

Silver Tiger Metals Inc.

Unaudited Interim Condensed Consolidated
Financial Statements
December 31, 2021

February 28, 2022

Management's Report

The accompanying unaudited interim condensed consolidated financial statements of Silver Tiger Metals Inc. (the Company) are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The unaudited interim condensed consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for the preparation of the unaudited interim condensed consolidated financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's unaudited interim condensed consolidated financial statements and recommended their approval by the Board of Directors.

(signed) "*Glenn Jessome*"
President and Chief Executive Officer
Halifax, Nova Scotia

(signed) "*Keith Abriel*"
Chief Financial Officer
Halifax, Nova Scotia

Silver Tiger Metals Inc.

Unaudited Interim Condensed Consolidated Statements of Financial Position

As at December 31, 2021 and March 31, 2021

	December 31, 2021 \$	March 31, 2021 \$
Assets		
Current assets		
Cash	15,347,976	25,935,925
Sales tax recoverable	82,889	123,761
Deposits and prepaid expenses	166,177	226,456
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	15,597,042	26,286,142
Right-of-use asset	-	15,200
Resource properties (note 5)	34,659,534	25,146,210
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	50,256,576	51,447,552
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Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	2,084,526	2,095,233
Current portion of lease liability	-	15,716
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	2,084,526	2,110,949
Loan payable (note 7)	-	25,199
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	2,084,526	2,136,148
Equity (note 9)	48,172,050	49,311,404
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	50,256,576	51,447,552
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Commitments (note 12)		
Subsequent events (note 13)		

Approved by the Board of Directors

Signed “Wade Anderson”, Director

Signed “Richard Gordon”, Director

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

Silver Tiger Metals Inc.

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

For the nine-month periods ended December 31, 2021 and 2020

	Number of shares	Share capital \$	Contributed surplus \$	Warrants \$	Deficit \$	Total \$
Balance – March 31, 2021	260,342,531	67,038,066	3,431,517	1,354,000	(22,512,179)	49,311,404
Net loss and comprehensive loss for the period	-	-	-	-	(1,375,912)	(1,375,912)
Shares issued for cash, exercise of warrants (note 9)	1,050,575	109,058	-	-	-	109,058
Shares issued for cash, exercise of stock options (note 9)	635,000	200,500	(94,000)	-	-	106,500
Stock-based compensation (note 9)	-	-	21,000	-	-	21,000
Balance – December 31, 2021	262,028,106	67,347,624	3,358,517	1,354,000	(23,888,091)	48,172,050
Balance – March 31, 2020	162,766,353	33,056,024	2,838,517	-	(19,535,004)	16,359,537
Net loss and comprehensive loss for the period	-	-	-	-	(2,401,758)	(2,401,758)
Shares issued for cash, net of issue costs (note 9)	46,309,520	11,012,733	-	-	-	11,012,733
Shares issued for cash, exercise of stock options (note 9)	1,225,000	270,260	(131,000)	-	-	139,260
Shares issued for cash, exercise of warrants (note 9)	3,767,402	578,709	-	-	-	578,709
Shares issued in settlement of accounts payable (note 9)	6,535,366	1,111,012	-	-	-	1,111,012
Issuance of finders warrants (note 9)	-	-	-	539,000	-	539,000
Stock-based compensation (note 9)	-	-	750,500	-	-	750,500
Balance – December 31, 2020	220,603,641	46,028,738	3,458,017	539,000	(21,936,762)	28,088,993

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

Silver Tiger Metals Inc.

