



Management's Discussion and Analysis

**For the Year Ended
March 31, 2025**

(Expressed in Canadian dollars, except where indicated)

Dated June 30, 2025



Table Of Contents

| | |
|---------------------------------------------------------|----|
| Profile..... | 1 |
| Discussion Of Operations..... | 3 |
| Liquidity And Capital Resources..... | 14 |
| Related Party Transactions..... | 16 |
| Contingencies..... | 17 |
| Proposed Transactions..... | 17 |
| Critical Accounting Policies And Estimates | 17 |
| Changes In Accounting Standards..... | 18 |
| Capital Management..... | 18 |
| Fair Value Measurements And Financial Instruments | 19 |
| Additional Information | 25 |

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



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, 2025 (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 23, 2025, all of which are available under the Company's SEDAR+ profile at www.sedarplus.ca. The information contained in this MD&A is current to June 30, 2025.

For the purposes of this MD&A, "Financial Position Date" means March 31, 2025, "this quarter" or "current quarter" means the three month period ended March 31, 2025, the "prior year quarter" means the three month period ended March 31, 2024, "this year" or "current year" means the year ended March 31, 2025, and the "prior year" means the year ended March 31, 2024.

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" refer to United States dollars and "MNT" refer to Mongolian Tugriks. 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

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 OTCQB under the symbol "SILEF". The Company maintains its registered and records office at Suite 1008 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

The Company is a mineral exploration company focused on the development of its Pulacayo Paca silver-lead-zinc project located in southwestern Bolivia (the "Pulacayo Paca Project"). The Company is also evaluating strategic acquisitions to expand its portfolio of projects.

The Company also holds an interest in (a) the El Triunfo gold-silver-lead-zinc project in Bolivia (the "Triunfo Project"); (b) the Ulaan Ovoo coal project located in Mongolia; and (c) the Chandgana coal project, located in Mongolia. The Triunfo Project, the Ulaan Ovoo coal project and the Chandgana coal project have all be fully impaired. The Company also had de facto control over CleanTech Vanadium Mining Corp. (formerly Flying Nickel Mining Corp.) ("CleanTech" or "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 CleanTech as at October 1, 2023, therefore CleanTech and its Minago Project were deconsolidated from the Company's consolidated financial statements effective October 1, 2023 (the "CleanTech Deconsolidation"). In addition, the Company also had de facto control over Nevada Vanadium Mining Corp. ("Nevada Vanadium"), by extension, the Gibellini vanadium property in Nevada, USA (the "Gibellini Project") was also included in the Company's exploration and evaluation assets up until August 16, 2024, the date which CleanTech acquired Nevada Vanadium (see Section "Spin-Off Arrangement").

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(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, 2025 (\$) | Year Ended March 31, 2024 (Restated) (\$) | Change |
|--------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------|-------------|
| Net loss | (9,371,671) | (18,024,388) | 8,652,717 |
| Net loss attributable to shareholders of the Company | (8,228,654) | (15,249,919) | 7,021,265 |
| Cash used in operating activities | (3,598,408) | (260,081) | (3,338,327) |
| Cash at end of period | 271,838 | 2,209,099 | (1,937,261) |
| Loss per share attributable to shareholders of the Company – basic and diluted | (0.22) | (0.47) | 0.25 |

Corporate Updates

The quotation of the Company's common shares was upgraded to the OTCQB in the United States effective July 25, 2024.

The Company held its Annual General & Special meeting of its shareholders on September 25, 2024. More information on voting results is available under the Company's profile on www.sedarplus.ca.

On October 2, 2024, the Company appointed Alex Bayer as its Chief Legal Officer, to lead all legal matters for the Company.

On October 7, 2024, the Company appointed Sara Knappe as Corporate Secretary to replace Ms. Marion McGrath.

On June 18, 2025, the Company announced that, effective July 1, 2025, Rob Van Drunen will step down as the Company's Chief Operating Officer for personal reasons.

Spin-off Arrangement

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 CleanTech; (iii) one common share of Nevada Vanadium; and (iv) two common shares of Oracle Commodity Holding Inc. ("Oracle") (formerly Battery Metals Royalties Corp. ("Battery Metals")).

Investment in CleanTech

On August 16, 2024, CleanTech acquired Nevada Vanadium (the "Nevada Vanadium Transaction"). Nevada Vanadium shareholders received one (1) (the "Exchange Ratio") CleanTech common share (a "CleanTech Share") for each Nevada Vanadium share held immediately prior to the effective time of the Nevada Vanadium Transaction. All securities of Nevada Vanadium outstanding immediately prior to the effective time of the Nevada Vanadium Transaction were exchanged for securities of CleanTech bearing substantially the same terms as the securities replaced based on the Exchange Ratio.

Nevada Vanadium including its Gibellini Project was deconsolidated from the Company's consolidated financial statements on August 16, 2024 as a result of the Nevada Vanadium Transaction (the "Nevada Vanadium Deconsolidation").



Discussion Of Operations

Pulacayo Paca Project, Bolivia

The Pulacayo Paca Project is 3,553 hectares of contiguous areas (the "Paca Pulacayo Project Area") located on the historical Pulacayo mine 18 kilometers east of the town of Uyuni in the Department of Potosí, in southwestern Bolivia. The Pulacayo-Paca Project is located 460 kilometers south-southeast of the national capital of La Paz and 150 kilometers southwest of the City of Potosí, the Department capital. Since October 2023, as part of operating oxide production the Company has developed significant infrastructure to support an open pit operation at the Pulacayo Paca Project. On site infrastructure constructed to date includes access roads, a certified truck scale, office and dispatch rooms, washroom and security facilities.

On October 26, 2020 the Company filed a National Instrument 43-101 compliant independent Technical Report (the "Technical Report") for the Pulacayo Paca Project titled "Mineral Resource Estimate Technical Report for the Pulacayo Project" prepared by Matthew Harrington, P.Ge., Michael Cullen, P.Ge. and Osvaldo Arce, P. Geo. each an independent "Qualified Person" as defined in NI 43-101, with an effective date of September 27, 2023. The Technical Report delineated a resource estimate at the Pulacayo Paca Project.

The Pulacayo Paca Project Area is made up of eight concessions in total: one concession held directly by the Company which covers 750 hectares (the "Apurudita Area") of the Paca Pulacayo Project Area and seven concessions covering 2,803 hectares (the "MPC Area") held through temporary permits and a Mining Production Contract ("MPC") dated October 3, 2019 with the Corporacion Minera de Bolivia ("Comibol"). To maintain the Apurudita Area concession in good standing, the Company must make certain annual payments. The Apurudita Claim Area concession permits the Company to explore and develop the Apurudita Area. The MPC grants, once approved by the Plurinational Legislative Assembly, the Company exploration rights and an exclusive right to develop the MPC Area for up to 30 years. As at the Financial Position Date, approval has not yet been received.

In December 2024, the Company received a notice of cancellation (the "Notice of Cancellation") of the MPC from Comibol citing alleged illegal mining. The Company maintains that it has operated in full compliance under the MPC and received proper authorizations for its activities in the MPC Area. The Company remains committed to the development path for the Pulacayo Paca Project and has filed certain applications and appeals in Bolivia to reverse the Notice of Cancellation. The Notice of Cancellation does not affect the Apurudita Area.

The Company views its social license as integral to the development of the Pulacayo Paca Project. The Company actively engages with the local communities, keeping them up to date with regular town hall meetings, funding local infrastructure projects and providing community members with employment opportunities. In October 2023, the Company's subsidiaries in Bolivia signed a Cooperation Agreement with several local communities whereby the Company committed to active community engagement and the communities provided the Company with authorization to mine the Pulacayo Paca Project Area.

The Company's objectives in 2025 at the Pulacayo Paca Project are:

- Advance open pit operations at the Apurudita Area;
- Complete the appeal process relating to the Notice of Cancellation;
- Generate cash flow and metallurgical data from the Sulphide Tunnel Project (as defined below);
- Develop a 3D geological model incorporating collected metadata;
- Design a drill program to test high priority targets identified through modeling and IP mapping;
- Advance production and processing permitting; and
- Maintain social license through continued pro active community engagement.

Oxide Production

The Company has mined and shipped to the APM Group (defined below) 273,815 wet tonnes of silver-bearing oxide materials grading 191 g/t silver, which is 1,681,440 oz of silver based on reported government tax records, since Paca's operation began in October 2023. The table below summarizes production:

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



| | Tonnes | Grade (g/t) |
|----------------|----------------|-------------|
| October 2023 | 4,501 | 243 |
| November 2023 | 7,264 | 156 |
| December 2023 | 19,074 | 145 |
| January 2024 | 4,283 | 146 |
| March 2024 | 15,809 | 182 |
| April 2024 | 20,894 | 195 |
| May 2024 | 25,992 | 180 |
| June 2024 | 29,280 | 175 |
| July 2024 | 27,039 | 185 |
| August 2024 | 22,669 | 193 |
| September 2024 | 28,879 | 191 |
| October 2024 | 31,693 | 268 |
| November 2024 | 24,180 | 256 |
| December 2024 | 12,258 | 157 |
| Total | 273,815 | 191 |

In December 2024, the Company paused oxide production due to the permitting uncertainty created by the Notice of Cancellation and the MSA and SPA Termination (as defined below).

Sulphide

On July 8, 2024, the Company announced its intention to begin mining of sulphide materials at the Pulacayo Paca Project (the "Sulphide Tunnel Project"). The Company continues construction on the access tunnel to the sulphide zone in the Apurudita Area with the intent to extract approximately 10,000 tonnes of mineralized material. The objective of the Sulphide Tunnel Project is to generate cashflow, refine the metallurgy and verify the resource model. The Sulphide Tunnel Project is not impacted by the Notice of Cancellation or the MSA and SPA Termination (as defined below).

On June 10, 2025, the Company announced that tunnel development at the Sulphide Tunnel Project reached the first production stope access. Further details are included in the respective press release available on the Company's website.

Exploration

On May 21, 2024 the Company announced that it had 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.

On July 2, 2024, the Company reported gallium and indium assay results from selected drill core at its Pulacayo-Paca Project. Further details are included in the July 2, 2024 press release available on the Company's website.

On July 22, 2024, August 7, 2024, and September 11, 2024, the Company announced diamond drill results from the Pulacayo Paca Project. Further details are included in the respective press releases available on the Company's website.

Master Services Agreement and Sales and Purchase Agreement

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. 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 \$7,177,500 (US\$5,000,000) (the MSA

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



Payments") in installments, of which \$4,286,358 (US\$3,150,000) has been received.

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.

On December 30, 2024, the Company terminated the MSA and SPA (the "MSA and SPA Termination") as a result of APM Group's failure to pay a \$1,435,500 (US\$1,000,000) bonus payment based on silver price reaching a certain threshold (the "First Additional Consideration"). The First Additional Consideration became due once the London Bullion Market Association silver spot price averaged over US\$28 per oz for the previous 260 trading-day interval. The Company maintains that the First Additional Consideration is payable and is pursuing appropriate recourse. As of the date of this MD&A the dispute is ongoing.

Triunfo Project, Bolivia

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 (defined below) maintains a positive relationship with the local community.

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 \$1,435,500 (US\$1,000,000) (the "Purchase Right" and together with the Exploration Right, the "Triunfo Rights").

On April 8, 2025, the Company entered into an option assignment agreement with CleanTech pursuant to which the Company proposes to assign its rights in and to the Triunfo Agreement to CleanTech in exchange for \$155,000 (received). Closing of this transaction is subject to the satisfaction of certain conditions precedent thereto including, without limitation, satisfactory completion of due diligence in respect of the Triunfo Project by CleanTech, the receipt of the requisite regulatory and stock exchange approvals by each of Silver Elephant and CleanTech, and the execution of an amendment to the Triunfo Agreement in form and substance acceptable to CleanTech. CleanTech has provided Silver Elephant with a refundable deposit in the amount of \$155,000 which such deposit shall be repaid in the event the Transaction is not completed by December 31, 2025 or if the Option Assignment Agreement is otherwise terminated.

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 \$71,775 (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 \$430,650 (US\$300,000);
- the Residual Interest may be reduced by 4% for \$358,875 (US\$250,000);
- the Residual Interest may be reduced by 3% for \$287,100 (US\$200,000);
- the Residual Interest may be reduced by 2% for \$215,325 (US\$150,000); or
- the Residual Interest may be reduced by 1% for \$143,550 (US\$100,000).

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



During the year ended March 31, 2025, the Company recorded an impairment charge of \$71,985 related to the Triunfo Project. As at the Financial Position Date, the Triunfo Project was impaired to \$1.

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 August 16, 2024, CleanTech acquired Nevada Vanadium and its Gibellini Project.

Royalty Interests

On January 14, 2022, under the terms of the Spin-off Arrangement, Oracle acquired certain mineral property net smelter royalty agreements ("Transferred Royalties"). No value was attributed to these royalties at the time.

The Transferred Royalties included the following:

(a) Titan Royalty Agreement

Oracle will receive a two per cent (2%) royalty on all mineral products produced from certain mineral claims and leases in Manitoba relating to Silver Elephant's former Titan project after the commencement of commercial production if the V2O5 Vanadium Pentoxide Flake 98% price per pound exceeds US\$12.00.

On August 4, 2023, Silver Elephant assigned its Titan Project to which the Titan Royalty Agreement relates to, to a third party.

On August 4, 2023, Oracle granted to a third party, the right to acquire the Titan NSR at any time, for \$1,000,000 in cash. The third party paid Oracle \$5,000 as consideration for this right.

(b) Minago Royalty Agreement

Oracle will receive a two per cent (2%) royalty on all mineral products produced from certain mineral claims and leases from the Minago Project in Manitoba after the commencement of commercial production if the average price per pound of nickel exceeds US\$15.

(c) Gibellini Royalty Agreement

The Gibellini Project is located near Eureka in Nevada's Battle Mountain region. The Gibellini Project is made up of 547 unpatented lode claims held directly by CleanTech (the "Gibellini Claim Area") and 40 unpatented lode claims held through a long-term lease agreement (the "Gibellini Lease Area"). The Gibellini Project hosts three separate vanadium deposits each with a 43-101 compliant resource estimate.

The Gibellini Claim Area is subject to a royalty payable to Oracle. CleanTech is to pay, among other things, in each fiscal quarter where the average price per pound of V2O5 Vanadium Pentoxide Flake 98% as reported on the nominated metals exchange exceeds US\$12, a royalty equal to 2% of returns in respect of all mineral products produced from the Gibellini Claim Area after the commencement of commercial production. On March 3, 2025, the Company entered into an amended agreement with CleanTech to remove an underlying threshold price to trigger royalty payments in exchange for \$200,000, of which \$75,000 has been paid and \$125,000 to be paid upon V2O5 Vanadium Pentoxide Flake 98% price exceeds US\$12 per pound for 180 consecutive days.

The Gibellini Lease Area also subject a second royalty payable to Oracle on substantially the same terms as the Gibellini Claim Area Royalty and together with the Gibellini Claim Area Royalty.

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(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 | Total (\$) |
|------------------------------------|-----------------------|-----------------|----------------|-------------------|-------------------|
| | Pulacayo Paca (\$) | Triunfo (\$) | Minago (\$) | Gibellini (\$) | |
| Balance, April 1, 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 CleanTech | - | - | (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 |
| Licenses, tax and permits | 3,031 | 73,929 | - | 16,389 | 93,349 |
| Geological and consulting | 462,782 | 310 | - | 6,862 | 469,954 |
| Feasibility study | - | - | - | 4,334 | 4,334 |
| Exploration and drilling | 11,913 | - | - | - | 11,913 |
| Personnel, camp and general | 532,377 | - | - | 1,693 | 534,070 |
| Proceeds from MSA | (2,650,929) | - | - | - | (2,650,929) |
| Impairment | - | (71,985) | - | - | (71,985) |
| Foreign exchange | 562,786 | (2,254) | - | 190,640 | 751,172 |
| Deconsolidation of Nevada Vanadium | - | - | - | (19,409,228) | (19,409,228) |
| Balance, March 31, 2025 | 21,986,160 | 1 | - | - | 21,986,161 |

Mongolia Tax Dispute and Restatement

During the year ended March 31, 2025, the Company has identified an error in relation to taxes payable with respect to the transfer of certain licenses of its Ulaan Ovoo project from one wholly owned subsidiary to another wholly owned subsidiary (the "Ulaan Ovoo License Transfer").

