumptions as follows:

**Before modification**

| Entity | Number of Share Options | Share Price ($) | Exercise Price ($) | Expected Price Volatility | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Weighted Average Fair Value Per Option ($) | Total Fair Value ($) |
|---|---|---|---|---|---|---|---|---|---|
| Silver Elephant | 1,463,250 | 2.80 | 2.00-5.00 | 77%-155% | 0.55%-1.49% | 0.41-4.70 | - | 1.90 | 2,783,123 |

**After modification**

| Entity | Number of Share Options | Share Price ($) | Exercise Price ($) | Expected Price Volatility | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Weighted Average Fair Value Per Option ($) | Total Fair Value ($) |
|---|---|---|---|---|---|---|---|---|---|
| Silver Elephant | 1,463,250 | 2.80 | 2.00-5.00 | 77%-155% | 0.56%-1.54% | 0.41-4.69 | - | 1.90 | 2,781,806 |
| Flying Nickel | 1,463,250 | 0.70 | - | 96%-136% | 0.56%-1.54% | 0.41-4.69 | - | 0.70 | 1,024,275 |
| Nevada Vanadium | 1,463,250 | 0.40 | - | 99%-116% | 0.56%-1.54% | 0.41-4.69 | - | 0.40 | 585,300 |
| Oracle | 2,926,500 | 0.32 | - | 101%-123% | 0.56%-1.54% | 0.41-4.69 | - | 0.32 | 936,480 |

As the Company did not have sufficient shares of Flying Nickel to fulfill the potential obligations of the January 14, 2022 Options, the Company recognized derivative liabilities relating to the Flying Nickel shares that may potentially need to be transferred relating to January 14, 2022 Options (note 13). As at the Financial Position Date all January 14, 2022 options have either expired or been forfeited, there are $nil is included in derivative liabilities (March 31, 2023 - $218,642 related to 1,150,747 options). Derivative liabilities at March 31, 2023 were measured based on the following assumptions: 1,150,747 options), share price of $0.19 and exercise price of $nil. The other assumptions of expected price volatility, risk free interest rate, expected life and expected dividend yield typically included in the Black-Scholes Option Pricing Model have no impact to the fair value calculation of the derivative liability due to the exercise price being $nil.

(Expressed in Canadian Dollars except where noted)

## 16. Share Capital - *continued*

(d) Warrants

The continuity of the Company's warrants is as follows:

| | Number of warrants | Weighted average exercise price ($) |
|---|---|---|
| Balance, January 1, 2022 | 1,469,480 | 2.50 |
| Issued | 6,170,427 | 0.56 |
| Expired | (499,480) | 3.83 |
| Exercised | (10,000) | 2.60 |
| **Balance, March 31, 2023** | **7,130,427** | **0.70** |
| Issued | 319,999 | 0.45 |
| **Balance, March 31, 2024** | **7,450,426** | **0.69** |

As of the Financial Position Date, the following warrants were outstanding:

| Expiry Date | Remaining Life (Years) | Number of Warrants | Exercise Price ($) |
|---|---|---|---|
| May 1, 2025[1] | 1.08 | 463,800 | 1.60 |
| May 20, 2025[1] | 1.14 | 496,200 | 1.60 |
| August 25, 2025 | 1.40 | 325,400 | 0.65 |
| December 5, 2025 | 1.68 | 3,152,266 | 0.55 |
| December 9, 2025 | 1.69 | 30,000 | 0.55 |
| March 22, 2026 | 1.98 | 1,500,000 | 0.55 |
| March 31, 2026 | 2.00 | 1,162,761 | 0.55 |
| August 17, 2026 | 2.38 | 319,999 | 0.45 |
| | **1.74** | **7,450,426** | **0.69** |

[1] *On May 15, 2023, these warrants were extended by 2 years; the date presented is post-extension.*

As a result of the Spin-off Arrangement, each holder of the Company's warrants (the "January 14, 2022 Warrants") as at closing on January 14, 2022, is entitled to receive, upon exercise of each such warrant at the same original exercise price and in accordance with the terms of such warrant, one share of each of Flying Nickel and Nevada Vanadium; two shares of Oracle and one share of Silver Elephant. As at January 14, 2022, there were 1,447,814 January 14, 2022 Warrants outstanding.

As a result of this modification and in accordance with *IFRS 2 Share-based Payment*, the incremental fair value relating to the January 14, 2022 Warrants totaled $476,470, of which $426,468 was allocated to Exploration and Evaluation Assets (Minago Project) and $50,002 to share capital. The weighted average fair value of these January 14, 2022 Warrants is $2.23. As at January 14, 2022, 335,406 warrants that were subject to IFRS 2.