Unaudited Interim Condensed Consolidated Statements of Loss and Comprehensive Loss For the three and nine-month periods ended December 31, 2021 and 2020

	Three-month period ended December 31, 2021	Three-month period ended December 31, 2020	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2020
Operating expenses				
Consulting fees (note 8)	186,318	219,834	500,405	422,972
Depreciation	-	7,700	15,200	23,100
Dues and fees	27,172	41,592	91,213	66,886
Foreign exchange loss (gain)	(30,378)	12,592	(25,108)	8,990
Insurance	31,381	24,198	107,282	65,258
Office and other	57,796	5,861	166,244	55,529
Professional fees	44,717	66,974	109,472	115,286
Shareholder communication	154,089	29,064	291,691	113,839
Stock-based compensation (note 9)	17,000	5,500	21,000	750,500
Travel	35,085	2,315	48,852	7,688
Wages and benefits	27,324	46,789	91,808	79,881
	550,504	462,419	1,418,059	1,709,929
Other income (expenses)				
Interest income	11,330	6,703	42,147	10,061
Government assistance	-	-	-	17,000
Loss on settlement of accounts payable (note 9)	-	-	-	(718,890)
Net loss and comprehensive loss for the periods	539,174	455,716	1,375,912	2,401,758
Loss per share – basic and diluted	(0.002)	(0.002)	(0.005)	(0.012)
Weighted average outstanding common shares – basic and diluted	261,874,845	219,205,732	261,407,515	197,623,304

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

Silver Tiger Metals Inc.

Unaudited Interim Condensed Consolidated Statements of Cash Flows For the nine-month periods ended December 31, 2021 and 2020

	2021 \$	2020 \$
Cash provided by (used in)		
Operating activities		
Net loss for the periods	(1,375,912)	(2,401,758)
Charges to income not affecting cash		
Stock-based compensation	21,000	750,500
Depreciation expense	15,200	23,100
Interest expense – lease liability	792	1,500
Accretion expense – loan payable	4,801	1,579
Government assistance benefit (note 7)	-	(17,000)
Loss (gain) on settlement of accounts payable (note 9)	-	718,890
	(1,334,119)	(923,189)
Net changes in non-cash working capital balances related to operations		
Decrease (increase) in sales tax recoverable	40,872	(20,467)
Decrease (increase) in prepaid expenses	60,279	(210,969)
Increase (decrease) in accounts payable and accrued liabilities	(177,751)	40,021
	(1,410,719)	(1,114,604)
Investing activity		
Purchase of and expenditures on resource properties	(9,346,280)	(4,476,402)
Financing activities		
Proceeds from issuance of common shares (note 9)	-	11,675,000
Share issue costs paid (note 9)	-	(123,267)
Proceeds from exercise of stock options and warrants (note 9)	215,558	717,969
Loan proceeds (note 7)	-	40,000
Repayment of loan (note 7)	(30,000)	-
Repayment of lease liability	(16,508)	(24,800)
	169,050	12,284,902
Net change in cash for the periods	(10,587,949)	6,693,896
Cash – Beginning of periods	25,935,925	89,438
Cash – End of periods	15,347,976	6,783,334

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

Silver Tiger Metals Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements For the nine-month periods ended December 31, 2021 and 2020

1 Nature of operations

Silver Tiger Metals Inc. (previously Oceanus Resources Corporation) (the Company) was incorporated under the Canada Business Corporations Act on June 14, 2010. Its common shares are listed on the TSX Venture Exchange (the Exchange) under the trading symbol SLVR and on the OTCQX under the trading symbol SLVTF. The Company's registered office is located at 2446 Purcells Cove Road, Halifax, Nova Scotia. The Company has one reportable and one geographic segment.

The Company is a mineral exploration company engaged in locating and acquiring high quality projects and exploring for silver and gold. To date, the Company has not generated any revenue and is considered to be in the exploration stage. The Company is in the process of exploring and evaluating its resource properties in Mexico. The recoverability of amounts spent for the acquisition, exploration and development of the resource properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The operations of the Company will require various licences and permits from governmental authorities that are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licences and permits that may be required to carry out exploration, development and mining operations at its projects. Failure to comply with these conditions may render the licences liable to forfeiture.