On September 11, 2024, the Company received a tax notice of assessment of \$26,226,754 (63,787,924,960 Mongolian Tugriks) (the "Ulaan Ovoo Tax Assessment") from Mongolia's Capital City Tax Office ("CCTO") in connection with the Ulaan Ovoo License Transfer. The Ulaan Ovoo Tax Assessment is comprised of: 1) \$13,066,830 (31,780,752,566 Mongolian Tugriks) related to corporate income tax ("CIT") and related penalties and interest, and 2) \$13,159,924 (32,007,172,394 Mongolian Tugriks) related to value added tax ("VAT") and related penalties and interest. The Ulaan Ovoo License Transfer was completed on January 5, 2022. Prior to the completion of the Ulaan Ovoo License Transfer, the Company sought tax clarifications and on October 11, 2021 received confirmation from Mongolia's Large Taxpayer's Office ("LTPO") confirming the Ulaan Ovoo License Transfer would not be subject to CIT as the ultimate owner of the subsidiaries affected by the Ulaan Ovoo License Transfer remain unchanged. The Company is also of the opinion VAT should not apply to the Ulaan Ovoo License Transfer as there was no consideration transferred to and received by the applicable subsidiaries, and treatment of such would generally follow the same treatment as CIT. Accordingly, the Company filed a dispute for the Ulaan Ovoo Tax Assessment on October 18, 2024. There can be no assurance the Company will be successful in this dispute.

The LTPO and CCTO are sister offices both reporting directly to the Deputy Commissioner of the General Department of Taxation of Mongolia.

The Company's consolidated financial statements have been restated for the year ended March 31, 2024 to record the applicable

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



Ulaan Ovoo Tax Assessment.

As a result of the above, the Company restated its consolidated financial statements as follows:

Consolidated Statements of Financial Position

| | Original March 31, 2024 (\$) | Ulaan Ovoo Tax Assessment (\$) | Restated March 31, 2024 (\$) |
|-------------------------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------|
| Liabilities | | | |
| Provision for Mongolia tax dispute | - | 24,454,707 | 24,454,707 |
| Total current liabilities | 10,903,584 | 24,454,707 | 35,358,291 |
| Total liabilities | 15,435,430 | 24,454,707 | 39,890,137 |
| Shareholders' Equity | | | |
| Accumulated other comprehensive income | 530,098 | (802,875) | (272,777) |
| Deficit | (226,913,916) | (23,651,832) | (250,565,748) |
| Equity attributable to equity holders of parent | 21,925,296 | (24,454,707) | (2,529,411) |
| Total equity | 35,304,353 | (24,454,707) | 10,849,646 |

| | Original March 31, 2023 (\$) | Ulaan Ovoo Tax Assessment (\$) | Restated March 31, 2023 (\$) |
|-------------------------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------|
| Liabilities | | | |
| Provision for Mongolia tax dispute | - | 14,849,662 | 14,849,662 |
| Total current liabilities | 8,716,211 | 14,849,662 | 23,565,873 |
| Total liabilities | 10,768,831 | 14,849,662 | 25,618,493 |
| Shareholders' Equity | | | |
| Accumulated other comprehensive income | 463,740 | 90,296 | 554,036 |
| Deficit | (220,375,871) | (14,939,958) | (235,315,829) |
| Equity attributable to equity holders of parent | 28,367,367 | (14,849,662) | 13,517,705 |
| Total equity | 61,808,387 | (14,849,662) | 46,958,725 |

As a result of the above, the Company restated its consolidated financial statements as follows:

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)

*Consolidated Statements of Comprehensive Loss*

| | Original Year Ended March 31, 2024 (\$) | Ulaan Ovoo Tax Assessment (\$) | Restated Year Ended March 31, 2024 (\$) |
|----------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------|--------------------------------------------------|
| Other items | | | |
| Ulaan Ovoo Tax Assessment | - | (5,971,792) | (5,971,792) |
| Ulaan Ovoo Tax Assessment Interest | - | (2,740,082) | (2,740,082) |
| Net loss for the year | (9,312,514) | (8,711,874) | (18,024,388) |
| Other comprehensive income (loss): | | | |
| Foreign currency translation | 87,707 | (893,171) | (805,464) |
| Comprehensive loss for the year | (9,224,807) | (9,605,045) | (18,829,852) |
| Net loss attributable to equity holders of parent | (6,538,045) | (8,711,874) | (15,249,919) |
| Comprehensive loss attributable to equity holders of parent | (6,471,687) | (9,605,045) | (16,076,732) |
| Basic and diluted loss per common share attributable to equity holders of parent | (0.20) | (0.27) | (0.47) |

Consolidated Statements of Cashflows

| | Original Year Ended March 31, 2024 (\$) | Ulaan Ovoo Assessment (\$) | Restated Year Ended March 31, 2024 (\$) |
|-------------------------------------|--------------------------------------------------|----------------------------------|--------------------------------------------------|
| Operating Activities | | | |
| Net loss for the year | (9,312,514) | (8,711,874) | (18,024,388) |
| Changes in non-cash working capital | | | |
| Provision for Mongolia tax dispute | - | 8,711,874 | 8,711,874 |
| Cash used in operating activities | (260,081) | - | (260,081) |

As a result of the above, the Company restated its consolidated financial statements resulting in the following changes to the Company's consolidated statements of comprehensive loss for each financial quarter as follows:

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)


Net Loss and Net Loss Per Share Attributable to Shareholders of the Company:

| Fiscal Quarter (as defined further below) | Original Net | Ulaan Ovoo Tax Assessment Interest (\$) | CIT / VAT Related Penalties (\$) | Adjusted Net | Original Basic and Diluted Loss Per Share Attributable to Shareholders of the Company (\$) | Change in Basic | Adjusted Basic |
|-------------------------------------------|----------------------------------------------------------------|-----------------------------------------|----------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------|
| | Income (Loss) Attributable to Shareholders of the Company (\$) | | | Loss Attributable to Shareholders of the Company (\$) | | and Diluted Loss per Share Attributable to Shareholders of the Company (\$) | |
| Q3 2025 | (1,346,773) | (664,826) | - | (2,011,599) | (0.04) | (0.01) | (0.05) |
| Q2 2025 | (1,708,789) | (652,678) | - | (2,361,467) | (0.05) | (0.02) | (0.07) |
| Q1 2025 | (1,444,771) | (648,757) | - | (2,093,528) | (0.04) | (0.02) | (0.06) |
| Q4 2024 | (5,749,808) | (636,775) | - | (6,386,583) | (0.18) | (0.01) | (0.19) |
| Q3 2024 | 604,279 | (641,371) | - | (37,092) | 0.02 | (0.02) | - |
| Q2 2024 | (437,430) | (628,782) | - | (1,066,212) | (0.01) | (0.02) | (0.03) |
| Q1 2024 | (955,086) | (833,154) | (5,971,792) | (7,760,032) | (0.03) | (0.22) | (0.25) |

Net Loss and Comprehensive Loss:

| Fiscal Quarter (as defined further below) | Original Net | Ulaan Ovoo Tax Assessment Interest (\$) | CIT / VAT Related Penalties (\$) | Adjusted Net | Original Other | Foreign Currency Translation (\$) | Adjusted Other |
|-------------------------------------------|--------------|-----------------------------------------|----------------------------------|--------------|----------------------------------|-----------------------------------|----------------------------------|
| | Loss (\$) | | | Loss (\$) | Comprehensive Income (Loss) (\$) | | Comprehensive Income (Loss) (\$) |
| Q3 2025 | (1,500,386) | (664,826) | - | (2,165,212) | 461,736 | (1,328,211) | (866,475) |
| Q2 2025 | (1,888,300) | (652,678) | - | (2,540,978) | 189,110 | 323,953 | 513,063 |
| Q1 2025 | (2,132,111) | (648,757) | - | (2,780,868) | 300,029 | (201,236) | 98,793 |
| Q4 2024 | (6,807,837) | (636,775) | - | (7,444,612) | 918,269 | (884,460) | 33,809 |
| Q3 2024 | 486,501 | (641,371) | - | (154,870) | (1,069,033) | 127,660 | (941,373) |
| Q2 2024 | (1,290,378) | (628,782) | - | (1,919,160) | 658,553 | (133,503) | 525,050 |
| Q1 2024 | (1,700,800) | (833,154) | (5,971,792) | (8,505,746) | (420,082) | (2,868) | (422,950) |

Summary Of Quarterly Results

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 Loss for the Quarter Attributable to Shareholders of the Company (\$) | Basic Loss Per Share Attributable to Shareholders of the Company (\$) | Diluted Loss Per Share Attributable to Shareholders of the Company (\$) |
|-------------------------------|--------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------|
| March 31, 2025 | Q4 2025 | (1,762,060) | (0.04) | (0.04) |
| December 31, 2024 (restated) | Q3 2025 | (2,011,599) | (0.05) | (0.05) |
| September 30, 2024 (restated) | Q2 2025 | (2,361,467) | (0.07) | (0.07) |
| June 30, 2024 (restated) | Q1 2025 | (2,093,528) | (0.06) | (0.06) |
| March 31, 2024 (restated) | Q4 2024 | (6,386,583) | (0.19) | (0.19) |
| December 31, 2023 (restated) | Q3 2024 | (37,092) | - | - |
| September 30, 2023 (restated) | Q2 2024 | (1,066,212) | (0.03) | (0.03) |
| June 30, 2023 (restated) | Q1 2024 | (7,760,032) | (0.25) | (0.25) |

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



Net loss attributable to shareholders of the Company for the three months ended March 31, 2025 was \$1,762,060, and a net loss of \$122,553 was attributable to non-controlling interests for a total net loss of \$1,884,613, as compared to a net loss of \$7,444,612 for the three months ended March 31, 2024. The prior year quarter's net loss is comprised of \$6,386,583 attributable to shareholders of the Company and a net loss of \$1,058,029 attributable to non-controlling interests.

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

- A decrease in amortization from \$120,637 to \$4,984. The current quarter amount is reduced as a result of the Nevada Vanadium Deconsolidation. The prior year quarter amount is in connection with Nevada Vanadium's building and structures, and equipment in Nevada while the Company consolidated Nevada Vanadium.
- Consulting and management fees decreased to \$183,181, compared to \$437,076. The higher amount during the prior year quarter is mainly attributable to \$189,292 related consulting for the Company's Bolivian activities and \$60,000 paid by Oracle to assist with its listing of Oracle's shares on the TSX-V.
- Professional fees decreased to \$179,590, compared to \$502,982. The higher amount during the prior year quarter is mainly attributable to legal fees in connection with employment and securities matters. The current quarter amount is also reduced as a result of the Nevada Vanadium Deconsolidation.
- Salaries and benefits decreased to \$250,074, compared to \$329,826. The current quarter amount is reduced mainly as a result of the Nevada Vanadium Deconsolidation.
- Share-based payments of \$99,817 compared to \$360,116. 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. The current quarter amount is reduced as a result of the Nevada Vanadium Deconsolidation.
- Other income of \$195,196 this quarter compared to other loss of \$371,021 during the prior year quarter. The current quarter amount is mainly comprised of a gain of \$190,084 related to bad debt recovery from the Company's Bolivian activities, whereas the prior year quarter amount is primarily comprised of certain penalties of \$135,615 which the Company was in the process of disputing and subsequently successfully disputed, and an impairment charge of \$199,257 related to shares of Cachee Gold Mines Corp. that the Company holds ("Cachee Shares").
- Gain from changes in interest in equity accounted investment of \$271,087 compared to \$nil. The increase in the current quarter results from changes in the Company's interest in CleanTech.
- Ulaan Ovoo tax assessment interest of \$658,385 this quarter compared to \$636,775 during the prior year quarter, both of which relate to the Ulaan Ovoo Tax Assessment.
- A loss from the deconsolidation of Flying Nickel of \$3,517,132 as a result of the adoption of ED/2014/4, during the prior year quarter (see Section Variations Over the Quarters).
- A loss of \$468,613 from fair value changes in derivative liabilities compared to a gain of \$388,589 during the prior year quarter. The current quarter loss is mainly attributable to fair value changes of certain warrants which are considered derivative liabilities as the Company had an option to reduce the exercise price of such warrants.
- An impairment of exploration and evaluation asset of \$3,120 this quarter, compared to \$1,249,257. The prior year quarter impairment is in connection with the Company's El Triunfo Project in Bolivia.
- Impairment in investment in CleanTech of \$785,119 this quarter and \$nil during the prior year quarter.
- A gain of \$430,257 from the sale of the Titan Project, during the prior year quarter.

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)

Variations Over the Quarters

Q3 2025 resulted in a net loss of \$2,165,212, mainly comprised of general and administrative expenses totalling \$886,584, recognizing a loss from equity accounted investment in CleanTech of \$323,035 and Ulaan Ovoo tax assessment interest of \$664,826, other loss of \$219,538, which includes \$219,613 related to bad debt expense from the Company's Bolivian activities. General and administrative expenses include, but not limited to, salaries and benefits of \$231,114, share-based payments of \$157,341, and consulting and management fees of \$178,597.

Q2 2025 resulted in a net loss of \$2,540,978, mainly comprised of general and administrative expenses totalling \$775,973, recognizing corporate income tax and related penalties of \$10,837,411, Ulaan Ovoo tax assessment interest of \$652,678, a loss from equity accounted investment in CleanTech of \$718,662 and a loss from the Nevada Vanadium Deconsolidation of \$386,939. General and administrative expenses include, but not limited to, salaries and benefits of \$161,200, share-based payments of \$245,485, and consulting and management fees of \$131,382.

Q1 2025 resulted in a net loss of \$2,780,868, mainly comprised of general and administrative expenses totalling \$1,133,043, and recognizing a loss from equity accounted investment in CleanTech of \$752,015 and Ulaan Ovoo tax assessment interest of \$648,757. General and administrative expenses include, but were not limited to, salaries and benefits of \$402,958, share-based payments of \$121,871, professional fees of \$169,209, and consulting and management fees of \$138,336.

Q4 2024 resulted in a net loss of \$7,444,612, comprised of general and administrative expenses totalling \$2,025,385, recognizing a loss of \$3,517,132 in connection with the deconsolidation of CleanTech and the corresponding adoption of *Exposure Draft ED/2014/4: Measuring Quoted Investments in Subsidiaries, Joint Ventures and Associates at Fair Value*, effective January 1, 2024, and an impairment of exploration and evaluation asset of \$1,249,257 in connection with the Company's El Triunfo Project in Bolivia and Ulaan Ovoo tax assessment interest of \$636,775. General and administrative expenses include, but were not limited to, salaries and benefits of \$329,826, share-based payments of \$360,116, professional fees of \$502,981, and consulting and management fees of \$437,076.

Q3 2024 resulted in a net loss of \$154,870, largely a result of recognizing a gain from the deconsolidation of CleanTech of \$2,144,042, partially offset by general and administrative expenses totalling \$1,398,314, Ulaan Ovoo tax assessment interest of \$641,371 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 \$1,919,160, mainly comprised of general and administrative expenses totalling \$1,789,729 and Ulaan Ovoo tax assessment interest of \$628,782, 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 \$8,505,746, mainly comprised of general and administrative expenses totalling \$1,746,160, CIT and VAT penalties related to the Ulaan Ovoo Tax Assessment of \$5,971,792 and Ulaan Ovoo tax assessment interest of \$833,154, 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.