(Expressed in Canadian Dollars except where noted)

**16. Share Capital** - *continued*

The fair values of the January 14, 2022 Warrants immediately before and after the modification is determined based on the key assumptions as follows:

Before modification

| Entity | Number of Share Warrants | Share Price ($) | Exercise Price ($) | Expected Price Volatility | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Weighted Average Fair Value Per Warrant ($) | Total Fair Value ($) |
|---|---|---|---|---|---|---|---|---|---|
| Silver Elephant | 335,406 | 2.80 | 2.60-4.76 | 78%-82% | 0.56%-1.10% | 0.69-1.07 | - | 0.48 | 161,488 |

After modification

| Entity | Number of Share Warrants | Share Price ($) | Exercise Price ($) | Expected Price Volatility | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Weighted Average Fair Value Per Warrant ($) | Total Fair Value ($) |
|---|---|---|---|---|---|---|---|---|---|
| Silver Elephant | 335,406 | 2.80 | 2.60-4.76 | 78%-82% | 0.56%-1.15% | 0.68-1.07 | - | 0.48 | 160,341 |
| Flying Nickel | 335,406 | 0.70 | - | 99%-104% | 0.56%-1.15% | 0.68-1.07 | - | 0.70 | 234,784 |
| Nevada Vanadium | 335,406 | 0.40 | - | 100%-104% | 0.56%-1.15% | 0.68-1.07 | - | 0.40 | 134,162 |
| Oracle | 670,812 | 0.32 | - | 84%-105% | 0.56%-1.15% | 0.68-1.07 | - | 0.32 | 214,660 |

The Company's accounting policy for proceeds from private placements that include warrants are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants. The remaining 1,112,408 January 14, 2022 Warrants were from unit private placements which were each comprised of a share and warrant component, with no remaining value attributed to the warrant component.

As the Company did not have sufficient shares of Flying Nickel to fulfill the potential obligations of the January 14, 2022 Warrants, the Company recognized derivative liabilities relating to the Flying Nickel shares that may potentially need to be transferred relating to January 14, 2022 Warrants (note 13). As at the Financial Position Date, $72,000 (March 31, 2023 - $182,400) relating to 960,000 (March 31, 2023 – 960,000) Flying Nickel shares from the January 14, 2022 Warrants has been included in derivative liabilities. At the Financial Position Date, these derivative liabilities were measured based on the following assumptions: 960,000 warrants (March 31, 2023 – 960,000), $0.075 price per share (March 31, 2023 - $0.19), and $nil (March 31, 2023 - $nil) exercise price. The other assumptions of expected price volatility, risk free interest rate, expected life and expected dividend yield typically included in the Black-Scholes Option Pricing Model have no impact to the fair value calculation of the derivative liability due to the exercise price being $nil. The fair value of the derivative liability is $72,000 as of the Financial Position Date (March 31, 2023 - $182,400).

(Expressed in Canadian Dollars except where noted)

**16. Share Capital** - *continued*

(e) Loss per Share

| | Year Ended March 31, 2024 ($) | Fifteen Months Ended March 31, 2023 ($) |
|---|---|---|
| Basic loss per share attributable to equity holders of parent | (0.20) | (0.17) |
| Diluted loss per share attributable to equity holders of parent | (0.20) | (0.17) |
| **Loss for the period attributable to equity holders of parent** | **(6,538,045)** | **(4,562,213)** |

| | Year Ended March 31, 2024 ($) | Fifteen Months Ended March 31, 2023 ($) |
|---|---|---|
| Shares outstanding, beginning of the period | 32,084,966 | 24,124,945 |
| Effect of shares issued for share offerings | 398,688 | 1,166,578 |
| Effect of shares issued to settle liability | 109,603 | 997,007 |
| Effect of Bonus shares | - | 156,628 |
| Effect of Warrant exercises | - | 9,780 |
| **Basic weighted average number of shares outstanding** | **32,593,257** | **26,454,938** |
| Effect of dilutive share options | - | - |
| Effect of dilutive warrants | - | - |
| **Diluted weighted average number of shares outstanding** | **32,593,257** | **26,454,938** |

As at the Financial Position Date, there were 2,494,500 (March 31, 2023 – 2,431,250) share options and 7,450,426 (March 31, 2023 – 7,130,427) warrants that were potentially dilutive but not included in the diluted loss per share calculation as the effect would be anti-dilutive.