COVID-19

On March 11, 2020, the World Health Organization declared a pandemic following the emergence and rapid spread of a novel strain of coronavirus (COVID-19). The Company's business could be adversely affected by the effects of the continued spread of COVID-19. Since early March 2020, significant measures have been implemented in Canada, Mexico and the rest of the world by governmental authorities in response to COVID-19. The Company cannot accurately predict the impact COVID-19 will have on the ability of third parties to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions on planned drill and exploration programs and other factors that depend on future developments beyond the Company's control. In addition, COVID-19 has resulted in a widespread health crisis that has adversely affected economies and financial markets of many countries, including Canada and Mexico, resulting in an economic downturn that may negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital.

Silver Tiger Metals Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements For the nine-month periods ended December 31, 2021 and 2020

1 Nature of operations (continued)

COVID-19 (continued)

Following the completion of the May 2020 private placement financing, and the Mexican Health Ministry's decree that included mining as an essential service effective June 1, 2020, the Company implemented strict COVID-19 protocols to enable the recommencement of exploration activities. Onsite accommodations and sanitation were constructed or improved to meet the higher standards of safety, and medical services on site were improved, including mandatory COVID-19 testing of all persons entering the camp. The Company has created a remote isolated camp to minimize physical contact with surrounding communities. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's exploration activities cannot be reasonably estimated at this time. The increase in COVID-19 cases globally may impact the Company's operations due to additional government mandated shutdowns or closures.

2 Basis of presentation

Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These unaudited interim condensed consolidated financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, has been omitted or condensed. The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, have been set out in note 2 of the Company's consolidated financial statements for the year ended March 31, 2021. These financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended March 31, 2021.

The Board of Directors approved the consolidated financial statements for issue on February 28, 2022.

Basis of measurement

These consolidated financial statements have been prepared under a historical cost basis.

Silver Tiger Metals Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements For the nine-month periods ended December 31, 2021 and 2020

3 Significant accounting policies

These unaudited interim condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements of the Company for the year ended March 31, 2021. Refer to note 3 – Significant accounting policies and note 4 – Amendments to accounting standards not yet adopted, of the Company's annual consolidated financial statements for the year ended March 31, 2021, for information on accounting policies and new accounting standards not yet effective.

4 Capital management

The Company manages its capital structure, and makes adjustments to it, based on the funds available to the Company. The Company considers capital to be total equity, which as at December 31, 2021 totalled \$48,172,050 (March 31, 2021 – \$49,311,404). The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements.

5 Resource properties

	\$
Balance – March 31, 2020	19,039,807
Exploration and property costs incurred	<u>3,136,784</u>
Balance – December 31, 2020	<u>22,176,591</u>
Balance – March 31, 2021	25,146,210
Exploration and property costs incurred	<u>9,513,324</u>
Balance – December 31, 2021	<u>34,659,534</u>

On September 15, 2015, the Company entered into an arrangement agreement with El Tigre Silver Corp. (El Tigre) to combine the respective companies by way of a statutory plan of arrangement pursuant to the Business Corporations Act (British Columbia), under which the Company acquired all of the outstanding common shares of El Tigre in exchange for common shares of the Company on the basis of 0.2839 of one Company share for every one El Tigre share (the Transaction). The Transaction was completed on November 13, 2015.

El Tigre holds nine Mexican federal mining concessions, located in northeastern Sonora State, of which eight are collectively referred to as the El Tigre Property (El Tigre Property). The concessions are 100% held by El Tigre through its wholly-owned subsidiaries, Pacemaker Silver Mining S.A. de C.V. and Compañía Minera Talaman S.A. de C.V.

Silver Tiger Metals Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements For the nine-month periods ended December 31, 2021 and 2020

5 Resource properties (continued)

In 2016, the Company entered into a land access agreement with the landowners of the El Tigre Property. Under the agreement, the Company is required to pay the landowners US\$1,030,000, of which USD\$110,000 was payable on the date of the agreement, with the remaining to be paid over an 84-month period in equal monthly instalments of US\$10,952. As at December 31, 2021, there were 27 monthly payments remaining. The agreement can be terminated by the Company by issuing a written notice to the landowners and is considered nullified if the Company does not pay the landowners for three consecutive months. The Company will acquire 6,283 hectares of land within the boundaries of the El Tigre Property at the end of the 84-month period if all required payments were made according to the agreement.