Selected Annual Information

| | Year Ended March 31, 2025 (\$) | Year Ended March 31, 2024 (Restated) (\$) | 15 Months Ended March 31, 2023 (Restated) (\$) |
|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------|------------------------------------------------------------|
| Net loss attributable to shareholders of the Company | (8,228,654) | (15,249,919) | (19,502,171) |
| Basic loss per share attributable to shareholders of the Company | (0.22) | (0.47) | (0.74) |
| Diluted loss per share attributable to shareholders of the Company | (0.22) | (0.47) | (0.74) |

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



| | March 31, 2025 (\$) | March 31, 2024 (\$) | March 31, 2023 (\$) |
|-----------------------------------------|---------------------------|---------------------------|---------------------------|
| Cash | 271,838 | 2,209,099 | 1,504,969 |
| Total assets | 23,117,742 | 50,739,783 | 72,577,218 |
| Total non-current financial liabilities | (1,787,906) | (4,531,846) | (2,052,620) |

Net loss attributable to shareholders of the Company for the year ended March 31, 2025, was \$8,228,654, and \$1,143,017 was attributable to non-controlling interests for a total net loss of \$9,371,671, as compared to a net loss of \$18,024,388 for the year ended March 31, 2024. The prior year net loss is comprised of \$15,249,919 attributable to shareholders of the Company and \$2,774,469 attributable to non-controlling interests.

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

- A decrease in amortization from \$478,198 to \$35,756. The current year amount is reduced as a result of the Nevada Vanadium Deconsolidation. The prior year amount is primarily in connection with Nevada Vanadium's building and structures, and equipment in Nevada while the Company consolidated Nevada Vanadium.
- Consulting and management fees decreased to \$631,496, compared to \$1,023,411. The current year amount is reduced mainly as a result of the CleanTech Deconsolidation and Nevada Vanadium Deconsolidation.
- Office and administration decreased to \$180,293, compared to \$474,575. The current year amount is reduced mainly as a result of the CleanTech Deconsolidation and Nevada Vanadium Deconsolidation.
- Professional fees decreased to \$530,183, compared to \$1,061,851. The higher amount during the prior year is mainly attributable to legal fees in connection with employment and securities matters. The current year amount is also reduced as a result of the CleanTech Deconsolidation and Nevada Vanadium Deconsolidation.
- Salaries and benefits decreased to \$1,045,346, compared to \$1,464,417. The current year amount is reduced mainly as a result of the CleanTech Deconsolidation and Nevada Vanadium Deconsolidation.
- Share-based payments of \$624,514 compared to \$1,472,006. 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. The current year amount is reduced as a result of the CleanTech Deconsolidation and Nevada Vanadium Deconsolidation.
- Other income of \$154,644 this year compared to \$215,745 during the prior year. The current year amount is mainly comprised of a gain of \$168,704 related to bad debt recoveries from the Company's Bolivian activities, whereas the prior year amounts is mainly comprised of \$133,237 from hay sales and pasture leasing at a ranch the Company previously owned through Nevada Vanadium (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 was in the process of disputing and subsequently successfully disputed.
- A gain from changes in interest of equity accounted investment of \$271,087 compared to \$nil. The increase in the current year results from changes in the Company's interest in CleanTech.
- Ulaan Ovoo Tax Assessment CIT and VAT related penalties of \$nil this year compared to \$5,971,792 during the prior year. These are in connection with the Ulaan Ovoo Tax Assessment.

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



- Ulaan Ovoo Tax Assessment interest expense of \$2,624,646 this year compared to \$2,740,082 during the prior year. These are in connection with the Ulaan Ovoo Tax Assessment.
- A loss from equity accounted investment in CleanTech of \$1,160,582 this year, compared to \$122,445. The increase is attributable to CleanTech impairing and selling its Minago Project during the current year, resulting in the Company's proportionate share of losses \$2,430,623 and \$279,077, respectively. The Company commenced equity accounting of CleanTech effective October 1, 2023.
- Impairment of exploration and evaluation asset of \$71,985 this year and \$1,249,257 during the prior year primarily related to the Company's Triunfo Project.
- Impairment in investment in CleanTech of \$785,119 this year and \$nil during the prior year.
- A loss from deconsolidation of Nevada Vanadium of \$1,188,283. Effective August 16, 2024, the Company deconsolidated Nevada Vanadium as it was acquired by CleanTech.
- Effective October 1, 2023, the Company deconsolidated CleanTech, resulting in a loss from the deconsolidation of CleanTech of \$1,373,090 during the prior year.

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 \$30,825,657 compared to \$32,781,884 at March 31, 2024.

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. Proceeds of the private placement were used for working capital and general corporate purposes.

On May 23, 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 of one 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. Proceeds of the private placement were used for working capital and general corporate purposes.

On July 23, 2024, the Company closed the first tranche of a non-brokered private placement through the issuance of 2,315,800 units at a price of \$0.48 per unit for gross proceeds of \$1,111,584. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of \$0.70 per share for 36 months. In connection with the closing, 159,978 units were issued as finders' fees. Proceeds of the private placement were used to commission phase one sulphide operations at Paca, and for general corporate purposes.

On August 13, 2024, the Company closed the second tranche of a non-brokered private placement through the issuance of 163,254 units at a price of \$0.48 per unit for gross proceeds of \$78,362. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of \$0.70 per share for 36 months. Proceeds of this private placement were used to commission phase one sulphide operations at the Company's Paca silver project in Potosi department in Bolivia and for general corporate purposes.

On October 17, 2024, the Company closed the first tranche of a non-brokered private placement through the issuance of 405,000 units at a price of \$0.49 per unit for gross proceeds of \$198,450. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of \$0.55 per share for 36 months. In connection with the closing, 4,900 units were issued as finders' fees. Proceeds of the private placement were used for general corporate purposes.

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



On November 4, 2024, the Company closed the second tranche of a non-brokered private placement offering raising gross proceeds of \$291,550 through the issuance sale of 595,000 units at a price of \$0.49 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.55 per share for a period of three years from issuance. In connection with the closing, Proceeds of the private placement were used for general corporate purposes.

On January 27, 2025, the Company closed the first tranche of a non-brokered private placement offering raising gross proceeds of \$330,000 through the issuance sale of 2,200,000 units at a price of \$0.15 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.30 per share for a period of three years from issuance. In connection with the closing, 119,000 units were issued as finders' fees. Proceeds of the private placement were used for general corporate purposes.

On February 19, 2025, the Company closed the first tranche of a non-brokered private placement offering raising gross proceeds of \$135,000 through the issuance sale of 900,000 units at a price of \$0.15 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.30 per share for a period of three years from issuance. In connection with the closing, 21,000 units were issued as finders' fees. Proceeds of the private placement were used for general corporate purposes.

On May 5, 2025, the Company closed the first tranche of a non-brokered private placement offering raising gross proceeds of \$696,830 through the issuance sale of 3,871,277 units at a price of \$0.18 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.30 per share for a period of three years from issuance. In connection with the closing, 193,989 units were issued as finders' fees. Proceeds of the private placement were used for general corporate purposes.

On June 25, 2025, the Company closed the first tranche of a non-brokered private placement offering raising gross proceeds of \$172,000 through the issuance sale of 860,000 units at a price of \$0.20 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.30 per share for a period of three years from issuance. In connection with the closing, 33,250 units were issued as finders' fees. Proceeds of the private placement will be used for general corporate purposes.

On June 27, 2025, the Company closed the second and final tranche of a non-brokered private placement offering raising gross proceeds of \$44,000 through the issuance sale of 220,000 units at a price of \$0.20 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.30 per share for a period of three years from issuance. Proceeds of the private placement will be used for general corporate purposes.

Cash flow information:

| | Year Ended | |
|-----------------------------------|---------------------------|---------------------------|
| | March 31, 2025 (\$) | March 31, 2024 (\$) |
| Cash used in operating activities | (3,598,408) | (260,081) |
| Cash used in investing activities | (948,702) | (1,651,392) |
| Cash from financing activities | 2,633,471 | 2,615,317 |
| Cash, end of the period | 271,838 | 2,209,099 |

Cash Flow Highlights

Operating activities: During the current year, the Company used \$3,598,408 in operating activities, compared to \$260,081 during the prior year. The increase in cash used in operating activities is mainly attributable to the Company paying down its liabilities in general during the year, resulting a significant reduction in certain liabilities.

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



Investing activities: During the current year, the Company used \$948,702 in investing activities, compared to \$1,651,392 during the prior year. During the current year, the Company invested \$866,010 in its exploration and evaluation assets, invested \$5,099 in derivative assets and \$75,000 in a royalty interest amendment. The Company also deconsolidated Nevada Vanadium on August 16, 2024, resulting in a cash decrease of \$18,335. These were partially offset by \$15,742 from the sale of shares of CleanTech. During the prior 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, sold certain land holdings in Nevada for \$507,161 and \$212,765 from the sale of shares of CleanTech. The Company also deconsolidated CleanTech on October 1, 2023, resulting in a cash decrease of \$776,249.

Financing activities: During the current year, the Company received \$2,504,526 from share issuances, \$384,275 from subsidiary share issuances, \$36,350 from stock options exercised, \$15,705 from warrants exercised, and \$60,000 from subscription receipts for a private placement in progress. These were partially offset with a loan repayment of \$344,240 in connection with the Fish Creek Ranch and lease payments of \$23,145 for the Company's Vancouver office. During the prior year, the Company received \$192,000 from share issuances, \$2,233,036 from subsidiary share issuances, and \$720,707 from subsidiary subscription receipts for a private placement in progress. These were partially offset by 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.

As at the Financial Position Date, the Company had cash of \$271,838, and current liabilities of \$31,217,789. The Company will need to conduct additional financings to meet working capital requirements, and obligations as they become due.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

The Company has a cost sharing agreement (the "CSA") with CleanTech pursuant to which the companies provide each other with general, technical and administrative services, as reasonably requested, on a cost reimbursement basis.

During the year ended March 31, 2025, 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 Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Operating Officer ("COO"), Chief Legal Officer ("CLO") and executive and non-executive directors.

A summary of related party transactions is as follows:

| | Year Ended | |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| | March 31, 2025 (\$) | March 31, 2024 (\$) |
| CSA fees charged by CleanTech, a company with certain directors and officers in common | 237,028 | 342,675 |
| CSA recoveries from CleanTech | (384,401) | (95,992) |
| CSA fees charged by Nevada Vanadium, a company with certain directors and officers in common | 7,216 | - |
| CSA recoveries from Nevada Vanadium | (50,453) | - |
| Management fees charged by Linx Partners Ltd., a company controlled by John Lee, Director, CEO and Executive Chairman of the Company | 426,563 | 420,000 |
| Directors' fees | 94,800 | 95,316 |
| Salaries and benefits paid to key management of the Company | 478,877 | 401,242 |
| Share-based payments – John Lee | 101,828 | 153,046 |
| Share-based payments – directors | 47,899 | 79,469 |
| Share-based payments – former directors | 1,339 | 20,378 |
| Share-based payments – key management of the Company | 144,714 | 79,315 |
| Share-based payments – former key management of the Company | - | 12,494 |

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



The Company had balances due to related parties as follows:

| | March 31, 2025 (\$) | March 31, 2024 (\$) |
|---------------------------------------------------|---------------------------|---------------------------|
| Due to CleanTech | (12,276) | (1,926,807) |
| Directors' fees payable | (48,400) | (136,800) |
| Management fees advanced to (payable to) John Lee | (4,750) | 32,907 |

Contingencies

On January 14, 2025, the Company commenced an arbitration in British Columbia against APM related to the MSA and SPA Termination (the "Andean Dispute"), seeking payment of the First Additional Consideration. The MSA governs the parties' mining activities in Bolivia. On March 14, 2025, APM filed a counterclaim against the Company for US\$2,097,510, alleging breaches of contract and payments owed. The Company evaluated the applicable IFRS' for the accounting treatment of the Andean Dispute, applying IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* and recorded \$1,235,177 (US\$860,451) as advances that still need to be settled from either deduction of eligible costs and the MSA or refunded, and included in accounts payable and accrued liabilities. The Company maintains APM's counter claim is without merit and such amount is recorded only for IFRS compliance purposes.

Proposed Transactions

Other than as disclosed elsewhere in this document, there are no other proposed transactions as at the date of this MD&A.

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, assumptions used in determination of the fair value of share-based payments, estimation of taxes and related penalties and interest, the timing and amount of 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 determination of whether the Company has title and rights to the MPC Area within its Pulacayo Project, tax assessments, specifically the Ulaan Ovoo Tax Assessment, contingent liabilities, 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

Changes in Accounting Policies

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. The amendments were implemented by the Company effective April 1, 2024 and did not have a material impact on the Company's consolidated financial statements.

Future Changes in Accounting Standards

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18"), the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

The Company is currently evaluating the impact of IFRS 18 on its consolidated 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 consolidated financial statements.

Capital Management

Management considers its capital structure to consist of share capital, stock 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 predominantly in the exploration and development stage with some early stage production at the Pulacayo Paca Project; 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, 2025. 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, 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 assets and liabilities except warrants with a variable exercise price ("Variable Warrants") 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 assets is \$5,099 (March 31, 2024 - \$nil), 2) derivative liabilities is \$987,018 (March 31, 2024 - \$72,000) 3) contingent liability is \$nil (March 31, 2024 - \$157,463), and 4) promissory note is \$nil (March 31, 2024 - \$3,985,681). The Company does not offset financial assets with financial liabilities. Variable Warrants (note 3(l)) are classified as level 2. There were no transfers between Level 1, 2 and 3 for the year ended March 31, 2025.

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 \$271,838 (March 31, 2024 - \$2,209,099) and accounts payable and accrued liabilities of \$2,518,677 (March 31, 2024 - \$3,672,760). Liquidity risk is assessed as 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 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 CleanTech has a corresponding effect of approximately \$3,000 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.

Sensitivity Analysis

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 and accounts payables 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 \$2,532,000. 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 \$136,000. A 10% strengthening (weakening) of the US Dollar

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



against the Canadian Dollar would impact net loss with other variables unchanged by approximately \$1,000. 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, 2025 |
|--------------------------------------|----------------------------|-------------------|
| Common shares issued and outstanding | 46,781,119 | 41,439,633 |
| Share purchase options outstanding | 4,549,500 | 3,468,875 |
| Share purchase warrants | 26,152,056 | 14,916,258 |

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 are 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 associated with operating in Boliva and Mongolia;
- 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 Indigenous 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, including but not limited to restrictions on the repatriation of funds; 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 ("DC&P")

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 CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

The Company's CEO and CFO (the "Certifying Officers") are responsible for establishing and maintaining adequate DC&P. Under the supervision and with the participation of the Certifying Officers, the Company evaluated the effectiveness of its DC&P in accordance with requirements of National Instrument 52-109 ("NI 52-109"). As of March 31, 2025, based on the evaluation, the Company's Certifying Officers concluded that the Company's DC&P were effective.

Internal Controls over Financial Reporting ("ICFR")

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.

The Company evaluated the effectiveness of its ICFR as of March 31, 2025 based on the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the evaluation, the Company's Certifying Officers concluded that the Company's ICFR was effective as of March 31, 2025.

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.

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.

Production Disclaimer

The Company based its production decision at Pulacayo Paca Project on internal production models (the "Internal Model") and not on a feasibility study or pre-feasibility study of mineral reserves demonstrating economic and technical viability. The Company did not complete a feasibility study or pre-feasibility study in connection with its production decision due to, among other factors, the ability to move ahead to development and production based on comparatively low initial capital costs due to foregoing the need to construct a processing facility and the Company's knowledge of the resource base. As a result, there is increased uncertainty and there are multiple technical and economic risks of failure which are associated with this production decision. These risks, among others, include the inclusion of inferred mineral resources in the Internal Model that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.