(Expressed in Canadian Dollars except where noted)

## 17. Non-Controlling Interest

The following table presents the movements of non-controlling interests:

| | Flying Nickel ($) | Nevada Vanadium ($) | Oracle ($) | Total ($) |
|---|---|---|---|---|
| Non-controlling interest, January 1, 2022 | 1,499,851 | - | - | 1,499,851 |
| Spin-off arrangement (note 4) | 11,754,947 | 12,122,850 | - | 23,877,797 |
| Change in ownership (a) | 8,866,713 | 1,571,688 | - | 10,438,401 |
| Net loss | (3,414,388) | (1,408,875) | (353,653) | (5,176,916) |
| Share-based payments (c and d) | 1,412,565 | 228,514 | - | 1,641,079 |
| Warrants (e) | 478,330 | - | - | 478,330 |
| Other comprehensive loss | - | 682,478 | - | 682,478 |
| **Non-controlling interest, March 31, 2023** | **20,598,018** | **13,196,655** | **(353,653)** | **33,441,020** |
| Change in ownership (a) | 1,807,315 | 1,356,271 | 538,844 | 3,702,430 |
| Net loss | (883,005) | (1,467,890) | (423,574) | (2,774,469) |
| Share-based payments (b, c and d) | 393,565 | 383,036 | 128,019 | 904,620 |
| Other comprehensive loss | - | 21,349 | - | 21,349 |
| Deconsolidation of Flying Nickel (note 10) | (21,915,893) | - | - | (21,915,893) |
| **Non-controlling interest, March 31, 2024** | **-** | **13,489,421** | **(110,364)** | **13,379,057** |

As Flying Nickel was deconsolidated from the Company's financial statements (note 10) on October 1, 2023, non-controlling interest disclosure relating to Flyng Nickel is provided up until this date of deconsolidation.

a) Change in ownership of subsidiaries:

<u>Oracle</u>

On March 28, 2024, Oracle closed a non-brokered private placement raising gross proceeds of $800,000 through the issuance of 16,000,000 units at a price of $0.05 per unit. Each unit consists of one common share of Oracle and one share purchase warrant with each warrant entitling the holder to purchase one additional common share of Oracle at a price of $0.06 per share until March 28, 2027. Oracle has issued an aggregate of 40,600 finders' units, each consisting of one common share of Oracle and one share purchase warrant entitling the holder to purchase one additional common share of Oracle at a price of $0.06 per share until March 28, 2027. Silver Elephant subscribed for 3,500,000 units totalling $175,000.

<u>Flying Nickel</u>

On January 14, 2022 and February 28, 2022, Flying Nickel converted a total of 5,844,033 and 4,250,000 non-flow through subscription receipts into 5,844,033 and 4,250,000 units, for a total of 10,094,033 units (the "NFT Units"). Each Unit consists of one common share and one-half of one common share purchase warrant, each whole warrants entitles its holder to acquire one common share of the Flying Nickel at an exercise price of $1.00 per share until November 29, 2023.

**17. Non-Controlling Interest** - *continued*

On February 15, 2023, Flying Nickel closed a non-brokered private placement and issued an aggregate of 5,370,000 units for aggregate gross proceeds of $859,200. Each unit consists of one common share of Flying Nickel and one share purchase warrant with each warrant entitling the holder to purchase one additional share of Flying Nickel at a price of $0.20 per share for 36 months from closing.

On April 17, 2023, Flying Nickel closed a non-brokered private placement and issued 1,250,000 units for gross proceeds of $200,000. Each unit consists of one common share of Flying Nickel and one share purchase warrant with each warrant entitling the holder to purchase one additional share of Flying Nickel at a price of $0.20 per share for 36 months from closing.

On May 12, 2023, Flying Nickel closed a non-brokered private placement and issued 200,000 units for gross proceeds of $32,000. Each unit consists of one common share of Flying Nickel and one share purchase warrant with each warrant entitling the holder to purchase one additional share of Flying Nickel at a price of $0.20 per share for 36 months from closing.

On August 14, 2023, Flying Nickel closed a non-brokered private placement of 6,800,000 common shares raising gross proceeds of $680,000. The private placement was priced at $0.10 per share.

As at September 30, 2023, Flying Nickel received an aggregate of $720,707 in subscription receipts for a private placement, which closed subsequent to the date the Company deconsolidating Flying Nickel (note 10).

Nevada Vanadium

On May 20, 2022, Nevada Vanadium closed a non-brokered private placement of 3,032,500 units at a price of $0.40 per unit for aggregate gross proceeds of $1,213,000. The transaction costs related to the private placement was $2,370. Each unit consists of one common share in the capital of Nevada Vanadium and one share purchase warrant. Each warrant entitles its holder to purchase one additional common share of Nevada Vanadium at a price of $0.50 per share at any time on or before the 36-month anniversary of the date of issuance of the warrants. Nevada Vanadium has allocated the entire proceeds to share capital and $nil has been allocated to Warrants by applying the Residual Method. The exercise price of these warrants were amended to $0.18 in August 2022.