Pursuant to the land access agreement, at such time as the EL Tigre Property is put into production, the Company is required to make the following additional payments to the landowners; US\$3 per ounce of gold produced if the gold price is below US\$1,200, US\$5 per ounce of gold produced if the gold price is between US\$1,201 and US\$1,500, and US\$7 per ounce of gold produced if the gold price is above US\$1,501. Additionally, the Company is required to make a payment of US\$500,000 to the landowners upon establishing commercial production subject to completing the agreement. The monthly payments paid to date have been recorded to resource properties.

6 Accounts payable and accrued liabilities

	December 31, 2021 \$	March 31, 2021 \$
Accounts payable	2,003,855	1,915,563
Accrued liabilities	80,671	179,670
	<u>2,084,526</u>	<u>2,095,233</u>

As at December 31, 2021, \$11,842 (March 31, 2021 – \$17,275) of accounts payable and accrued liabilities was due to the Chief Executive Officer, Chief Financial Officer and Vice President Exploration.

7 Loan payable

On May 6, 2020, the Company received a \$40,000 emergency business loan under the federal government Canada Business Emergency Account (CEBA) initiative. In the event the Company repays \$30,000 by December 31, 2023, there will be no interest payable on the loan and the remaining \$10,000 will be forgiven. The repayment of \$30,000 has been discounted and presented as loan payable. During the nine-month period ended December 31, 2021, the Company repaid the loan in full and recorded accretion of \$4,801 (2020 – \$3,079).

Silver Tiger Metals Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements For the nine-month periods ended December 31, 2021 and 2020

8 Related party transactions

Consulting services were provided during the period ended December 31, 2021 by a corporation owned by the Chief Executive Officer of the Company. The cost of these consulting services during the period was \$218,750 (2020 – \$187,500) related to annual contract fees and \$170,000 (2020 – \$100,000) related to bonus payments. The Company recorded these costs to consulting fees.

Consulting services were provided during the period ended December 31, 2021 by a corporation owned by the Chief Financial Officer of the Company. The cost of these consulting services during the period was \$42,000 (2020 – \$86,000). The Company recorded these costs to consulting fees.

During the period ended December 31, 2020, geological services in the amount of \$31,500 were provided by a corporation owned by the Vice President Exploration of the Company. No such services were provided during the period ended December 31, 2021.

9 Shareholders' equity

Capital stock

Authorized

Unlimited number of common shares, without nominal or par value

Issued and outstanding

	Number of shares #	Amount \$
Balance – March 31, 2020	162,766,353	33,056,024
Shares issued for cash, net of issue costs	46,309,520	11,012,733
Shares issued for cash, exercise of warrants	3,767,402	578,709
Shares, issued for cash, exercise of stock options	1,225,000	270,260
Shares issued in settlement of accounts payable	6,535,366	1,111,012
Balance – December 31, 2020	220,603,641	46,028,738
Balance – March 31, 2021	260,342,531	67,038,066
Shares issued for cash, exercise of warrants	1,050,575	109,058
Shares issued for cash, exercise of stock options	635,000	200,500
Balance – December 31, 2021	262,028,106	67,347,624

Silver Tiger Metals Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements For the nine-month periods ended December 31, 2021 and 2020

9 Shareholders' equity (continued)

Capital stock (continued)

On March 2, 2021, the Company closed a bought deal offering of common shares (the Offering) whereby 38,333,334 common shares of the Company were sold at a price of \$0.60 per share for gross proceeds of \$23,000,000, including 5,000,000 common shares for gross proceeds of \$3,000,000 on the exercise in full of the over-allotment option granted by the Company to the syndicate of underwriters. The underwriters were paid a commission of 6% on the gross proceeds of the Offering. In addition, the Company issued 2,300,000 compensation warrants to the Underwriters entitling them to purchase 2,300,000 common shares at a price of \$0.60 per share for a period of 12 months following closing of the Offering. The capital stock value of the common shares issued is net of share issue costs of \$2,605,450, which includes the grant date fair value of the compensation warrants of \$815,000.