Furthermore, there are risks associated with areas that are analyzed in more detail in a pre-feasibility and feasibility study, such as applying economic analysis to resources and reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. There is no assurance given all of the known and potentially unknown risks associated with Pulacayo Paca Project that the Company will be able to profitably carry-on mining operations. In addition, there is no assurance that production will be profitable or that continued exploration of the Pulacayo Paca Project will demonstrate adequate additional mineralization which can be mined economically, such that mining operations at Paca may not be sustainable beyond currently estimated resources or in the medium to long term or at all.

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; 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 production or 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, pandemics; 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

Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



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 1008 - 409 Granville Street,
Vancouver, BC, Canada, V6C 1T2
Tel: +1 (604) 569-3661

Odyssey Trust Company

350 - 409 Granville Street
Vancouver, BC V6C 1T2
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Silver Elephant Mining Corp.

Management's Discussion and Analysis

Year Ended March 31, 2025

(Expressed in Canadian dollars, except where indicated)



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

Alex Bayer, Chief Legal Officer

Sara Knappe, Corporate Secretary



Consolidated Financial Statements

**For the Year Ended
March 31, 2025**

(Expressed in Canadian Dollars)

Mao & Ying LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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, 2025 and 2024, and the statements of loss and comprehensive loss, changes in equity, and cash flows for the years ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance and its cash flows for the years ended March 31, 2025 and 2024 in accordance with IFRS Accounting Standards as issued by international Accounting Standards Board (IASB).

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 significant 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 \$21,986,161 as at March 31, 2025.

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 the intent for the E&E Assets through discussion and communication with management;
- Reviewing the Company's recent expenditure activity; and

- Evaluating management’s assessment of impairment indicators;

Mongolian Tax Assessment

As described in Note 27 to the consolidated financial statements, during the year ended March 31, 2025, the Company received a tax assessment related to certain mining license transfer that occurred in 2022 between two wholly-owned subsidiaries. The assessment includes Corporate Income Tax (CIT), Value-Added Tax (VAT), penalties, and interest, totaling approximately \$26.2 million.

We considered this a key audit matter due to the complexity of the underlying tax matters, the significant judgment involved in assessing the recognition and disclosure requirements under IFRS, and the potential impact on prior period financial statements. The matter required a high degree of auditor judgment and effort, particularly in evaluating management’s interpretation of tax laws and accounting standards, and the appropriateness of their conclusions.

Our audit procedures included, among others:

- Obtaining and reviewing relevant tax documentation, including correspondence with the Mongolian tax authority and supporting technical analyses prepared by management.
- Evaluating management’s basis for its original tax treatment and its updated assessment in light of the assessment.
- Engaging our tax specialist to assess the technical merits of management’s position and the implications under applicable local tax laws and IFRS requirements.
- Testing the measurement and recognition of the provisions for CIT and VAT, including penalties and interest.
- Evaluating the adequacy and transparency of the related disclosures in the financial statements, particularly with respect to the significant judgments made and the nature and impact of the prior period financial statements.

Pulacayo Paca Project

As disclosed in Note 9 to the consolidated financial statements, the Company’s Pulacayo Paca Project is governed by a production contract with a state-owned entity, which remains subject to legislative approval. During the year ended March 31, 2025, the state-owned entity issued an administrative resolution annulling the approval process for the contract, citing alleged non-compliance by the Company. This development has introduced significant uncertainty regarding the legal status of the Company’s rights to the underlying E&E assets.

We considered this a key audit matter due to the significant judgment involved in assessing whether the Company retains valid and enforceable rights to the mining concessions as of the reporting date. Management’s assessment required the interpretation of complex local mining laws and administrative procedures, and an evaluation of ongoing legal and regulatory developments. These matters involved a high degree of auditor judgment and effort in evaluating the adequacy of audit evidence supporting management’s conclusions.

Our audit procedures included the following:

- Discussing with management regarding their assessment of the legal and financial implications, including the probability of a successful appeal.
- Reviewing key correspondence between the Company and the state-owned entity regarding the annulment, appeals, and supporting legal arguments.
- Evaluating legal opinion provided by the Company’s independent external legal counsel.
- Obtaining direct legal confirmation from the Company’s external legal counsel to independently corroborate their view on the enforceability of the Company’s rights and the status of the administrative proceedings.
- Performing tests, on a sample basis, of the capitalized expenditures incurred during the year.
- Assessing the adequacy of the related financial disclosures, including management’s assessment of

the legal risk, status of appeal, and potential financial implications.

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 IFRS Accounting Standards as issued by IASB, 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.

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

Other Matter

As discussed in Note 27 to the consolidated financial statements, the consolidated financial statements for the year ended March 31, 2024 have been restated to correct a misstatement. The adjustments were audited as part of our audit of the consolidated financial statements for the year ended March 31, 2025

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 30, 2025

Silver Elephant Mining Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)



| | March 31, 2025 (\$) | March 31, 2024 (\$) |
|-----------------------------------------------------------|---------------------------|---------------------------|
| Assets | | |
| Current assets | | |
| Cash | 271,838 | 2,209,099 |
| Receivables (note 4) | 52,294 | 82,616 |
| Prepaid expenses | 62,901 | 284,692 |
| Derivative assets (note 5) | 5,099 | - |
| | 392,132 | 2,576,407 |
| Non-current assets | | |
| Exploration and evaluation assets (note 9) | 21,986,161 | 42,253,511 |
| Investment in CleanTech (note 10) | 546,719 | 1,534,784 |
| Royalty interest (note 11) | 75,000 | - |
| Other non-current assets | 117,730 | 61,922 |
| Land (note 6) | - | 3,627,076 |
| Buildings and structures (note 8) | - | 657,567 |
| Equipment (note 7) | - | 28,516 |
| Total assets | 23,117,742 | 50,739,783 |
| Liabilities And Equity | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (note 18) | 2,518,677 | 3,672,760 |
| Provision for Mongolia tax dispute (note 27) | 27,682,126 | 24,454,707 |
| Due to CleanTech (note 18) | 12,276 | 1,926,807 |
| Other current liabilities (note 12, 14) | 1,004,710 | 1,318,336 |
| Promissory note (note 13) | - | 3,985,681 |
| | 31,217,789 | 35,358,291 |
| Non-current liabilities | | |
| Provision for closure and reclamation (note 15) | 1,750,990 | 2,085,996 |
| Lease liability (note 12) | 36,916 | 7,936 |
| Other non-current liabilities (note 14) | - | 2,437,914 |
| Total liabilities | 33,005,695 | 39,890,137 |
| Equity | | |
| Share capital (note 16) | 221,208,020 | 219,568,237 |
| Subscriptions received (note 16) | 60,000 | - |
| Reserves (note 16) | 28,678,391 | 28,740,877 |
| Accumulated other comprehensive income | (764,823) | (272,777) |
| Deficit | (258,794,402) | (250,565,748) |
| Equity attributable to equity holders of parent | (9,612,814) | (2,529,411) |
| Equity attributable to non-controlling interest (note 17) | (275,139) | 13,379,057 |
| Total equity | (9,887,953) | 10,849,646 |
| Total liabilities and equity | 23,117,742 | 50,739,783 |
| Nature of Operations and Going Concern (note 1) | | |
| Subsequent Events (note 28) | | |

Approved by the Board of Directors

"John Lee"

John Lee – Director

"Greg Hall"

Greg Hall – Director

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

Silver Elephant Mining Corp.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)



| | Year Ended | |
|----------------------------------------------------------------------------|---------------------------|------------------------------------------------|
| | March 31, 2025 (\$) | March 31, 2024 (\$) (Restated – Note 27) |
| General and administrative expenses | | |
| Amortization (note 7, 8 and 12) | 35,756 | 478,198 |
| Advertising and promotion | 59,217 | 115,002 |
| Consulting and management fees (note 18) | 631,496 | 1,023,411 |
| Director fees (note 18) | 142,800 | 222,778 |
| Insurance | 84,912 | 158,014 |
| Office and administration | 180,293 | 474,575 |
| Professional fees | 530,183 | 1,061,851 |
| Salaries and benefits (note 18) | 1,045,346 | 1,464,417 |
| Share-based payments (note 16c, 17b, 17c and 17d) | 624,514 | 1,472,006 |
| Stock exchange and shareholder services | 307,647 | 332,824 |
| Travel and accommodation | 61,164 | 156,512 |
| | (3,703,328) | (6,959,588) |
| Other items | | |
| Other income | 154,644 | 215,745 |
| Gain from changes in interest in CleanTech (note 10) | 271,087 | - |
| Impairment of investment in CleanTech (note 10) | (785,119) | - |
| Ulaan Ovoo Tax Assessment (note 27) | - | (5,971,792) |
| Ulaan Ovoo Tax Assessment Interest (note 27) | (2,624,646) | (2,740,082) |
| Loss from equity accounted investment in CleanTech (note 10) | (1,160,582) | (122,445) |
| Loss from care and maintenance of coal properties (note 20) | (449,107) | (375,551) |
| Loss from deconsolidation of Nevada Vanadium (note 17e) | (1,188,283) | - |
| Gain from fair value change in derivative liabilities | 277,219 | 388,589 |
| Finance expense | (79,925) | (247,787) |
| Impairment of exploration and evaluation asset (note 9) | (71,985) | (1,249,257) |
| Foreign exchange loss | (11,646) | (19,387) |
| Loss from deconsolidation of CleanTech (note 10) | - | (1,373,090) |
| Gain from sale of Titan project | - | 430,257 |
| Net loss for the year | (9,371,671) | (18,024,388) |
| Other comprehensive income: | | |
| Foreign currency translation | (108,952) | (805,464) |
| Comprehensive loss for the year | (9,480,623) | (18,829,852) |
| Net loss attributable to: | | |
| Equity holders of parent | (8,228,654) | (15,249,919) |
| Non-controlling interest (note 17) | (1,143,017) | (2,774,469) |
| | (9,371,671) | (18,024,388) |
| Comprehensive loss attributable to: | | |
| Equity holders of parent | (8,529,233) | (16,076,732) |
| Non-controlling interest (note 17) | (951,390) | (2,753,120) |
| | (9,480,623) | (18,829,852) |
| Basic and diluted loss per share attributable equity holders of parent | (0.22) | (0.47) |
| Basic and diluted weighted average number of shares outstanding (note 16e) | 36,960,228 | 32,593,257 |

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

Silver Elephant Mining Corp.

Consolidated Statements of Shareholders' Equity

(Expressed in Canadian Dollars)



| | Number of Shares | Share Subscription Capital (\$) | Received (\$) | Reserves (\$) | AOCI ¹ (\$) | Deficit (\$) | Total Shareholders' Equity (\$) | NCI ² (\$) | Total (\$) |
|-----------------------------------------------|------------------------|---------------------------------------|------------------|-------------------|---------------------------|----------------------|------------------------------------------|--------------------------|--------------------|
| Balance, April 1, 2023 (restated – note 27) | 32,084,966 | 219,321,270 | - | 28,958,228 | 554,036 | (235,315,829) | 13,517,705 | 33,441,020 | 46,958,725 |
| 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 |
| Share-based payments (“SBP”) (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 – CleanTech | - | - | - | - | - | - | -(21,915,893) | (21,915,893) | |
| SBP - CleanTech (note 17(d)) | - | - | - | - | - | - | - | 383,036 | 383,036 |
| SBP - Nevada Vanadium (note 17(c)) | - | - | - | - | - | - | - | 393,565 | 393,565 |
| SBP - Oracle (note 17(b)) | - | - | - | - | - | - | - | 128,019 | 128,019 |
| Net loss (restated) (note 27) | - | - | - | - | - | (15,249,919) | (15,249,919) | (2,774,469) | (18,024,388) |
| Other comprehensive loss (restated) (note 27) | - | - | - | - | (826,813) | - | (826,813) | 21,349 | (805,464) |
| Balance, March 31, 2024 (restated) | 32,841,918 | 219,568,237 | - | 28,740,877 | (272,777) | (250,565,748) | (2,529,411) | 13,379,057 | 10,849,646 |
| Balance, April 1, 2024 | 32,841,918 | 219,568,237 | - | 28,740,877 | (272,777) | (250,565,748) | (2,529,411) | 13,379,057 | 10,849,646 |
| Bonus shares (note 16) | 124,270 | 37,380 | - | - | - | - | 37,380 | - | 37,380 |
| Shares for services (note 16) | 216,013 | 49,375 | - | - | - | - | 49,375 | - | 49,375 |
| Private placements (note 16) | 7,779,054 | 1,618,263 | - | - | - | - | 1,618,263 | - | 1,618,263 |
| Finders' fees (note 16) | 338,478 | (110,690) | - | - | - | - | (110,690) | - | (110,690) |
| Stock options exercised | 105,000 | 29,750 | - | 6,600 | - | - | 36,350 | - | 36,350 |
| Warrant exercised | 34,900 | 15,705 | - | - | - | - | 15,705 | - | 15,705 |
| Shares to be issued (note 16) | - | - | 60,000 | - | - | - | 60,000 | - | 60,000 |
| SBP (note 16(c)) | - | - | - | 442,555 | - | - | 442,555 | - | 442,555 |
| Changes in NCI ownership (note 17(a)) | - | - | - | (248,009) | - | - | (248,009) | 454,222 | 206,213 |
| Derecognition - Nevada Vanadium (note 17) | - | - | - | (263,632) | (191,467) | - | (455,099) | (13,340,680) | (13,795,779) |
| SBP - Nevada Vanadium (note 17(d)) | - | - | - | - | - | - | - | 17,630 | 17,630 |
| SBP – Oracle (note 17(b)) | - | - | - | - | - | - | - | 166,022 | 166,022 |
| Net loss | - | - | - | - | - | (8,228,654) | (8,228,654) | (1,143,017) | (9,371,671) |
| Other comprehensive loss | - | - | - | - | (300,579) | - | (300,579) | 191,627 | (108,952) |
| Balance, March 31, 2025 | 41,439,633 | 221,208,020 | 60,000 | 28,678,391 | (764,823) | (258,794,402) | (9,612,814) | (275,139) | (9,887,953) |

¹ Accumulated other comprehensive income (loss) (“AOCI”)

² Non-controlling interest (“NCI”)

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



| | Year Ended | |
|-------------------------------------------------------------------|---------------------------|-----------------------------------------------|
| | March 31, 2025 (\$) | March 31 2024 (Restated – Note 27) (\$) |
| Operating Activities | | |
| Net loss for the year | (9,371,671) | (18,024,388) |
| Items not involving cash: | | |
| Amortization and accretion | 35,756 | 494,504 |
| Share-based payments | 624,514 | 1,472,006 |
| Loss (gain) from fair value change in derivative liabilities | (277,219) | (388,589) |
| Impairment of investment in CleanTech (note 10) | 785,119 | - |
| Impairment of exploration and evaluation asset (note 9) | 71,985 | 1,249,257 |
| Loss from equity accounted in CleanTech (note 10) | 1,160,582 | 122,445 |
| Loss from deconsolidation of Nevada Vanadium (note 17e). | 1,188,283 | - |
| Change in provision for closure and reclamation | 91,843 | (1,860) |
| Finance expense | 79,925 | 247,787 |
| Gain from changes in interest | (271,087) | - |
| Unrealized foreign exchange | (68,102) | 40,245 |
| 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 CleanTech (note 10) | - | 1,373,090 |
| | (5,950,072) | (13,766,306) |
| Changes in non-cash working capital | | |
| Accounts receivable | 22,846 | 331,596 |
| Prepaid expenses | 178,111 | (17,142) |
| Accounts payable and accrued liabilities | (2,015,718) | (200,643) |
| Provision for Mongolia tax dispute (note 27) | 2,624,646 | 8,711,874 |
| Other current liabilities | (14,769) | 1,066,523 |
| Other non-current liabilities | 1,157,490 | 2,869,072 |
| Due to CleanTech | 399,058 | 744,945 |
| Cash used in operating activities | (3,598,408) | (260,081) |
| Investing Activities | | |
| Exploration and evaluation assets | (866,010) | (1,826,069) |
| Derivative assets | (5,099) | - |
| Royalty interest | (75,000) | - |
| Deconsolidation of Nevada Vanadium | (18,335) | - |
| Sale of shares of CleanTech | 15,742 | 212,765 |
| Net proceeds from sale of partial land (note 6) | - | 507,161 |
| Net proceeds from sale of Titan Project (note 9) | - | 231,000 |
| Deconsolidation of CleanTech (note 10) | - | (776,249) |
| Cash used in investing activities | (948,702) | (1,651,392) |



Consolidated Statements of Cash Flows - continued

| | Year Ended | |
|-----------------------------------------------------------|---------------------------|-----------------------------------------------|
| | March 31, 2025 (\$) | March 31 2024 (Restated – Note 27) (\$) |
| Financing Activities | | |
| Proceeds from share issuances (note 16(b)) | 2,504,526 | 192,000 |
| Subscription receipts (note 18) | 60,000 | - |
| Proceeds from stock options exercised | 36,350 | - |
| Proceeds from warrants exercised | 15,705 | - |
| Proceeds from share issuance of subsidiaries (note 17(a)) | 384,275 | 2,233,036 |
| Partial repayment of promissory note (note 13) | (344,240) | (508,571) |
| Lease payments (note 12) | (23,145) | (21,855) |
| Subsidiary subscriptions received | - | 720,707 |
| Cash from financing activities | 2,633,471 | 2,615,317 |
| Effect of foreign exchange on cash | 5,128 | 286 |
| Increase (decrease) in cash | (1,908,511) | 704,130 |
| Cash, beginning of year | 2,209,099 | 1,504,969 |
| Restricted cash | (28,750) | - |
| Cash, end of year | 271,838 | 2,209,099 |

Supplemental cash flow information (note 21)

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

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



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 OTCQB under the symbol “SILEF”. The Company maintains its registered and records office at Suite 1008 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

The Company is a mineral exploration company, with interests in the following projects; (a) the Pulacayo-Paca silver-lead-zinc project in Bolivia (the “Pulacayo Paca Project”), (b) the Ulaan Ovoo coal project located in Mongolia, and (c) the Chandgana coal project, located in Mongolia. The Ulaan Ovoo coal project and the Chandgana coal project have all been fully impaired. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves (the Company has not completed the studies required to categorize any of its current resource as 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 not in commercial production.