On February 15, 2023, Nevada Vanadium closed a non-brokered private placement and issued an aggregate of 2,539,286 units at a price of $0.14 per unit for aggregate gross proceeds of $355,500. Each unit consists of one common share of Nevada Vanadium and one share purchase warrant with each warrant entitling the holder to purchase one additional share of Nevada Vanadium at a price of $0.18 per share for 36 months from closing.

On April 28, 2023, Nevada Vanadium closed a non-brokered private placement and issued an aggregate of 570,000 units at a price of $0.14 per unit for aggregate gross proceeds of $79,800. Each unit consists of one common share of Nevada Vanadium and one share purchase warrant with each warrant entitling the holder to purchase one additional share of Nevada Vanadium at a price of $0.18 per share for 36 months from closing. Oracle subscribed for 350,000 units totalling $49,000.

On May 19, 2023, Nevada Vanadium closed a non-brokered private placement and issued an aggregate of 1,602,143 units at a price of $0.14 per unit for aggregate gross proceeds of $224,300. Each unit consists of one common share of Nevada Vanadium and one share purchase warrant with each warrant entitling the holder to purchase one additional share of Nevada Vanadium at a price of $0.18 per share for 36 months from closing. Oracle subscribed for 645,000 units totalling $90,300.

(Expressed in Canadian Dollars except where noted)

**17. Non-Controlling Interest** - *continued*

On July 5, 2023, Nevada Vanadium closed a private placement of 742,857 units at a price of $0.14 per unit, for aggregate gross proceeds of $104,000. Each unit consists of one common share of Nevada Vanadium and one share purchase warrant with each warrant entitling the holder to purchase one additional share of Nevada Vanadium at a price of $0.18 per share for 36 months from the closing date. Nevada Vanadium has allocated $78,000 to share capital and $26,000 to warrants by applying the residual approach. There were no finders' fees associated with this private placement. Oracle subscribed for 742,857 units totalling $104,000.

On July 5, 2023, Nevada Vanadium closed a non-brokered private placement and issued 3,500,000 common shares at a price of $0.08 per share for gross proceeds of $280,000.

On October 24, 2023, Nevada Vanadium closed a non-brokered private placement and issued 2,115,440 units at a price of $0.08 per unit for aggregate gross proceeds of $169,235. Each unit consists of one common share of Nevada Vanadium and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of Nevada Vanadium at a price of $0.10 per share until October 24, 2026.

On January 31, 2024, Nevada Vanadium closed a non-brokered private placement and issued 1,025,000 units at a price of $0.08 per unit for aggregate gross proceeds of $82,000. Each unit consists of one common share of Nevada Vanadium and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of Nevada Vanadium at a price of $0.10 per share until January 31, 2027.

b) During the year ended March 31, 2024, Oracle recorded share-based payments of $128,019 (fifteen months ended March 31, 2023 – $nil) and was expensed as general and administrative expenses.

The fair value of each stock option is estimated on the date of grant using the Black-Scholes Option Pricing Model with the assumptions presented in the table below. Expected volatilities are based on historical volatility of the comparable companies as Oracle has a limited history of trading. The expected term of share options granted represents the period of time that the granted share options are expected to be outstanding. The risk-free interest rate is based on the Canadian government bond rate.

| Grant Date | Number of Share Options | Exercise Price ($) | Expected Price Volatility | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Fair Value Per Option ($) | Total Fair Value ($) |
|---|---|---|---|---|---|---|---|---|
| December 4, 2023 | 7,990,000 | 0.05 | 101% | 3.46% | 5.0 | - | 0.04 | 319,600 |
| February 1, 2024 | 300,000 | 0.05 | 101% | 3.24% | 5.0 | - | 0.04 | 12,000 |

c) From April 1, 2023 to the date on which Flying Nickel was deconsolidated, October 1, 2023, Flying Nickel recorded share-based payments of $393,565 (2022 – $632,118) of which $9,278 (2022 – $10,539) was capitalized as exploration cost and the reminder of $384,287 (2022 – $621,579) was expensed as general and administrative expenses.

During the fifteen months ended March 31, 2023, Flying Nickel recorded share-based payments expense of $1,412,565 of which $16,564 was capitalized as exploration cost and the remainder of $1,396,001 was expensed as general and administrative expenses.