During the nine-month period ended December 31, 2020, the Company completed a non-brokered private placement raising gross proceeds of \$11,000,000 through the issuance of 36,666,667 units at a price of \$0.30 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each full common share purchase warrant entitles the subscriber to acquire one common share at a price of \$0.50 until July 28, 2023. The common shares issued pursuant to the private placement were subject to a four-month hold period that expired November 28, 2020. The capital stock value of the common shares issued as at December 31, 2020 was net of share issue costs of \$657,854, which includes the grant date fair value of finders warrants of \$539,000.

During the nine-month period ended December 31, 2020, the Company completed a non-brokered private placement raising gross proceeds of \$675,000 through the issuance of 9,642,857 units at a price of \$0.07 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each full common share purchase warrant entitles the subscriber to acquire one common share at a price of \$0.10 until May 22, 2022. The common shares issued pursuant to this private placement were subject to a four-month hold period that expired September 23, 2020. The capital stock value of the common shares issued is net of share issue costs of \$4,163.

During the nine-month period ended December 31, 2020, the Company issued a total of 6,535,366 common shares to settle accounts payable of \$392,122 owed to geological services and drilling companies. The difference between the fair value of the common shares issued on May 22, 2020, the date the shares were issued and liability extinguished and the carrying amount of the accounts payable was recognized as a loss on settlement of accounts payable on the statement of loss and comprehensive loss in the amount of \$718,890.

Silver Tiger Metals Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements For the nine-month periods ended December 31, 2021 and 2020

9 Shareholders' equity (continued)

Stock options

The Company has a common share purchase option plan (the Plan) for directors, officers, employees and consultants. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Company unless shareholder and regulatory approvals are obtained. Options granted under the Plan have a ten-year term. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the Exchange at the time of the grant. In determining the stock-based compensation expense, the fair value of options issued is estimated using the Black-Scholes option pricing model. Expected volatility is based on actual volatility of similar companies.

The following weighted average assumptions were used in the Black-Scholes option pricing model for the periods ended December 31, 2021 and 2020:

	2021	2020
Risk-free interest rate	1.52%	2.25%
Expected volatility	117%	105%
Expected dividend yield	-	-
Expected life	10 years	10 years

The following table summarizes the changes in the Company's stock options during the periods ended December 31, 2021 and 2020:

	Weighted Average Exercise price \$	Number of options #	Weighted average remaining life (years)
Balance – March 31, 2020	0.20	14,040,000	
Granted during the period	0.17	3,275,000	
Exercised during the period	0.11	(1,225,000)	
Balance – December 31, 2020	0.20	<u>16,090,000</u>	5.9
Balance – March 31, 2021	0.20	15,890,000	
Granted during the period	0.70	2,900,000	
Exercised during the period	0.17	(635,000)	
Balance – December 31, 2021	0.28	<u>18,155,000</u>	5.8

On December 30, 2021, the Company granted 2,900,000 options to officers, directors, employees and consultants of the Company. The options have an exercise price of \$0.70, vest over two years and expire on December 29, 2031. Stock-based compensation of \$11,000 (2020 – \$509,000) related to stock options was recognized during the nine-month period ended December 31, 2021.

Silver Tiger Metals Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements For the nine-month periods ended December 31, 2021 and 2020

9 Shareholders' equity (continued)

Stock options (continued)

As at December 31, 2021, 8,047,810 options remained available for future grants under the Plan. Options vested and exercisable as at December 31, 2021 totaled 15,255,000 with an average exercise price of \$0.20 per share.