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, 2025 (the “Financial Position Date”), the Company had working capital deficiency of \$30,825,657 (March 31, 2024 - \$32,781,884) and an accumulated deficit of \$258,794,402 (March 31, 2024 - \$250,565,748). 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 IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were approved by the Board of Directors and authorized for issue on June 30, 2025.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



2. Basis Of Presentation - continued

(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 at March 31, 2025 | Project |
|-----------------------------------------------------|----------|-----------------------------------------|--------------------|
| Apogee Minerals Bolivia SA ("Apogee Bolivia") | Bolivia | 100% | Paca Project |
| ASC Bolivia LDC ("ASC Bolivia") | Cayman | 100% | Paca Project |
| ASC Holdings Limited ("ASC Holdings") | Cayman | 100% | n/a |
| Chandgana Coal LLC | Mongolia | 100% | Chandgana Project |
| Empresa Minera Silver Elephant 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 |
| UGL Enterprises LLC | Mongolia | 100% | Ulaan Ovoo Project |
| Oracle Commodity Holding Corp. ("Oracle") | Canada | 35% | n/a |

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, CleanTech Vanadium Mining Corp. (formerly Flying Nickel Mining Corp.) ("CleanTech" or "Flying Nickel") and Nevada Vanadium Mining Corp. ("Nevada Vanadium") and its subsidiaries, as applicable, as management has determined that the Company has or had de facto control over these entities as the Company has the practical ability to direct the relevant activities of these entities for certain periods presented.

As at the date of the Spin-off Arrangement (note 17), the Company had a 40% ownership interest in Oracle. As at the Financial Position Date, this ownership interest decreased to 35%. 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 included the accounts of Nevada Vanadium (and its subsidiaries), and CleanTech for certain periods.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



2. Basis Of Presentation – continued

As at the date of the Spin-off Arrangement, Oracle had a 41% ownership interest in CleanTech and a 46% ownership interest in Nevada Vanadium. Oracle ceased to have de facto control over CleanTech as at October 1, 2023, therefore CleanTech and its Minago Project were deconsolidated from the Company's financial statements effective October 1, 2023 (note 10). On August 16, 2024, CleanTech acquired Nevada Vanadium and therefore Nevada Vanadium was deconsolidated (note 17e).

(d) Significant Judgments 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, assumptions used in determination of the fair value of share-based payments, estimation of taxes and related penalties and interest, the timing and amount of 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 determination of whether the Company has title and rights to the MPC Area within its Pulacayo Project (note 9), tax assessments, specifically the Ulaan Ovoo Tax Assessment (note 27), contingent liabilities (note 26), 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)).

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



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 |
| Empresa Minera Silver Elephant Bolivia S.A. | Bolivia | US Dollar |
| ASC Bolivia LDC | Cayman | US Dollar |
| Chandgana Coal LLC | Mongolia | Mongolian Tugrik |
| Prophecy Power Generation LLC | Mongolia | Mongolian Tugrik |
| Red Hill Mongolia LLC | Mongolia | Mongolian Tugrik |
| UGL Enterprises LLC | Mongolia | Mongolian Tugrik |

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.

(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.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



3. Material Accounting Policy Information - *continued*

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) Impairment assessment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances.

All capitalized exploration and evaluation assets are monitored for indications of impairment at each reporting period. The Company considered the following facts and circumstances in determination if it should test exploration and evaluation assets for impairment:

- (i) the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- (iv) sufficient data exists to indicate that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that deferred exploration expenditures are not expected to be recovered, an impairment is charged to profit or loss. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

An impairment charge relating to an exploration and evaluation asset may be subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized. General exploration costs in areas of interest in which the Company has not secured rights are expensed as incurred.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



3. Material Accounting Policy Information - continued

(d) 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 |

(e) 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.

(f) 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 liability is measured at amortized cost using the effective interest rate method, and accreted accordingly.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



3. Material Accounting Policy Information - continued

(g) 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.

(h) 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.

(i) 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.

(j) 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.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



3. Material Accounting Policy Information - *continued*

(k) 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 loss 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.

(l) Units Comprising Common Shares and Warrants

The proceeds from private placements that include warrants that do not have variability in its settlement 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.

When the Company issues a unit comprising common shares and warrants that have variability in its settlement ("Variable Warrants"), the warrants are classified as financial liabilities in accordance with IAS 32 (resulting from settlement features that do not meet the "fixed-for-fixed" equity classification criterion), and the common shares are classified as equity.

Each component is initially measured at fair value at the date of issuance as follows:

- warrant liability is measured at fair value using an appropriate valuation technique, such as the Black-Scholes option pricing model; and
- common shares are measured based on its fair value.

The total proceeds received from the issuance are then allocated to each component on a relative fair value basis.

The warrant liability is subsequently remeasured at fair value through profit or loss in accordance with IFRS 9. Changes in fair value are recognized in the statement of profit or loss at each reporting date. The common shares, classified as equity, are not subsequently remeasured.

Transaction costs are allocated between the components based on their initial recognition. Incremental costs that are directly attributable to the issuance of the warrant liability are added to the carrying amount of the liability. Transaction costs related to the equity component are deducted from equity, either from share capital or share premium, as applicable.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



3. Material Accounting Policy Information - continued

(m) Financial Instruments

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

| <u>Asset or Liability</u> | <u>IFRS 9 Classification</u> |
|------------------------------------------------------------------|------------------------------|
| 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 CleanTech. | Amortized cost |
| Promissory note | Amortized cost |
| Derivative assets and 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.

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.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



3. Material Accounting Policy Information - continued

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 profit or 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.

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.



3. Material Accounting Policy Information - continued

(n) 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.

(o) 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.
- 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.



3. Material Accounting Policy Information - continued

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.

(p) Changes in Accounting Policies

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. The amendments were implemented by the Company effective April 1, 2024 and did not have a material impact on the Company's consolidated financial statements.

(q) Future Changes in Accounting Standards

In April 2024, the IASB issued *IFRS 18, Presentation and Disclosure in Financial Statements* ("IFRS 18"), the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



3. Material Accounting Policy Information - continued

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

The Company is currently evaluating the impact of IFRS 18 on its consolidated 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 consolidated financial statements.

4. Receivables

| | March 31, 2025 (\$) | March 31, 2024 (\$) |
|-----------------------------|---------------------------|---------------------------|
| Value added tax receivables | 52,294 | 37,197 |
| Other receivables | - | 45,419 |
| Total | 52,294 | 82,616 |

5. Derivative Assets

The Company's derivative assets are comprised of commodity and treasury contracts.

| | \$ |
|-------------------------------------------|--------------|
| Balance, April 1, 2023 and March 31, 2024 | - |
| Investment in derivative assets | 208,309 |
| Realized loss on derivative assets | (203,210) |
| Balance, March 31, 2025 | 5,099 |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**6. Fish Creek Ranch**

On April 6, 2022, Nevada Vanadium acquired the Fish Creek Ranch property (the “Fish Creek Ranch”) located in Eureka County, Nevada USA. 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 (note 9) in the form of water supply.

On September 21, 2023, Nevada Vanadium sold a parcel of land from the Fish Creek Ranch for gross proceeds of \$539,555 (US\$400,041), of which \$168,594 (US\$125,000) was used to partially repay the promissory note (note 13). Transaction costs totaled \$32,393 (US\$24,018). The carrying amount of the land before disposal was \$419,752 (US\$310,720)

The Fish Creek Ranch was deconsolidated from the Company’s consolidated financial statements as a result the Nevada Vanadium Transaction (note 17e).

The carrying value of land at the Fish Creek Ranch is as follows:

| | \$ |
|------------------------------------|------------------|
| Balance, April 1, 2023 | 4,044,061 |
| Disposals | (419,752) |
| Foreign exchange effect | 2,767 |
| Balance, March 31, 2024 | 3,627,076 |
| Foreign exchange effect | 36,150 |
| Deconsolidation of Nevada Vanadium | (3,663,226) |
| Balance, March 31, 2025 | - |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(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 (\$) | Fish Creek Ranch Equipment (\$) | Total (\$) |
|---------------------------------------|-------------------------------|------------------------------------|------------------|-----------------------------|------------------------------------------|--------------------|
| Cost | | | | | | |
| Balance, April 1, 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 |
| Foreign exchange | - | - | 1,129 | 111 | 4,029 | 5,269 |
| Deconsolidation of Nevada Vanadium | - | - | (57,977) | (12,358) | (461,737) | (532,072) |
| Balance, March 31, 2025 | 101,928 | 276,830 | 183,873 | - | - | 562,631 |
| Accumulated Amortization | | | | | | |
| Balance, April 1, 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) |
| Amortization | - | - | (4,350) | (618) | (3,163) | (8,131) |
| Foreign exchange | - | - | (400) | (55) | (4,527) | (4,982) |
| Deconsolidation of Nevada Vanadium | - | - | 43,485 | 6,178 | 461,737 | 511,400 |
| Balance, March 31, 2025 | (101,928) | (276,830) | (183,873) | - | - | (562,631) |
| Net book value, March 31, 2024 | - | - | 18,113 | 6,742 | 3,661 | 28,516 |
| Net book value, March 31, 2025 | - | - | - | - | - | - |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(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, April 1, 2023 | 713,657 |
| Foreign exchange effect | 686 |
| Balance, March 31, 2024 | 714,343 |
| Foreign exchange effect | 7,120 |
| Deconsolidation of Nevada Vanadium | (721,463) |
| Balance, March 31, 2025 | - |
| Accumulated Amortization | |
| Balance, April 1, 2023 | (28,077) |
| Amortization | (28,450) |
| Foreign exchange effect | (249) |
| Balance, March 31, 2024 | (56,776) |
| Amortization | (7,216) |
| Foreign exchange effect | (564) |
| Deconsolidation of Nevada Vanadium | 64,556 |
| Balance, March 31, 2025 | - |
| Net book value, March 31, 2024 | 657,567 |
| Net book value, March 31, 2025 | - |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



9. Exploration and Evaluation Assets

| | Bolivia | | Canada | USA | Total (\$) |
|--------------------------------------------------|-----------------------|-----------------|----------------|-------------------|-------------------|
| | Pulacayo Paca (\$) | Triunfo (\$) | Minago (\$) | Gibellini (\$) | |
| Balance, April 1, 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 CleanTech (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 |
| Licenses, tax and permits | 3,031 | 73,929 | - | 16,389 | 93,349 |
| Geological and consulting | 462,782 | 310 | - | 6,862 | 469,954 |
| Feasibility study | - | - | - | 4,334 | 4,334 |
| Exploration and drilling | 11,913 | - | - | - | 11,913 |
| Personnel, camp and general | 532,377 | - | - | 1,693 | 534,070 |
| Proceeds from MSA ¹ | (2,650,929) | - | - | - | (2,650,929) |
| Impairment | - | (71,985) | - | - | (71,985) |
| Foreign exchange | 562,786 | (2,254) | - | 190,640 | 751,172 |
| Deconsolidation of Nevada Vanadium (note 17e) | - | - | - | (19,409,228) | (19,409,228) |
| Balance, March 31, 2025 | 21,986,160 | 1 | - | - | 21,986,161 |

¹ Net of \$944,475 to be settled with APM.

Pulacayo Paca Project, Bolivia

The Company is predominantly focused on the development of the Pulacayo Paca Project in Southwestern Bolivia.

The Pulacayo Paca Project Area is made up of eight concessions in total: one concession held directly by the Company (the “Apurudita Area”) of the Paca Pulacayo Project Area and seven concessions (the “MPC Area”) held through temporary permits and a Mining Production Contract (“MPC”) dated October 3, 2019 with the Corporacion Minera de Bolivia (“Comibol”).

The Apurudita concession is held through a Mining Administrative Contact (“MAC”). The MAC provides the Company with direct ownership rights. To maintain the Apurudita Area concession in good standing, the Company must make certain annual payments. The Apurudita Claim Area concession permits the Company to explore and develop the Apurudita Area. The MPC grants, once approved by the Plurinational Legislative Assembly, the Company exploration rights and an exclusive right to develop the MPC Area for up to 30 years. As at the Financial Position Date, approval has not yet been received.

In December 2024, the Company received a notice of cancellation (the “Notice of Cancellation”) of the approval process for the MPC from Comibol citing alleged illegal mining. The Company maintains that it has operated in full compliance under temporary permits issued by Comibol in accordance with the MPC and received proper authorizations for its activities in the MPC Area. The Company remains committed to the development path for the Pulacayo Paca Project and has filed certain applications and appeals in Bolivia to reverse the Notice of Cancellation. The Notice of Cancellation does not affect the Apurudita Area.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



9. Exploration and Evaluation Assets – *continued*

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 Pulacayo Paca property. 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 \$7,177,500 (US\$5,000,000) (the MSA Payments”) in installments, of which \$4,286,358 (US\$3,150,000) has been received.

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.

On December 30, 2024, the Company terminated the MSA and SPA (the “MSA and SPA Termination”) as a result of APM Group’s failure to pay a \$1,435,500 (US\$1,000,000) bonus payment based on silver price reaching a certain threshold (the “First Additional Consideration”). The First Additional Consideration became due once the London Bullion Market Association silver spot price averaged over US\$28 per oz for the previous 260 trading-day interval. The Company maintains that the First Additional Consideration is payable and is pursuing appropriate recourse.

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 \$1,435,500 (US\$1,000,000) (the “Purchase Right” and together with the Exploration Right, the “Triunfo Rights”).