The fair value of each stock option is estimated on the date of grant using the Black-Scholes Option Pricing Model with the assumptions presented in the table below. Expected volatilities are based on historical volatility of the comparable companies as Flying Nickel has a limited history of trading. The expected term of share options granted represents the period of time that the granted share options are expected to be outstanding. The risk-free interest rate is based on the Canadian government bond rate.

(Expressed in Canadian Dollars except where noted)

**17. Non-Controlling Interest** - *continued*

For the six months ended September 30, 2023 (the period which the Company consolidated Flying Nickel)

| Grant Date | Number of Share Options | Expected Price Volatility | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Fair Value Per Option ($) | Total Fair Value ($) |
|---|---|---|---|---|---|---|---|
| Apr 17, 2023 | 205,000 | 107% | 3.15% | 5.00 | - | 0.13 | 25,762 |
| Apr 24, 2023 | 100,000 | 106% | 2.97% | 5.00 | - | 0.13 | 12,921 |
| June 15, 2023 | 50,000 | 107% | 3.48% | 5.00 | - | 0.08 | 3,876 |
| September 18, 2023 | 1,390,000 | 105% | 3.92% | 5.00 | - | 0.08 | 108,876 |
| | **1,745,000** | | | | | | **151,435** |

For the fifteen months ended March 31, 2023

| Grant Date | Number of Share Options | Expected Price Volatility | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Fair Value Per Option ($) | Total Fair Value ($) |
|---|---|---|---|---|---|---|---|
| March 4, 2022 | 5,160,000 | 137% | 1.45% | 5.00 | - | 0.34 | 1,735,482 |
| March 18, 2022 | 150,000 | 138% | 1.45% | 5.00 | - | 0.57 | 85,249 |
| May 3, 2022 | 300,000 | 138% | 2.75% | 5.00 | - | 0.47 | 142,194 |
| January 3, 2023 | 1,400,000 | 141% | 3.23% | 5.00 | - | 0.13 | 175,617 |
| | **7,010,000** | | | | | | **2,138,542** |

d) During the year ended March 31, 2024, Nevada Vanadium recorded share-based payments of $383,036 (fifteen months ended March 31, 2023 – $228,514) of which $37,311 (fifteen months ended March 31, 2023 – $21,840) was capitalized as exploration cost and the reminder of $345,724 (fifteen months ended March 31, 2023 – $206,674) was expensed as general and administrative expenses.

The fair value of each stock option is estimated on the date of grant using the Black-Scholes Option Pricing Model with the assumptions presented in the table below. Expected volatilities are based on historical volatility of the comparable companies as Nevada Vanadium has a limited history of trading. The expected term of share options granted represents the period of time that the granted share options are expected to be outstanding. The risk-free interest rate is based on the Canadian government bond rate.

| Grant Date | Number of Share Options | Expected Price Volatility | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Fair Value Per Option ($) | Total Fair Value ($) |
|---|---|---|---|---|---|---|---|
| August 25, 2022 | 5,300,000 | 141% | 3.11% | 5.00 | - | 0.16 | 851,689 |
| December 28, 2022 | 120,000 | 141% | 3.27% | 5.00 | - | 0.16 | 19,311 |
| | **5,420,000** | | | | | | **871,000** |

(Expressed in Canadian Dollars except where noted)

**17. Non-Controlling Interest** - *continued*

e) The value of: 1) Flying Nickel warrants is from the NFT Units, and is estimated using the residual approach by allocating the proceeds to share capital. Flying Nickel estimate of the value of common shares issued is $0.66 per share, calculated based on the estimated flow through share premium, and is $201,881, and 2) broker warrants and finders' fees related to the NFT Units totaling $276,449.

On October 6, 2022, and as amended, Nevada Vanadium and Flying Nickel entered into an arrangement agreement pursuant to which Flying Nickel proposes to acquire all of the issued and outstanding common shares of Nevada Vanadium by way of a court-approved plan of arrangement (the "Merger Transaction").

Under the terms of the agreement, the Nevada Vanadium shareholders will receive one (1) (the "Exchange Ratio") Flying Nickel common share (a "Flying Nickel Share") for each Nevada Vanadium Share held immediately prior to the effective time of the Merger Transaction. All convertible securities of Nevada Vanadium outstanding immediately prior to the effective time of the Merger Transaction will be exchanged for securities of Flying Nickel bearing substantially the same terms as the securities replaced based on the Exchange Ratio. As at the Financial Position Date, the Merger Transaction is still in progress.