Contributed surplus

	\$
Balance – March 31, 2020	2,838,517
Exercise of stock options	(131,000)
Stock-based compensation	750,500
Balance – December 31, 2020	<u>3,458,017</u>
Balance – March 31, 2021	3,431,517
Exercise of stock options	(94,000)
Stock-based compensation	21,000
Balance – December 31, 2021	<u>3,358,517</u>

Warrants

The following table summarizes the changes in the Company's warrants for the periods ended December 31, 2021 and 2020:

	Expiry date	Exercise price \$	Number	Ascribed value \$
Balance – March 31, 2020			2,884,612	-
Warrants issued pursuant to May 2020 private placement financing	May 22, 2022	0.10	4,821,426	-
Warrants issued pursuant to July 2020 private placement financing	July 27, 2023	0.50	18,333,327	-
Finders warrants issued pursuant to July 2020 private placement financing	July 26, 2023	0.50	2,000,000	539,000
Warrants exercised during period		0.17	(2,884,612)	-
Warrants exercised during period		0.10	(882,790)	-
Balance – December 31, 2020			<u>24,271,963</u>	<u>539,000</u>
Balance – March 31, 2021			25,366,407	1,354,000
Warrants exercised during the period		0.50	(10,000)	-
Warrants exercised during the period		0.10	(1,040,575)	-
Balance – December 31, 2021			<u>24,315,832</u>	<u>1,354,000</u>

Silver Tiger Metals Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements For the nine-month periods ended December 31, 2021 and 2020

9 Shareholders' equity (continued)

Warrants (continued)

The fair value of the compensation warrants issued pursuant to the Offering have been estimated as at the issue date using the Black-Scholes pricing model. The weighted average assumptions used in the pricing model are as follows: exercise price \$0.60, risk-free rate 0.29%, expected volatility 143%, expected dividend yield \$nil and expected life of one year. The fair value amount of \$815,000 has been recorded to share issue costs.

The fair value of the warrants issued pursuant to the May 2020 and July 2020 private placement financings have an estimated value of \$nil as at the issue date using the residual method of valuation.

The fair value of the finders warrants issued pursuant to the July 2020 private placement financing have been estimated at the issue date using the Black-Scholes pricing model. The weighted average assumptions used in the pricing model are as follows: exercise price of \$0.50, risk-free rate 2.25%, expected volatility 124%, expected dividend yield \$nil and expected life of three years. The fair value amount of \$539,000 has been recorded to share issue costs.

Deferred share units

The Company has a deferred share unit plan (the DSU Plan) whereby Participants may elect to receive all or a portion of their annual compensation or bonus compensation, if any, in deferred share units (DSUs). The election, if it is made, must be for a minimum of 10%, or a multiple thereof, of such compensation in DSUs. The number of DSUs received is equal to the amount of compensation elected to be received in DSUs, divided by the volume-weighted average trading price of the common shares on the TSX for the five trading days immediately prior to the payment date. DSUs awarded under the DSU Plan in lieu of annual or bonus compensation will vest immediately.

In addition, the Board of Directors has the authority to make discretionary awards of DSUs to Participants under the DSU Plan. DSUs granted pursuant to discretionary awards will vest in accordance with the vesting schedule determined by the Board of Directors. Generally, DSUs will vest equally over three years, with one-third of the awarded DSUs vesting on each of the first, second and third anniversaries of the date of the award.

All unvested DSUs will vest immediately in the case of a change of control of the Company. In addition, in the event of the death or termination without cause of a Participant who received DSUs, the Participant's DSUs will vest immediately. The Board of Directors may at any time shorten the vesting period of any or all DSUs.

Silver Tiger Metals Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements For the nine-month periods ended December 31, 2021 and 2020

9 Shareholders' equity (continued)

Deferred share units (continued)

The maximum number of common shares issuable under the DSU Plan is 10,000,000. Each DSU held by a Participant must be redeemed by the Company within ten years of the grant for DSU Plan shares issued from treasury. Each vested DSU held by a Participant who ceases to be an eligible employee, director or officer shall be redeemed by the Company effective as at the separation date for DSU Plan shares issued from treasury.