On April 8, 2025, the Company entered into an option assignment agreement with CleanTech pursuant to which the Company proposes to assign its rights in and to the Triunfo Agreement to CleanTech in exchange for \$155,000 (received). Closing of this transaction is subject to the satisfaction of certain conditions precedent thereto including, without limitation, satisfactory completion of due diligence in respect of the Triunfo Project by CleanTech, the receipt of the requisite regulatory and stock exchange approvals by each of Silver Elephant and CleanTech, and the execution of an amendment to the Triunfo Agreement in form and substance acceptable to CleanTech. CleanTech has provided Silver Elephant with a refundable deposit in the amount of \$155,000 which such deposit shall be repaid in the event the Transaction is not completed by December 31, 2025 or if the Option Assignment Agreement is otherwise terminated.

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 \$71,775 (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”).

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



9. Exploration and Evaluation Assets – *continued*

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 \$430,650 (US\$300,000);
- the Residual Interest may be reduced by 4% for \$358,875 (US\$250,000);
- the Residual Interest may be reduced by 3% for \$287,100 (US\$200,000);
- the Residual Interest may be reduced by 2% for \$215,325 (US\$150,000); or
- the Residual Interest may be reduced by 1% for \$143,550 (US\$100,000).

During the year ended March 31, 2025, the Company recorded an impairment charge of \$71,985 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 October 1, 2023, the Minago Project was deconsolidated from the Company's consolidated financial statements (note 10).

Gibellini Project, USA

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 (the "Bisoni Condition"). The Gibellini Project and its obligations were transferred to Nevada Vanadium on January 14, 2022 as a result of the Spin-off Arrangement. The Bisoni condition was potentially met on April 5, 2022, and derivative liabilities of \$500,000 was recognized (the "Bisoni Liability") by Nevada Vanadium.

On August 16, 2024, the Gibellini Project along with the Bisoni Liability was deconsolidated from the Company's consolidated financial statements (note 17e).

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



10. Investment in CleanTech Vanadium Mining Corp.

As a result of the Spin-off Arrangement (note 17), the Company consolidated CleanTech from January 14, 2022 to September 30, 2023, the period for which the Company had de facto control over CleanTech. Effective October 1, 2023, the Company deconsolidated CleanTech as de facto control was lost due to dilution. However, as the Company still maintains significant influence over CleanTech, it has applied the equity method of accounting for CleanTech. The Company has significant influence over CleanTech as a result of having the power to participate in the financial and operating policy decisions of CleanTech but does not have control or joint control.

The Company recorded the carrying value of its investment in CleanTech 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 CleanTech is determined based on share price of CleanTech on October 12, 2023.

On August 16, 2024, CleanTech acquired Nevada Vanadium (note 17e), and as a result, the Company's 27,602,912 shares of Nevada Vanadium were exchanged for 27,602,912 shares of CleanTech with a fair value of \$698,997.

| | \$ |
|--------------------------------------------------------|------------------|
| Balance, April 1, 2023 | - |
| Derecognition of net assets of CleanTech | 24,946,212 |
| Derecognition of non-controlling interest of CleanTech | (21,915,893) |
| Fair value loss from deconsolidation of CleanTech | (1,373,090) |
| Proportionate share of losses | (122,445) |
| Balance, March 31, 2024 | 1,534,784 |
| Disposition of CleanTech common shares | (12,448) |
| Fair value of considerations received | 698,997 |
| Proportionate share of losses | (1,160,582) |
| Gain from changes in interest | 271,087 |
| Impairment of investment in associate | (785,119) |
| Balance, March 31, 2025 | 546,719 |

As at March 31, 2025, the Company owned approximately 13% (March 31, 2024 – 7.4%) of the common shares of CleanTech.

CleanTech had no contingent liabilities or capital commitments as at March 31, 2025 and March 31, 2024.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**10. Investment in CleanTech Vanadium Mining Corp. - continued**

The following tables illustrate the summarized financial information of CleanTech:

| | March 31, 2025 (\$) | March 31, 2024 (\$) |
|---------------------|---------------------------|---------------------------|
| Current assets | 3,809,639 | 2,225,116 |
| Non-current assets | 13,070,985 | 20,972,961 |
| Current liabilities | 4,763,753 | 481,448 |
| Equity | 12,116,871 | 22,716,629 |

| | Year Ended | |
|-------------------------------------|---------------------------|--------------------------|
| | March 31, 2025 (\$) | March 31 2024 (\$) |
| General and administrative expenses | (2,243,601) | (1,565,943) |
| Other items | (12,644,066) | (3,797) |
| Net loss for the year | (14,887,667) | (1,569,740) |

11. Royalty Interests

On January 14, 2022, under the terms of the Spin-off Arrangement (note 17), Oracle acquired certain mineral property net smelter royalty agreements ("Transferred Royalties"). No value was attributed to these royalties at the time.

The Transferred Royalties included the following:

(a) Titan Royalty Agreement

Oracle will receive a two per cent (2%) royalty on all mineral products produced from certain mineral claims and leases in Manitoba relating to Silver Elephant's former Titan project after the commencement of commercial production if the V205 Vanadium Pentoxide Flake 98% price per pound exceeds US\$12.00.

On August 4, 2023, Silver Elephant assigned its Titan Project to which the Titan Royalty Agreement relates to, to a third party.

On August 4, 2023, Oracle granted to a third party, the right to acquire the Titan NSR at any time, for \$1,000,000 in cash. The third party paid Oracle \$5,000 as consideration for this right.

(b) Minago Royalty Agreement

Oracle will receive a two per cent (2%) royalty on all mineral products produced from certain mineral claims and leases from the Minago Project in Manitoba after the commencement of commercial production if the average price per pound of nickel exceeds US\$15.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**11. Royalty Interests – continued**

(c) Gibellini Royalty Agreement

The Gibellini Project is located near Eureka in Nevada’s Battle Mountain region. The Gibellini Project is made up of 547 unpatented lode claims held directly by CleanTech (the “Gibellini Claim Area”) and 40 unpatented lode claims held through a long-term lease agreement (the “Gibellini Lease Area”). The Gibellini Project hosts three separate vanadium deposits each with a 43-101 compliant resource estimate.

The Gibellini Claim Area is subject to a royalty payable to Oracle. CleanTech is to pay, among other things, a royalty equal to 2% of returns in respect of all mineral products produced from the Gibellini Claim Area after the commencement of commercial production. On March 3, 2025, the Company entered into an amended agreement with CleanTech to remove an underlying threshold price to trigger royalty payments in exchange for \$200,000, of which \$75,000 has been paid and \$125,000 to be paid upon V205 Vanadium Pentoxide Flake 98% price exceeds US\$12 per pound for 180 consecutive days.

The Gibellini Lease Area also subject a second royalty payable to Oracle on substantially the same terms as the Gibellini Claim Area Royalty and together with the Gibellini Claim Area Royalty.

12. 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 are included in *other non-current assets* and lease liabilities are included *other current liabilities* and *non-current lease liability*.

| | Right of Use Assets (\$) | Lease Liabilities (\$) |
|--------------------------------|--------------------------------|------------------------------|
| Balance, April 1, 2023 | 47,989 | (49,837) |
| Amortization | (20,567) | - |
| Lease payments | - | 21,855 |
| Accretion | - | (2,304) |
| Balance, March 31, 2024 | 27,422 | (30,286) |
| Additions | 56,036 | (56,036) |
| Amortization | (20,410) | - |
| Lease payments | - | 23,182 |
| Accretion | - | (1,364) |
| Cancellations | (8,568) | 9,896 |
| Balance, March 31, 2025 | 54,480 | (54,608) |
| Current portion | | 17,692 |
| Non-current portion | | 36,916 |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**13. 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) | 344,240 |
| November 5, 2024 (US\$17,500) (paid) | 24,328 |
| April 6, 2025 (US\$251,045) ² | 360,375 |
| April 6, 2026 (US\$251,045) | 360,375 |
| April 6, 2027 (US\$2,610,314) | 3,747,106 |
| | 5,344,995 |

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, April 1, 2023 | 4,271,857 |
| Payments | (508,571) |
| Finance expense | 218,131 |
| Foreign exchange | 4,264 |
| Balance, March 31, 2024 | 3,985,681 |
| Payments | (344,240) |
| Finance expense | 71,762 |
| Foreign exchange | 23,364 |
| Deconsolidation of Nevada Vanadium | (3,736,567) |
| Balance, March 31, 2025 | - |

During the year ended March 31, 2025 the Company accrued finance expense of \$71,762 (2024 - \$218,131) related to the CVB Loan.

The CVB Loan was deconsolidated from the Company’s consolidated financial statements as a result the Nevada Vanadium Transaction (note 17(e)).

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)


14. Other Current Liabilities and Non-Current Liabilities

(a) Other Current Liabilities

| | March 31, 2025 (\$) | March 31, 2024 (\$) |
|--------------------------------------------------------|---------------------------|---------------------------|
| Derivative liabilities – fair value of warrants | 958,218 | - |
| Derivative liabilities – January 14, 2022 Warrants | 28,800 | 72,000 |
| | 987,018 | 72,000 |
| Derivative liabilities – contingent liability (note 9) | - | 157,463 |
| Advances from APM Group | - | 1,066,523 |
| Lease liability | 17,692 | 22,350 |
| Total other current liabilities | 1,004,710 | 1,318,336 |

Fair value of warrants include warrants issued by the Company that have a voluntary adjustment clause to provide the Company with the option to reduce the applicable warrant exercise price to any amount, subject to any requisite stock exchange approval. As a result, such warrants are measured at fair value using the Black-Scholes Option Pricing Model further discussed in note 16(c).

| Expiry Date | Number of Warrants | Share Price at March 31, 2025 (\$) | Exercise Price (\$) | Expected Price Volatility ¹ | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Fair Value | |
|-------------------|-----------------------|---------------------------------------------|---------------------------|----------------------------------------------|-------------------------------|-----------------------------|-------------------------------|------------------------|-----------------------------|
| | | | | | | | | Per Warrant (\$) | Total Fair Value (\$) |
| May 1, 2025 | 463,800 | 0.20 | 1.60 | 100% | 2.46% | 0.08 | - | - | - |
| May 20, 2025 | 496,200 | 0.20 | 1.60 | 100% | 2.46% | 0.14 | - | - | - |
| August 25, 2025 | 325,400 | 0.20 | 0.65 | 100% | 2.46% | 0.40 | - | - | - |
| December 5, 2025 | 3,152,266 | 0.20 | 0.55 | 100% | 2.46% | 0.68 | - | 0.01 | 31,523 |
| December 9, 2025 | 30,000 | 0.20 | 0.55 | 100% | 2.46% | 0.69 | - | 0.01 | 300 |
| March 22, 2026 | 1,500,000 | 0.20 | 0.55 | 100% | 2.46% | 0.98 | - | 0.02 | 30,000 |
| March 31, 2026 | 1,162,761 | 0.20 | 0.55 | 100% | 2.46% | 1.00 | - | 0.03 | 34,883 |
| August 17, 2026 | 319,999 | 0.20 | 0.45 | 100% | 2.46% | 1.38 | - | 0.05 | 16,000 |
| April 29, 2027 | 456,900 | 0.20 | 0.45 | 100% | 2.46% | 2.08 | - | 0.07 | 31,983 |
| May 24, 2027 | 125,000 | 0.20 | 0.45 | 100% | 2.46% | 2.15 | - | 0.07 | 8,750 |
| July 23, 2027 | 2,475,778 | 0.20 | 0.70 | 100% | 2.46% | 2.31 | - | 0.06 | 148,547 |
| August 13, 2027 | 163,254 | 0.20 | 0.70 | 100% | 2.46% | 2.37 | - | 0.06 | 9,795 |
| October 17, 2027 | 409,900 | 0.20 | 0.55 | 100% | 2.46% | 2.55 | - | 0.07 | 28,693 |
| November 4, 2027 | 595,000 | 0.20 | 0.55 | 100% | 2.46% | 2.60 | - | 0.08 | 47,600 |
| January 27, 2028 | 2,319,000 | 0.20 | 0.28 | 100% | 2.46% | 2.83 | - | 0.11 | 255,090 |
| February 16, 2028 | 921,000 | 0.20 | 0.30 | 100% | 2.46% | 2.88 | - | 0.11 | 101,310 |
| | 14,916,258 | | | | | | | | 744,474 |

¹ The expected volatility was estimated by considering the average price volatility of the Company's shares over a historical period, taking into account the expected option life.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



14. Other Current Liabilities and Non-Current Liabilities - continued

Oracle

| Expiry Date | Number of Warrants | Share Price | Exercise Price (\$) | Expected Price Volatility ¹ | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Fair Value | Total Fair Value (\$) |
|----------------|--------------------|------------------------|---------------------|----------------------------------------|-------------------------|-----------------------|-------------------------|------------------|-----------------------|
| | | at March 31, 2025 (\$) | | | | | | Per Warrant (\$) | |
| March 28, 2027 | 16,040,600 | 0.03 | 0.06 | 100% | 2.46% | 1.99 | - | 0.01 | 160,406 |
| May 9, 2027 | 200,000 | 0.03 | 0.15 | 100% | 2.46% | 2.11 | - | 0.01 | 2,000 |
| June 12, 2027 | 5,133,750 | 0.03 | 0.15 | 100% | 2.46% | 2.20 | - | 0.01 | 51,338 |
| | 21,374,350 | | | | | | | | 213,744 |

¹ The expected volatility was estimated by considering the average price volatility of the Company's shares over a historical period, taking into account the expected option life.

At March 31, 2025 and 2024 the Company did not have sufficient shares of CleanTech to fulfill the potential obligations of the January 14, 2022 Warrants and as described in 16(d), the Company recognized derivative liabilities relating to the CleanTech shares that may potentially need to be transferred relating to the January 14, 2022 Warrants as noted below.

A continuity of derivative liabilities related to warrants is as follows:

| | \$ |
|--------------------------------|---------------|
| Balance, April 1, 2023 | 401,042 |
| Gain on change in fair value | (329,042) |
| Balance, March 31, 2024 | 72,000 |
| Gain on change in fair value | (43,200) |
| Balance, March 31, 2025 | 28,800 |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**14. Other Current Liabilities and Non-Current Liabilities - continued**

(b) Other Non-Current Liabilities

As at the Financial Position Date, the Company has received a total of \$4,018,461 (US\$3,150,000) of the \$7,177,500 (US\$5,000,000) from APM Group (note 9) related to the MSA Payments. Under the SPA, the Company has delivered a total of 273,815 wet tonnes since inception to March 31, 2025. 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 reclassified to Exploration and Evaluation as the SPA Quantity is fulfilled. As a result of the MSA and SPA Termination, the full amount of MSA Payments received has been reclassified to Exploration and Evaluation.

| | (\$) |
|------------------------------------------------------------|------------------|
| April 1, 2023 | - |
| MSA Proceeds | 2,869,072 |
| Reclassified to Exploration and Evaluation Assets (note 9) | (431,158) |
| Balance, March 31, 2024 | 2,437,914 |
| MSA Proceeds | 1,157,490 |
| Reclassified to Exploration and Evaluation Assets (note 9) | (3,595,404) |
| Balance, March 31, 2025 | - |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



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 3.32% at the Financial Position Date (March 31, 2024 – 3.34%) 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 \$2,734,764 (March 31, 2024 - \$3,438,665) over the next 24 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, April 1, 2023 | 2,022,335 |
| Change in estimate | (1,860) |
| Accretion | 63,087 |
| Foreign currency translation | 2,434 |
| Balance, March 31, 2024 | 2,085,996 |
| Change in estimate | 40,262 |
| Accretion | 51,581 |
| Foreign currency translation | (426,849) |
| Balance, March 31, 2025 | 1,750,990 |

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 41,439,633 (March 31, 2024 – 32,841,918) common shares issued and outstanding.

(b) Equity Issuances

During the Year Ended March 31, 2025

On April 2, 2024, the Company issued 124,270 bonus shares with a deemed price of \$0.3008 per common share to the Company's directors, officers, employees, and consultants valued at \$37,380.

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-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one 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 with a value of \$10,080 and \$420 in cash. The Company allocated \$185,596 of the proceeds to the share component, and \$98,984 to the warrant component.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



16. Share Capital - continued

On May 23, 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-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.45 per share until May 23, 2027. The Company allocated \$46,084 of the proceeds to the share component, and \$28,916 to the warrant component.