**18. Related Party Transactions**

The Company entered into a Mutual Management and Technical Services Agreement (the "MMTSA") with Flying Nickel effective April 1, 2023, pursuant to which the companies would provide each other with general, technical and administrative services, as reasonably requested, on a fixed fee basis. The fixed fee is adjusted periodically to reflect the relative allocation of costs to each company.

During the year ended March 31, 2024, the Company had related party transactions with key management personnel who provide management and consulting services to the Company. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include, but are not limited to, the CEO, CFO, COO, and executive and non-executive directors.

A summary of related party transactions is as follows:

| | Year Ended March 31, 2024 ($) | Fifteen Months Ended March 31, 2023 ($) |
|---|---|---|
| MMTSA fees charged by Flying Nickel, a company with certain directors and officers in common | 342,675 | - |
| MMTSA recoveries from Flying Nickel | (95,992) | - |
| Management fees to Linx Partners Ltd., a company controlled by John Lee, Director, CEO and Executive Chairman of the Company | 420,000 | 525,000 |
| Directors' fees | 95,316 | 106,400 |
| Salaries and benefits paid to key management of the Company | 401,242 | 296,159 |
| Salaries and benefits paid to former key management of the Company | - | 248,648 |
| Share-based payments – John Lee | 153,046 | 981,084 |
| Share-based payments – directors | 79,469 | 160,980 |
| Share-based payments – former directors | 20,378 | 159,861 |
| Share-based payments – key management of the Company | 79,315 | 204,365 |
| Share-based payments – former key management of the Company | 12,494 | 60,976 |
| | **1,507,943** | **2,743,473** |

(Expressed in Canadian Dollars except where noted)

### 18. Related Party Transactions - *continued*

The Company had balances due to related parties as follows:

| | March 31, 2024 ($) | March 31, 2023 ($) |
|---|---|---|
| Payable to Flying Nickel | (1,926,807) | - |
| Directors' fees payable | (136,800) | (102,452) |
| Management fees prepaid to John Lee | 32,907 | - |

### 19. Segmented Information

The Company operates in one operating segment, being the acquisition, exploration and development of mineral properties. Assets by geographical area are as follows:

| | March 31, 2024 ($) | March 31, 2023 ($) |
|---|---|---|
| Current assets | | |
| Canada | 1,324,217 | 1,782,558 |
| USA | 15,067 | 6,858 |
| Mongolia | 48,374 | 385,403 |
| Bolivia | 1,188,749 | 184,688 |
| | 2,576,407 | 2,359,507 |
| Non-current assets | | |
| Canada | 1,596,706 | 22,564,615 |
| USA | 23,502,469 | 23,837,759 |
| Mongolia | - | 3,822 |
| Bolivia | 23,064,201 | 23,811,515 |
| | 48,163,376 | 70,217,711 |
| Total assets | | |
| Canada | 2,920,923 | 29,707,126 |
| USA | 23,517,536 | 23,844,617 |
| Mongolia | 48,374 | 389,225 |
| Bolivia | 24,252,950 | 18,636,250 |
| | **50,739,783** | **72,577,218** |

(Expressed in Canadian Dollars except where noted)

## 20. Deferred Income Taxes

The Company's operations are, in part, subject to foreign tax laws where interpretations, regulations and legislation are complex and continually changing. As a result, there are usually some tax matters in question that may, upon resolution in the future, result in adjustments to the amount of deferred income tax assets and liabilities, and those adjustments may be material to the Company's financial position and results of operations.

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

| | Year Ended March 31, 2024 ($) | Fifteen Months Ended March 31, 2023 ($) |
|---|---|---|
| Income (loss) for the year | (9,312,514) | (9,739,129) |
| Canadian federal and provincial income tax rates | 27% | 27% |
| Expected income tax (recovery) | (2,514,000) | (2,630,000) |
| Change in statutory, foreign tax, foreign exchange rates and other | 62,000 | 273,000 |
| Permanent differences | 2,185,000 | 1,393,000 |
| Impact of flow through shares | - | 335,000 |
| Share issue cost | 80,000 | (56,000) |
| Change in unrecognized deductible temporary differences | 25,000 | 685,000 |
| **Total income tax expense (recovery)** | **-** | **-** |