The fair value of the DSUs is determined based on the Company's trading price of its common shares on the day of the grant.

On May 22, 2020, the Board of Directors approved the issuance of 1,450,000 DSUs to officers and an employee of the Company. The 1,450,000 DSUs vest immediately and the grant date fair value amounted to \$225,000.

On December 30, 2021, the Board of Directors approved the issuance of 1,595,000 DSUs to officers and employees of the Company, as well as certain consultants. The DSUs vest over three years.

As at December 31, 2021, the Company had a total of 3,945,000 DSUs outstanding, 2,350,000 of which are fully vested.

The Company recognized \$10,000 (2020– \$241,500) in stock-based compensation expense to the statement of loss and comprehensive loss for the period ended December 31, 2021, in relation to the outstanding DSUs.

10 Supplemental cash flow information

As at December 31, 2021, the Company's accounts payable included expenditures on resource properties of \$1,590,233 (March 31, 2021 – \$1,423,189).

11 Financial instruments and other

Credit risk

The Company manages credit risk by holding its cash and cash equivalents with high quality financial institutions in Canada, where management believes the risk of loss to be low. The Company also had approximately \$2.5 million of Mexican VAT receivable as at December 31, 2021. The Company has recorded the VAT to resource properties. While the Company is still pursuing collection, with the delay in processing and collection, management determined that it was appropriate to reclassify this amount to the resource property to which the VAT paid is related. The timing and amount of the VAT ultimately collectible could be materially different from the amount recorded in the unaudited interim condensed consolidated financial statements.

Silver Tiger Metals Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements For the nine-month periods ended December 31, 2021 and 2020

11 Financial instruments and other (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

Management concluded that the Company has sufficient cash on hand to meet its obligations as they become due for the next 12 months, considering the ability of the Company to scale back exploration and development activities and its intention to do so on its resource properties if the announced financing (note 13) is unsuccessful. The Company will continue to raise further financing to fund future additional exploration and development activities.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) Interest rate risk

The Company has no interest-bearing debt and is not exposed to any significant interest rate risk.

b) Foreign currency risk

The Company operates in Mexico, giving rise to foreign currency risk. To limit the Company's exposure to this risk, cash is primarily held with high quality financial institutions in Canada.

As at December 31, 2021, the Company held the following financial instruments in foreign currencies:

	US\$	Pesos
Cash	119,230	278,339
Accounts payable and accrued liabilities	924,514	6,963,346

Silver Tiger Metals Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements For the nine-month periods ended December 31, 2021 and 2020

11 Financial instruments and other (continued)

Market risk (continued)

c) Price risk

The Company is not exposed to any direct price risk other than that associated with commodities and how fluctuations impact companies in the mineral exploration and mining industries as the Company has no significant revenue.

12 Commitments

The minimum annual payments in relation to the Company's El Tigre agreement (note 5) are as follows:

	\$
Year ending March 31, 2022	165,271
2023	165,271
2024	165,271

13 Subsequent events

On February 22, 2022, the Company entered into an agreement with Sprott Capital Partners LP as co-lead underwriter and sole bookrunner, along with Desjardins Securities Inc. as co-lead underwriter (collectively, the Underwriters), pursuant to which the Underwriters have agreed to purchase, on a bought deal basis 35,100,000 common shares of the Company (the Shares) at a price of \$0.57 per share for gross proceeds to the Company of approximately \$20 million (the Offering).

The Company has agreed to grant the Underwriters an over-allotment option (the Over-Allotment Option) to increase the size of the Offering by up to an additional 15%, such option being exercisable in whole or in part at any time prior to the date that is 30 days after the closing of the Offering, to cover over-allotments, if any, and for market stabilization purposes. In the event that the Over-Allotment Option is exercised in full, the aggregate gross proceeds of the Offering to the Company will be approximately \$23 million.

The Offering is scheduled to close on or before March 17, 2022, and is subject to certain conditions including, but not limited to, receipt of all regulatory approvals, including the approval of the Exchange and the applicable securities regulatory authorities.