On July 23, 2024, the Company closed the first tranche of a non-brokered private placement offering raising gross proceeds of \$1,111,584 through the issuance sale of 2,315,800 units at a price of \$0.48 per unit. 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 common share of the Company at a price of \$0.70 per share for a period of three years from issuance. In connection with the closing, 159,978 units were issued as finders' fees. The Company allocated \$723,649 of the proceeds to the share component, and \$387,935 to the warrant component.

On August 13, 2024, the Company closed a non-brokered private placement and issued 163,254 units at a price of \$0.48 per unit for aggregate gross proceeds of \$78,362. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.70 per share until August 13, 2027. The Company allocated \$52,447 of the proceeds to the share component, and \$25,915 to the warrant component.

On October 17, 2024, the Company closed the first tranche of a non-brokered private placement offering raising gross proceeds of \$198,450 through the issuance sale of 405,000 units at a price of \$0.49 per unit. 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 common share of the Company at a price of \$0.55 per share for a period of three years from issuance. In connection with the closing, 4,900 units were issued as finders' fees. The Company allocated \$121,055 of the proceeds to the share component, and \$77,395 to the warrant component.

On November 4, 2024, the Company closed the second tranche of a non-brokered private placement offering raising gross proceeds of \$291,550 through the issuance sale of 595,000 units at a price of \$0.49 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.55 per share for a period of three years from issuance. The Company allocated \$182,619 of the proceeds to the share component, and \$108,931 to the warrant component.

On January 27, 2025, the Company closed the first tranche of a non-brokered private placement offering raising gross proceeds of \$330,000 through the issuance sale of 2,200,000 units at a price of \$0.15 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.30 per share for a period of three years from issuance. In connection with the closing, 119,000 units were issued as finders' fees. The Company allocated \$222,558 of the proceeds to the share component, and \$107,442 to the warrant component.

On February 19, 2025, the Company closed the first tranche of a non-brokered private placement offering raising gross proceeds of \$135,000 through the issuance sale of 900,000 units at a price of \$0.15 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.30 per share for a period of three years from issuance. In connection with the closing, 21,000 units were issued as finders' fees. The Company allocated \$82,742 of the proceeds to the share component, and \$52,258 to the warrant component.

During the year ended March 31, 2025, the Company issued 105,000 shares in connection with stock options exercised (2024 – nil). The stock options were exercised for total proceeds of \$36,350 (2024 - \$nil).

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**16. Share Capital - continued**

During the year ended March 31, 2025 a total of 34,900 share purchase warrants with an exercise price of \$0.45 were exercised for total proceeds of \$15,705.

During the year ended March 31, 2025, the Company issued 216,013 (2024 – nil) shares for services to certain of its directors, officers, employees, and consultants with a fair value of \$49,375 (2024 - \$nil).

During the year ended March 31, 2025, the Company received an aggregate of \$60,000 for a private placement in progress, which closed on May 5, 2025 (note 28), subsequent to the Financial Position Date.

During the Year Ended March 31, 2024

On April 24, 2023, the Company issued 116,953 shares with a fair value of \$54,968 to settle \$54,968 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.

(c) Share-based compensation plan

The Company has a 10% (based on the Company's issued and outstanding common shares) rolling equity-based compensation plan in place for the issuance of options and stock appreciation rights and a separate 5% (based on the Company's shares issued and outstanding common shares as of the last financial year end) rolling equity-based compensation plan in place for bonus shares, 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, April 1, 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 |
| Granted | 1,275,000 | 0.51 |
| Exercised | (105,000) | 0.27 |
| Cancelled | (195,625) | 0.43 |
| Balance, March 31, 2025 | 3,468,875 | 0.46 |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(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.

| Exercise Price (\$) | Options Outstanding | | Options Exercisable | | |
|------------------------|----------------------------------|-----------------------------------------------------------|----------------------------------|-----------------------------------------------------------|--|
| | Number of Options Outstanding | Weighted Average Remaining Contractual Life (Years) | Number of Options Exercisable | Weighted Average Remaining Contractual Life (Years) | |
| 0.56 | 30,618 | 4.61 | 3,827 | 4.61 | |
| 0.65 | 69,382 | 4.51 | 8,673 | 4.51 | |
| 0.465 | 200,000 | 4.34 | 50,000 | 4.34 | |
| 0.51 | 865,000 | 4.27 | 216,250 | 4.27 | |
| 0.27 | 893,875 | 3.47 | 656,656 | 3.47 | |
| 0.51 | 180,000 | 3.07 | 157,500 | 3.07 | |
| 0.43 | 230,000 | 2.75 | 230,000 | 2.75 | |
| 0.57 | 1,000,000 | 2.40 | 1,000,000 | 2.40 | |
| | 3,468,875 | 3.37 | 2,322,906 | 3.01 | |

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, 2025

| Grant Date | Number of Share Options | Share Price (\$) | Exercise Price (\$) | Expected Price Volatility ¹ | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Fair Value Per Option (\$) | Total Fair Value (\$) |
|------------------|-------------------------------|------------------------|---------------------------|----------------------------------------------|-------------------------------|-----------------------------|-------------------------------|----------------------------------|-----------------------------|
| November 7, 2024 | 30,618 | 0.57 | 0.56 | 99% | 3.01% | 5.0 | - | 0.43 | 13,166 |
| October 3, 2024 | 69,382 | 0.64 | 0.65 | 99% | 2.85% | 5.0 | - | 0.48 | 33,303 |
| July 31, 2024 | 200,000 | 0.455 | 0.465 | 101% | 3.03% | 5.0 | - | 0.35 | 70,000 |
| July 7, 2024 | 975,000 | 0.52 | 0.51 | 101% | 3.41% | 5.0 | - | 0.40 | 390,000 |
| | 1,275,000 | | | | | | | | 506,469 |

¹ The expected volatility was estimated by considering the average price volatility of the Company's shares over a historical period, taking into account the expected option life.

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 |
| | 1,019,500 | | | | | | | | 377,425 |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**16. Share Capital - continued**

As a result of the Spin-off Arrangement (note 17), 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 CleanTech 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 at the Financial Position Date there were nil (March 31, 2024 – nil) January 14, 2022 Options outstanding.

(d) Warrants

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

| | Number of Warrants | Weighted Average Exercise Price (\$) |
|--------------------------------|-----------------------|--------------------------------------------|
| Balance, April 1, 2023 | 7,130,427 | 0.70 |
| Issued | 319,999 | 0.45 |
| Balance, March 31, 2024 | 7,450,426 | 0.69 |
| Exercised | (34,900) | 0.45 |
| Issued | 7,500,732 | 0.49 |
| Balance, March 31, 2025 | 14,916,258 | 0.59 |

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 | 0.08 | 463,800 | 1.60 |
| May 20, 2025 ¹ | 0.14 | 496,200 | 1.60 |
| August 25, 2025 | 0.40 | 325,400 | 0.65 |
| December 5, 2025 | 0.68 | 3,152,266 | 0.55 |
| December 9, 2025 | 0.69 | 30,000 | 0.55 |
| March 22, 2026 | 0.98 | 1,500,000 | 0.55 |
| March 31, 2026 | 1.00 | 1,162,761 | 0.55 |
| August 17, 2026 | 1.38 | 319,999 | 0.45 |
| April 29, 2027 | 2.08 | 456,900 | 0.45 |
| May 24, 2027 | 2.15 | 125,000 | 0.45 |
| July 23, 2027 | 2.31 | 2,475,778 | 0.70 |
| August 13, 2027 | 2.37 | 163,254 | 0.70 |
| October 17, 2027 | 2.55 | 409,900 | 0.55 |
| November 4, 2027 | 2.60 | 595,000 | 0.55 |
| January 27, 2028 | 2.83 | 3,240,000 | 0.30 |
| | 1.65 | 14,916,258 | 0.59 |

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

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**16. Share Capital - continued**

As a result of the Spin-off Arrangement (note 17), 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 CleanTech 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 at the Financial Position Date there were 960,000 (March 31, 2024 – 960,000) January 14, 2022 Warrants outstanding.

(e) Loss per Share

| | Year Ended | |
|-------------------------------------------------------------------|--------------------|---------------------|
| | March 31, 2025 | March 31, 2024 |
| | (\$) | (\$) |
| Basic loss per share attributable to equity holders of parent | (0.22) | (0.47) |
| Diluted loss per share attributable to equity holders of parent | (0.22) | (0.47) |
| Loss for the year attributable to equity holders of parent | (8,228,654) | (15,249,919) |

| | Year Ended | |
|--------------------------------------------------------------|-------------------|-------------------|
| | March 31, 2025 | March 31, 2024 |
| | (\$) | (\$) |
| Shares outstanding, beginning of the year | 32,841,918 | 32,084,966 |
| Effect of shares issued for share offerings | 3,705,982 | 398,688 |
| Effect of shares issued to settle liability | - | 109,603 |
| Effect of finder's fees | 166,926 | - |
| Effect of bonus shares | 123,930 | - |
| Effect of shares for services | 40,700 | - |
| Effect of stock options exercised | 63,561 | - |
| Effect of warrants exercised | 17,211 | - |
| Basic weighted average number of shares outstanding | 36,960,228 | 32,593,257 |
| Effect of dilutive share options | - | - |
| Effect of dilutive warrants | - | - |
| Diluted weighted average number of shares outstanding | 36,960,228 | 32,593,257 |

For the years ended March 31, 2025 and 2024, the Company's common share equivalents including stock options and warrants were not included in the diluted loss per share calculation as the effect would be anti-dilutive.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**17. Non-Controlling Interest**

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 CleanTech; (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 CleanTech in exchange for the issuance of 50,000,000 CleanTech 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 CleanTech 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 CleanTech and Nevada Vanadium; two shares of Oracle (collectively, the "Reserved Shares"); and one share of Silver Elephant.

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

| | CleanTech (\$) | Nevada Vanadium (\$) | Oracle (\$) | Total (\$) |
|----------------------------------------|-------------------|----------------------------|------------------|-------------------|
| Balance, April 1, 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 income | - | 21,349 | - | 21,349 |
| Deconsolidation of CleanTech (note 10) | (21,915,893) | - | - | (21,915,893) |
| Balance, March 31, 2024 | - | 13,489,421 | (110,364) | 13,379,057 |
| Change in ownership (a) | - | 87,344 | 366,878 | 454,222 |
| Net loss | - | (445,342) | (697,675) | (1,143,017) |
| Share-based payments (b, c and d) | - | 17,630 | 166,022 | 183,652 |
| Other comprehensive income | - | 191,627 | - | 191,627 |
| Deconsolidation of Nevada Vanadium | - | (13,340,680) | - | (13,340,680) |
| Balance, March 31, 2025 | - | - | (275,139) | (275,139) |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



17. Non-Controlling Interest - *continued*

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

As Nevada Vanadium was deconsolidated from the Company's financial statements (note 17e) on August 16, 2024, non-controlling interest disclosure relating to Nevada Vanadium is provided up until this date of deconsolidation.

a) Change in ownership of subsidiaries:

Oracle

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.

On May 9, 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 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, 148,750 units were issued in connection with this private placement as finder's fees.

On July 22, 2024, Oracle issued 105,263 shares to settle liability with a deemed price of \$0.095 per common share to the Oracle's director valued at \$10,000.

During the year ended March 31, 2025, Oracle issued 50,000 shares in connection with stock options exercised (2024 – nil). The stock options were exercised for total proceeds of \$2,500 (2024 - \$nil).

During the year ended March 31, 2025, Oracle issued 112,372 (2024 – nil) shares for services to certain of its directors, officers, employees, and consultants with a fair value of \$3,125 (2024 - \$nil).

CleanTech

On April 17, 2023, CleanTech 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 CleanTech and one share purchase warrant with each warrant entitling the holder to purchase one additional share of CleanTech at a price of \$0.20 per share for 36 months from closing.

On May 12, 2023, CleanTech 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 CleanTech and one share purchase warrant with each warrant entitling the holder to purchase one additional share of CleanTech at a price of \$0.20 per share for 36 months from closing.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



17. Non-Controlling Interest - continued

On August 14, 2023, CleanTech 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, CleanTech received an aggregate of \$720,707 in subscription receipts for a private placement, which closed subsequent to the date the Company deconsolidating CleanTech (note 10).

Nevada Vanadium

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.

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 Method 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.

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.

- b) During the year ended March 31, 2025, Oracle recorded share-based payments of \$166,022 (2024 – \$128,019) and was expensed as general and administrative expenses.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

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

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.

Assumptions used for stock options granted by Oracle are as follows:

| 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 |
| October 3, 2024 | 200,000 | 0.09 | 98% | 2.85% | 5.0 | - | 0.07 | 14,000 |
| November 19, 2024 | 500,000 | 0.05 | 99% | 3.13% | 5.0 | - | 0.03 | 15,000 |

- c) From April 1, 2023 to the date on which CleanTech was deconsolidated, October 1, 2023, CleanTech recorded share-based payments of \$393,565 of which \$9,278 was capitalized as exploration cost and the remainder of \$384,287 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 CleanTech 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.

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

Assumptions used for stock options granted by CleanTech are as follows:

| 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 |

- d) During the period from April 1, 2024 to August 16, 2024, Nevada Vanadium recorded share-based payments of \$17,630 of which \$1,693 was capitalized as exploration cost and the remainder of \$15,937 was expensed as general and administrative expenses.

During the year ended March 31, 2024, Nevada Vanadium recorded share-based payments of \$383,036 of which \$37,311 was capitalized as exploration cost and the remainder of \$345,724 was expensed as general and administrative expenses.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

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

Nevada Vanadium did not grant any share purchase options during the period from April 1, 2024 to August 16, 2024.

- e) On August 16, 2024, CleanTech acquired Nevada Vanadium (the “Nevada Vanadium Transaction”). Nevada Vanadium shareholders received one (1) (the “Exchange Ratio”) CleanTech common share (a “CleanTech Share”) for each Nevada Vanadium share held immediately prior to the effective time of the Nevada Vanadium Transaction. All convertible securities of Nevada Vanadium outstanding immediately prior to the effective time of the Nevada Vanadium Transaction were exchanged for securities of CleanTech bearing substantially the same terms as the securities replaced based on the Exchange Ratio.

Effective August 16, 2024, the Company deconsolidated Nevada Vanadium as it was acquired by CleanTech. Accordingly, the Company recognized a loss on deconsolidation of Nevada Vanadium of \$1,188,283 with detail as follows:

| | \$ |
|--------------------------------------------------------------|---------------------|
| Assets | |
| Exploration and evaluation assets | 19,189,310 |
| Land | 3,671,554 |
| Building | 658,400 |
| Liabilities | |
| Accounts payable and accrued liabilities | (1,669,984) |
| Promissory note | (3,745,062) |
| Due to related parties | (2,542,995) |
| Other net assets | (141,797) |
| Derecognition of net assets of Nevada Vanadium | (15,419,426) |
| Derecognition of non-controlling interest of Nevada Vanadium | 13,340,680 |
| Fair value of considerations received | 698,997 |
| Derecognition of AOCI of Nevada Vanadium | 191,466 |
| Loss from deconsolidation of Nevada Vanadium | (1,188,283) |

18. Related Party Transactions

The Company has a cost sharing agreement (the “CSA”) with CleanTech pursuant to which the companies provide each other with general, technical and administrative services, as reasonably requested, on a cost reimbursement basis.