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

| | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | ($) | Expiry Date Range | ($) | Expiry Date Range |
| Temporary differences: | | | | |
| Exploration and evaluation assets | 10,371,000 | No expiry date | 211,000 | No expiry date |
| Investment tax credit | 61,000 | 2029 | 24,000 | 2029 |
| Property and equipment | 528,000 | No expiry date | 972,000 | No expiry date |
| Share issue cost | 193,000 | 2043 to 2045 | 1,049,000 | 2043 to 2045 |
| Assets held for sale | - | No expiry date | - | n/a |
| Assets retirement obligation | 2,086,000 | No expiry date | 2,022,000 | No expiry date |
| Derivative liabilities | (587,000) | No expiry date | 216,000 | No expiry date |
| Other – intangible assets | - | No expiry date | 314,000 | No expiry date |
| Allowable capital losses | 8,614,000 | No expiry date | 8,616,000 | No expiry date |
| Non-capital losses available for future periods | 43,349,000 | 2025 onwards | 33,062,000 | 2024 onwards |
| Bolivia | 5,063,000 | 2025 | 753,000 | 2024 |
| Canada | 33,057,000 | 2029 to 2043 | 27,992,000 | 2029 to 2042 |
| Mongolia | 3,008,000 | 2024 to 2031 | 2,468,000 | 2024 to 2030 |
| US | 2,221,000 | No expiry date | 1,849,000 | No expiry date |
| | **43,349,000** | | **33,062,000** | |

(Expressed in Canadian Dollars except where noted)

## 21. Care and Maintenance of Coal Properties

The Company's Ulaan Ovoo Project has been impaired to value of $nil (2023 - $nil) and all property costs incurred, including changes in the provision for closure and reclamation costs, are presented net of incidental income earned from the property:

| | Year Ended March 31, 2024 ($) | Fifteen Months Ended March 31, 2023 ($) |
|---|---|---|
| Property income (costs) | (190,335) | 344,030 |
| Provision for closure and reclamation – change in estimate | (1,860) | 370,977 |
| Provision for closure and reclamation – accretion | (63,087) | (215,117) |
| Bad debt (expense) recovery | (120,269) | 367,187 |
| | **(375,551)** | **867,077** |

## 22. Supplemental Cash Flow Information

| | Year Ended March 31, 2024 ($) | Fifteen Months Ended March 31, 2023 ($) |
|---|---|---|
| Non-Cash Financing and Investing Activities | | |
| Mineral property expenditures included in accounts payable | 121,494 | 484,154 |
| Share-based payments capitalized in mineral properties | 37,311 | 38,404 |
| Shares issued to settle liability | 170,414 | - |
| Bonus shares | - | 2,500,000 |
| Finder's units | 3,164 | 55,013 |
| Finder's warrants | - | 9,218 |
| Warrant modification related to mineral properties | - | 426,468 |
| Depreciation included in mineral property | - | 12,081 |
| | **332,383** | **3,525,338** |

## 23. Capital Management

Management considers its capital structure to consist of share capital, share purchase options and warrants. The Company manages its capital structure and makes adjustments to it, based on the funds available to, and required by the Company in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative returns on capital criteria for management. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors.

The properties in which the Company currently holds interests are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out exploration and development plans and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. There were no changes in management's approach to capital management during the year ended March 31, 2024. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

(Expressed in Canadian Dollars except where noted)

## 24. Fair Value Measurements and Financial Instruments

(a) Classification

The Company's classification of its financial instruments as follows:

| Asset or Liability | IFRS 9 Classification |
|---|---|
| Cash, receivables, and accounts payable | Amortized cost |
| Restricted cash equivalents included in other non-current assets | Amortized cost |
| Due to Flying Nickel Mining Corp. | Amortized cost |
| Promissory note | Amortized cost |
| Derivative liabilities and contingent liabilities | Fair value through profit or loss |

(b) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. As at the Financial Position Date, there were no financial assets measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

The fair value of the Company's financial instruments including cash, receivables, accounts payable and accrued liabilities and due to related parties approximates their carrying value due to the immediate or short-term maturity of these financial instruments. Restricted cash equivalents included in other non-current assets is readily convertible into cash, and therefore its carrying value approximates fair value. The fair values of the Company's interest-bearing promissory note is determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The non-performance risk as at the Financial Position Date was assessed to be insignificant. Derivative liabilities and contingent liability are recorded at fair value based on the quoted market price at the end of each reporting period with changes in fair value through profit or loss. As at the Financial Position Date, the fair value of: 1) derivative liabilities is $72,000 (March 31, 2023 - $401,042), 2) contingent liability is $157,463 (March 31, 2023 - $215,951), and 3) promissory note is $3,985,681 (March 31, 2023 - $4,271,857). The Company does not offset financial assets with financial liabilities. There were no transfers between Level 1, 2 and 3 for the year ended March 31, 2024.

**25. Financial Risk Management**

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at the Financial Position Date are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its financial obligations as they fall due. The Company manages liquidity risk by preparing cash flow forecasts of upcoming cash requirements. As at the Financial Position Date, the Company had a cash balance of $2,209,099 (March 31, 2023 – $1,504,969) and accounts payable and accrued liabilities of $3,672,760 (March 31, 2023 - $3,807,809). Liquidity risk is assessed as very high.