During the year ended March 31, 2025, 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 Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), Chief Operating Officer (“COO”), Chief Legal Officer (“CLO”) and executive and non-executive directors.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**18. Related Party Transactions - continued**

A summary of related party transactions is as follows:

| | Year Ended | |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| | March 31, 2025 (\$) | March 31, 2024 (\$) |
| CSA fees charged by CleanTech, a company with certain directors and officers in common | 237,028 | 342,675 |
| CSA recoveries from CleanTech | (384,401) | (95,992) |
| CSA fees charged by Nevada Vanadium, a company with certain directors and officers in common | 7,216 | - |
| CSA recoveries from Nevada Vanadium | (50,453) | - |
| Management fees charged by Linx Partners Ltd., a company controlled by John Lee, Director, CEO and Executive Chairman of the Company | 426,563 | 420,000 |
| Directors' fees | 94,800 | 95,316 |
| Salaries and benefits paid to key management of the Company | 478,877 | 401,242 |
| Share-based payments – John Lee | 101,828 | 153,046 |
| Share-based payments – directors | 47,899 | 79,469 |
| Share-based payments – former directors | 1,339 | 20,378 |
| Share-based payments – key management of the Company | 144,714 | 79,315 |
| Share-based payments – former key management of the Company | - | 12,494 |

The Company had balances due to related parties as follows:

| | March 31, 2025 (\$) | March 31, 2024 (\$) |
|---------------------------------------------------|---------------------------|---------------------------|
| Due to CleanTech | (12,276) | (1,926,807) |
| Directors' fees payable | (48,400) | (136,800) |
| Management fees advanced to (payable to) John Lee | (4,750) | 32,907 |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**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, 2025 (\$) | March 31, 2024 (\$) |
|--------------------|---------------------------|---------------------------|
| Current assets | | |
| Canada | 364,859 | 1,324,217 |
| USA | - | 15,067 |
| Mongolia | 1,479 | 48,374 |
| Bolivia | 25,794 | 1,188,749 |
| | 392,132 | 2,576,407 |
| Non-current assets | | |
| Canada | 739,449 | 1,596,706 |
| USA | - | 23,502,469 |
| Bolivia | 21,986,161 | 23,064,201 |
| | 22,725,610 | 48,163,376 |
| Total assets | | |
| Canada | 1,104,308 | 2,920,923 |
| USA | | 23,517,536 |
| Mongolia | 1,479 | 48,374 |
| Bolivia | 22,011,955 | 24,252,950 |
| | 23,117,742 | 50,739,783 |

20. Care and Maintenance of Coal Properties

The Company's Ulaan Ovoo Project has been impaired to value of \$nil (2024 - \$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, 2025 (\$) | March 31, 2024 (\$) |
| Property costs | (150,529) | (190,335) |
| Provision for closure and reclamation – change in estimate | (40,262) | (1,860) |
| Provision for closure and reclamation – accretion | (51,581) | (63,087) |
| Bad debt expense | (206,735) | (120,269) |
| | (449,107) | (375,551) |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**21. Supplemental Cash Flow Information**

| | Year Ended | |
|----------------------------------------------------------------------|---------------------------|---------------------------|
| | March 31, 2025 (\$) | March 31, 2024 (\$) |
| Non-Cash Financing and Investing Activities: | | |
| Exploration and evaluation expenditures included in accounts payable | 230,246 | 121,494 |
| Shares issued to settle liability | 10,000 | 170,414 |
| Share-based payments capitalized in mineral properties | 1,693 | 37,311 |
| Bonus shares | 37,380 | - |
| Shares for services | 49,375 | - |
| Finders' units | 110,690 | 3,164 |
| | 440,384 | 332,383 |

22. 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, 2025 (\$) | March 31, 2024 (\$) |
| Income (loss) for the year | (9,371,671) | (18,917,556) |
| Canadian federal and provincial income tax rates | 27% | 27% |
| Expected income tax (recovery) | (2,531,000) | (5,107,000) |
| Change in statutory, foreign tax, foreign exchange rates and other | 371,000 | 1,863,000 |
| Permanent differences | 3,011,000 | 2,879,000 |
| Impact of flow through shares | - | - |
| Share issue cost | (30,000) | 80,000 |
| Change in unrecognized deductible temporary differences | (821,000) | 285,000 |
| Total income tax expense (recovery) | - | - |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**22. Deferred Income Taxes - continued**

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, 2025 | | March 31, 2024 | |
|-------------------------------------------------|----------------|----------------------|----------------|----------------------|
| | (\$) | Expiry Date Range | (\$) | Expiry Date Range |
| Temporary differences: | | | | |
| Exploration and evaluation assets | 211,000 | No expiry date | 10,371,000 | No expiry date |
| Investment tax credit | 24,000 | 2029 | 61,000 | 2029 |
| Property and equipment | 855,000 | No expiry date | 528,000 | No expiry date |
| Share issue cost | 161,000 | 2043 to 2045 | 193,000 | 2043 to 2045 |
| Assets held for sale | - | No expiry date | - | No expiry date |
| Assets retirement obligation | 1,751,000 | No expiry date | 2,086,000 | No expiry date |
| Derivative liabilities | - | No expiry date | (587,000) | No expiry date |
| Other – intangible assets | 55,000 | No expiry date | - | No expiry date |
| Allowable capital losses | 12,078,000 | No expiry date | 8,614,000 | No expiry date |
| Non-capital losses available for future periods | 43,863,000 | 2026 onwards | 43,349,000 | 2025 onwards |
| <hr/> | | | | |
| Bolivia | 4,357,000 | 2026 to 2029 | 5,063,000 | 2025 |
| Canada | 42,980,000 | 2029 to 2045 | 33,057,000 | 2029 to 2043 |
| Mongolia | 3,732,000 | 2026 to 2030 | 3,008,000 | 2024 to 2031 |
| US | - | No expiry date | 2,221,000 | No expiry date |

23. Capital Management

Management considers its capital structure to consist of share capital, stock 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 predominantly in the exploration and development stage with some early stage production at the Pulacayo Paca Project; 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, 2025. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(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 and accounts payable | Amortized cost |
| Restricted cash equivalents included in other non-current assets | Amortized cost |
| Due to related parties | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |
| Promissory note | Amortized cost |
| Derivative assets, derivative liabilities | FVTPL ¹ |

¹ Fair value through profit and loss ("FVTPL")

(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, 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 assets and liabilities except Variable Warrants (note 3(l)) 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 assets is \$5,099 (March 31, 2024 - \$nil), 2) derivative liabilities is \$987,018 (March 31, 2024 - \$72,000) 3) contingent liability is \$nil (March 31, 2024 - \$157,463), and 4) promissory note is \$nil (March 31, 2024 - \$3,985,681). The Company does not offset financial assets with financial liabilities. Variable Warrants (note 3(l)) are classified as level 2. There were no transfers between Level 1, 2 and 3 for the year ended March 31, 2025.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



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 \$271,838 (March 31, 2024 – \$2,209,099) and accounts payable and accrued liabilities of \$2,518,677 (March 31, 2024 - \$3,672,760). 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 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.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



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 CleanTech has a corresponding effect of approximately \$3,000 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.

Sensitivity Analysis

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, and accounts payables 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 \$2,532,000. 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 \$136,000. A 10% strengthening (weakening) of the US Dollar against the Canadian Dollar would impact net loss with other variables unchanged by approximately \$1,000. The Company currently does not use any foreign exchange contracts to hedge this currency risk.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)



26. Contingencies

On January 14, 2025, the Company commenced an arbitration in British Columbia against APM related to the MSA and SPA Termination (the “Andean Dispute”), seeking payment of the First Additional Consideration (note 9). The MSA governs the parties’ mining activities in Bolivia. On March 14, 2025, APM filed a counter claim against the Company for US\$2,097,510, alleging breaches of contract and payments owed. The Company evaluated the applicable IFRS’ for the accounting treatment of the Andean Dispute, applying *IAS 37 – Provisions, Contingent Liabilities and Contingent Assets* and recorded \$1,235,177 (US\$860,451) as advances that still need to be settled from either deduction of eligible costs under the MSA/SPA or refunded, and included in accounts payable and accrued liabilities. The Company maintains APM’s counter claim is without merit and such amount is recorded only for IFRS compliance purposes.

27. Mongolia Tax Matter

During the year ended March 31, 2025, the Company has identified an error in relation to taxes payable with respect to the transfer of certain licenses of its Ulaan Ovoo project from one wholly owned subsidiary to another wholly owned subsidiary (the “Ulaan Ovoo License Transfer”).

On September 11, 2024, the Company received a tax notice of assessment of \$26,226,754 (63,787,924,960 Mongolian Tugriks) (the “Ulaan Ovoo Tax Assessment”) from Mongolia’s Capital City Tax Office (“CCTO”) in connection with the Ulaan Ovoo License Transfer. The Ulaan Ovoo Tax Assessment is comprised of: 1) \$13,066,830 (31,780,752,566 Mongolian Tugriks) related to corporate income tax (“CIT”) and related penalties and interest, and 2) \$13,159,924 (32,007,172,394 Mongolian Tugriks) related to value added tax (“VAT”) and related penalties and interest. The Ulaan Ovoo License Transfer was completed on January 5, 2022. Prior to the completion of the Ulaan Ovoo License Transfer, the Company sought tax clarifications and on October 11, 2021 received confirmation from Mongolia’s Large Taxpayer’s Office (“LTPO”) confirming the Ulaan Ovoo License Transfer would not be subject to CIT as the ultimate owner of the subsidiaries affected by the Ulaan Ovoo License Transfer remain unchanged. The Company is also of the opinion VAT should not apply to the Ulaan Ovoo License Transfer as there was no consideration transferred to and received by the applicable subsidiaries, and treatment of such would generally follow the same treatment as CIT. Accordingly, the Company filed a dispute for the Ulaan Ovoo Tax Assessment on October 18, 2024. There can be no assurance the Company will be successful in this dispute.

The LTPO and CCTO are sister offices both reporting directly to the Deputy Commissioner of the General Department of Taxation of Mongolia.

The Company’s consolidated financial statements have been restated for the year ended March 31, 2024 to record the applicable Ulaan Ovoo Tax Assessment.

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**27. Mongolia Tax Matter - continued**

As a result of the above, the Company restated its consolidated financial statements as follows:

Consolidated Statements of Financial Position

| | Original March 31, 2024 (\$) | Ulaan Ovoo Tax Assessment (\$) | Restated March 31, 2024 (\$) |
|-------------------------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------|
| Liabilities | | | |
| Provision for Mongolia tax dispute | - | 24,454,707 | 24,454,707 |
| Total current liabilities | 10,903,584 | 24,454,707 | 35,358,291 |
| Total liabilities | 15,435,430 | 24,454,707 | 39,890,137 |
| Shareholders' Equity | | | |
| Accumulated other comprehensive income | 530,098 | (802,875) | (272,777) |
| Deficit | (226,913,916) | (23,651,832) | (250,565,748) |
| Equity attributable to equity holders of parent | 21,925,296 | (24,454,707) | (2,529,411) |
| Total equity | 35,304,353 | (24,454,707) | 10,849,646 |

The increase in the provision for Mongolia tax dispute from \$24,454,707 at March 31, 2024 to \$27,682,126 at March 31, 2025 is attributable to accrual of interest of \$2,624,646 and the effect of foreign exchange of \$602,773.

| | Original March 31, 2023 (\$) | Ulaan Ovoo Tax Assessment (\$) | Restated March 31, 2023 (\$) |
|-------------------------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------|
| Liabilities | | | |
| Provision for Mongolia tax dispute | - | 14,849,662 | 14,849,662 |
| Total current liabilities | 8,716,211 | 14,849,662 | 23,565,873 |
| Total liabilities | 10,768,831 | 14,849,662 | 25,618,493 |
| Shareholders' Equity | | | |
| Accumulated other comprehensive income | 463,740 | 90,296 | 554,036 |
| Deficit | (220,375,871) | (14,939,958) | (235,315,829) |
| Equity attributable to equity holders of parent | 28,367,367 | (14,849,662) | 13,517,705 |
| Total equity | 61,808,387 | (14,849,662) | 46,958,725 |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**27. Mongolia Tax Matter - continued**

As a result of the above, the Company restated its consolidated financial statements as follows:

Consolidated Statements of Comprehensive Loss

| | Original Year Ended March 31, 2024 (\$) | Ulaan Ovoo Tax Assessment (\$) | Restated Year Ended March 31, 2024 (\$) |
|----------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------|--------------------------------------------------|
| Other items | | | |
| Ulaan Ovoo Tax Assessment | - | (5,971,792) | (5,971,792) |
| Ulaan Ovoo Tax Assessment Interest | - | (2,740,082) | (2,740,082) |
| Net loss for the year | (9,312,514) | (8,711,874) | (18,024,388) |
| Other comprehensive income (loss): | | | |
| Foreign currency translation | 87,707 | (893,171) | (805,464) |
| Comprehensive loss for the year | (9,224,807) | (9,605,045) | (18,829,852) |
| Net loss attributable to equity holders of parent | (6,538,045) | (8,711,874) | (15,249,919) |
| Comprehensive loss attributable to equity holders of parent | (6,471,687) | (9,605,045) | (16,076,732) |
| Basic and diluted loss per common share attributable to equity holders of parent | (0.20) | (0.27) | (0.47) |

Consolidated Statements of Cashflows

| | Original Year Ended March 31, 2024 (\$) | Ulaan Ovoo Assessment (\$) | Restated Year Ended March 31, 2024 (\$) |
|-------------------------------------|--------------------------------------------------|----------------------------------|--------------------------------------------------|
| Operating Activities | | | |
| Net loss for the year | (9,312,514) | (8,711,874) | (18,024,388) |
| Changes in non-cash working capital | | | |
| Provision for Mongolia tax dispute | - | 8,711,874 | 8,711,874 |
| Cash used in operating activities | (260,081) | - | (260,081) |

Silver Elephant Mining Corp.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

(Expressed in Canadian Dollars except where noted)

**28. Subsequent Events**

On April 8, 2025, the Company announced that it is amending the exercise price of 11,676,258 share purchase warrants to \$0.30. The warrant amendments, other than those warrants held by insiders (2,726,865 share purchase warrants) of the Company took effect on April 22, 2025. The warrant amendments for the warrants held by insiders will only become effective upon shareholder approval. Details are as noted below:

| Expiry Date | Original Exercise Price (\$) | Amended Exercise Price (\$) | Number of Warrants |
|------------------|------------------------------------|-----------------------------------|-----------------------|
| May 1, 2025 | 1.60 | 0.30 | 463,800 |
| May 20, 2025 | 1.60 | 0.30 | 496,200 |
| August 25, 2025 | 0.65 | 0.30 | 325,400 |
| December 5, 2025 | 0.55 | 0.30 | 3,152,266 |
| December 9, 2025 | 0.55 | 0.30 | 30,000 |
| March 22, 2026 | 0.55 | 0.30 | 1,500,000 |
| March 31, 2026 | 0.55 | 0.30 | 1,162,761 |
| August 17, 2026 | 0.45 | 0.30 | 319,999 |
| April 29, 2027 | 0.45 | 0.30 | 456,900 |
| May 24, 2027 | 0.45 | 0.30 | 125,000 |
| July 23, 2027 | 0.70 | 0.30 | 2,475,778 |
| August 13, 2027 | 0.70 | 0.30 | 163,254 |
| October 17, 2027 | 0.55 | 0.30 | 409,900 |
| November 4, 2027 | 0.55 | 0.30 | 595,000 |
| | | | 11,676,258 |

On May 5, 2025, the Company closed a non-brokered private placement and issued 3,871,277 units at a price of \$0.18 per unit for aggregate gross proceeds of \$696,830. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.30 per share until May 5, 2028. In connection with the closing, the Company issued 193,989 units as finder's fees.

On June 25, 2025, the Company closed the first tranche of a non-brokered private placement offering raising gross proceeds of \$172,000 through the issuance sale of 860,000 units at a price of \$0.20 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.30 per share for a period of three years from issuance. In connection with the closing, 33,250 units were issued as finders' fees.

On June 27, 2025, the Company closed the second and final tranche of a non-brokered private placement offering raising gross proceeds of \$44,000 through the issuance sale of 220,000 units at a price of \$0.20 per unit. Each unit consists of one common share of the Company and one share purchase warrant with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.30 per share for a period of three years from issuance.