The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of its mineral property interests. The Company coordinates this planning and budgeting process with its financing activities through the capital management process in normal circumstances.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk primarily associated with cash, restricted cash equivalents included in other non-current assets and receivables, net of allowances. The carrying amount of financial assets included on the statements of financial position represents the maximum credit exposure.

(c) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash and restricted cash equivalents included in other non-current assets primarily include highly liquid investments that earn interest at market rates that are fixed to maturity. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have significant impact on the fair values of the financial instruments as of the Financial Position Date. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has foreign exploration and development projects in the USA, Mongolia and Bolivia and undertakes transactions in various foreign currencies. The Company is therefore exposed to foreign currency risk arising from transactions denominated in a foreign currency and the translation of financial instruments denominated in US dollars, Mongolian tugrik, and Bolivian boliviano into its reporting currency, the Canadian dollar.

**25. Financial Risk Management** - *continued*

(iii) Commodity and equity price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for these commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities including governmental reserves and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The Company is also exposed to price risk with regards to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

(iv) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's derivative financial liability includes debts to be settled in common shares of Silver Elephant. A 10% increase or decrease in the market price of common shares of Silver Elephant or Flying Nickel has a corresponding effect of approximately $23,000 to net loss.

The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

<u>Sensitivity Analysis</u>

A 1% change in interest rates does not have a material effect on the Company's profit or loss and equity.

The Company has certain cash balances, receivables, accounts payables and the CVB Loan denominated in either the US Dollar, Mongolian Tugrik or Bolivian Boliviano (the "Foreign Currencies"), currencies other than the functional currency of Company. Based on the above, net exposures as at the Financial Position Date, with other variables unchanged, a 10% strengthening (weakening) of the Canadian dollar against the Mongolian Tugrik would impact net loss and comprehensive loss with other variables unchanged by approximately $14,000. A 10% strengthening (weakening) of the Canadian dollar against the Bolivian Boliviano would impact net loss and comprehensive loss with other variables unchanged by approximately $83,000. A 10% strengthening (weakening) of the US Dollar against the Canadian Dollar would impact net loss with other variables unchanged by approximately $434,000. The Company currently does not use any foreign exchange contracts to hedge this currency risk.

**26. Contingencies**

As at March 31, 2024, $243,810 (March 31, 2023 - $558,236) was included in accounts payable and accrued liabilities in connection with a former employee's claim for severance (the "Claim").

During the year ended March 31, 2023 the Company accrued $558,236 (US$412,500) in connection with the Claim. On March 29, 2024, the Claim was settled for installment payments to be made, totaling $243,810 (US$180,000).

**27. Subsequent Events**

On April 2, 2024, the Company issued 124,270 bonus shares with a fair value of $0.34 per common share to the company's directors, officers, employees, and consultants valued at $42,252.

On April 3, 2024, Nevada Vanadium closed a non-brokered private placement and issued 725,733 units at a price of $0.06 per unit for aggregate gross proceeds of $43,544. Each unit consists of one common share of Nevada Vanadium and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of Nevada Vanadium at a price of $0.08 per share until April 3, 2027.

On April 29, 2024, the Company closed a non-brokered private placement and issued 950,000 units at a price of $0.30 per unit for aggregate gross proceeds of $285,000. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one-half additional common share of the Company at a price of $0.45 per share until April 29, 2027. In connection with the closing, the Company issued 33,600 units as finder's fees. Proceeds of the placement will be used for working capital and general corporate purposes.

On May 10, 2024, Oracle closed a non-brokered private placement and issued 200,000 units at a price of $0.05 per unit for aggregate gross proceeds of $10,000. Each unit consists of one common share of Oracle and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of Oracle at a price of $0.06 per share until May 9, 2027.

On May 22, 2024, the Company closed a non-brokered private placement and issued 250,000 units at a price of $0.30 per unit for aggregate gross proceeds of $75,000. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one-half additional common share of the Company at a price of $0.45 per share until May 27, 2027. Proceeds of the placement will be used for working capital and general corporate purposes.

On June 12, 2024, Oracle closed a non-brokered private placement raising gross proceeds of $548,350 through the issuance of 4,985,000 units at a price of $0.11 per unit. Each unit consists of one common share of Oracle and one share purchase warrant with each warrant entitling the holder to purchase one additional share at a price of $0.15 per share until June 12, 2027. In addition, 147,750 units were issued in connection with this private placement as finder's fees.