Silver Tiger Metals Inc.

Consolidated Financial Statements
March 31, 2022 and 2021

July 27, 2022

Management's Report

The accompanying 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 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 consolidated financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's 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

Independent auditor's report

To the Shareholders of Silver Tiger Metals Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Silver Tiger Metals Inc. and its subsidiaries (together, the Company) as at March 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at March 31, 2022 and 2021;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

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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 the consolidated financial statements in accordance with IFRS, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Maxime Lessard.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Halifax, Nova Scotia
July 27, 2022

Silver Tiger Metals Inc.

Consolidated Statements of Financial Position

As at March 31, 2022 and 2021

	2022 $	2021 $
Assets		
Current assets		
Cash	33,620,351	25,935,925
Sales tax recoverable	133,524	123,761
Deposits and prepaid expenses	7,094	226,456
	33,760,969	26,286,142
Right-of-use asset	-	15,200
Resource properties (note 6)	39,167,149	25,146,210
	72,928,118	51,447,552
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	3,806,125	2,095,233
Current portion of lease liability	-	15,716
	3,806,125	2,110,949
Loan payable (note 8)	-	25,199
	3,806,125	2,136,148
Equity (note 10)	69,121,993	49,311,404
	72,928,118	51,447,552

Commitments (note 15)

Subsequent events (note 16)

Approved by the Board of Directors

Signed “*Wade Anderson*”, Director

Signed “*Richard Gordon*”, Director

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

Silver Tiger Metals Inc.

Consolidated Statements of Changes in Equity

For the years ended March 31, 2022 and 2021

	Number of shares #	Share capital $	Contributed surplus $	Warrants $	Deficit $	Total $
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 year	-	-	-	-	(2,977,175)	(2,977,175)
Shares issued for cash, net of issue costs (note 10)	84,642,854	31,496,283	-	-	-	31,496,283
Shares issued for cash, exercise of stock options (note 10)	1,425,000	333,260	(160,000)	-	-	173,260
Shares issued for cash, exercise of warrants (note 10)	4,972,958	1,041,487	-	-	-	1,041,487
Shares issued in settlement of accounts payable (note 10)	6,535,366	1,111,012	-	-	-	1,111,012
Issuance of finders and compensation warrants (note 10)	-	-	-	1,354,000	-	1,354,000
Stock-based compensation (note 10)	-	-	753,000	-	-	753,000
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 year	-	-	-	-	(2,720,439)	(2,720,439)
Shares issued for cash, net of issue costs (note 10)	40,365,000	20,767,624	-	-	-	20,767,624
Shares issued for cash, exercise of stock options (note 10)	635,000	200,500	(94,000)	-	-	106,500
Shares issued for cash, exercise of warrants (note 10)	3,187,375	457,654	-	(40,750)	-	416,904
Issuance of compensation warrants (note 10)	-	-	-	578,000	-	578,000
Expiry of warrants (note 10)	-	-	774,250	(774,250)	-	-
Stock-based compensation (note 10)	-	-	662,000	-	-	662,000
Balance – March 31, 2022	304,529,906	88,463,844	4,773,767	1,117,000	(25,232,618)	69,121,993

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

Silver Tiger Metals Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended March 31, 2022 and 2021

	2022 $	2021 $
Operating expenses		
Consulting fees (note 9)	773,324	687,481
Depreciation	15,200	30,800
Dues and fees	166,637	106,622
Insurance	177,243	103,338
Office and other	244,125	89,362
Professional fees	193,813	204,082
Shareholder communication	326,814	166,824
Stock-based compensation (note 10)	662,000	753,000
Travel	115,032	11,499
Wages and benefits	130,917	127,951
	2,805,105	2,280,959
Other expenses (income)		
Interest income	(57,251)	(26,266)
Foreign exchange loss (gain) (note 3)	(27,415)	20,592
Government assistance benefit (note 8)	-	(17,000)
Loss on settlement of accounts payable (note 10)	-	718,890
Net loss and comprehensive loss for the years	2,720,439	2,977,175
Loss per share – Basic and diluted	0.010	0.014
Weighted average outstanding common shares – Basic and diluted	263,547,976	206,411,561

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

Silver Tiger Metals Inc.

Consolidated Statements of Cash Flows

For the years ended March 31, 2022 and 2021

	2022 $	2021 $
Cash provided by (used in)		
Operating activities		
Net loss and comprehensive loss for the years	(2,720,439)	(2,977,175)
Charges to net loss and comprehensive loss not affecting cash		
Stock-based compensation	662,000	753,000
Depreciation expense	15,200	30,800
Interest expense – lease liability	792	1,770
Accretion expense – loan payable	4,801	2,199
Government assistance benefit (note 8)	-	(17,000)
Loss on settlement of accounts payable (note 10)	-	718,890
	(2,037,646)	(1,487,516)
Changes in non-cash working capital balances related to operations		
Sales tax recoverable	(9,763)	(84,979)
Deposits and prepaid expenses	219,362	(206,809)
Accounts payable and accrued liabilities	118,791	102,455
	(1,709,256)	(1,676,849)
Investing activity		
Expenditures on resource properties	(12,428,838)	(6,548,640)
Financing activities		
Proceeds from issuance of common shares (note 10)	23,008,050	34,675,000
Share issue costs paid (note 10)	(1,662,426)	(1,824,717)
Proceeds from exercise of stock options and warrants (note 10)	523,404	1,214,747
Loan proceeds (note 8)	-	40,000
Repayment of loan (note 8)	(30,000)	-
Repayment of lease liability	(16,508)	(33,054)
	21,822,520	34,071,976
Change in cash during the years	7,684,426	25,846,487
Cash – Beginning of years	25,935,925	89,438
Cash – End of years	33,620,351	25,935,925

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

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 licenses and permits from governmental authorities, which 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 licenses 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 licenses liable to forfeiture.

2 Basis of presentation

Statement of compliance

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

The Board of Directors approved the consolidated financial statements for issue on July 27, 2022.

Basis of measurement

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

Use of estimates and judgments

The preparation of the consolidated financial statements requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the reporting year. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results may differ from these estimates. The more significant areas requiring the use of management estimates and judgments are discussed below.

- Going concern

  The Company's assessment of whether material uncertainties exist in relation to the Company's ability to continue as a going concern requires significant judgment. Management prepares detailed cash flow projections, considering expected spending on its resource properties and general and administrative expenses and assesses whether it has the ability to meet its obligations as they come due, for a minimum of a 12-month period from the consolidated statements of financial position dates.

- Recoverability of resource properties

  At the end of each reporting period, the Company assesses its mineral resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets.

  Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less cost of disposal and value in use. The value in use of resource properties is generally determined as the present value of future cash flows arising from the continued use of the assets. The determination of discounted cash flows is dependent on a number of factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and site closure, restoration and environmental rehabilitation costs. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount. The fair value of resource properties is estimated by management through the use of, where available, comparison to similar assets and industry benchmarks. Actual results may differ materially from these estimates.

- Recoverability of VAT

  Management's assumptions regarding the recoverability of Value Added Tax (VAT) receivable in Mexico, at the end of each reporting period, are made using all relevant facts available, including past collectibility, the development of VAT policies and the general economic environment of the country. Collection of the amount receivable depends on processing and payment of the claims by the government in Mexico. The Company has approximately $2,750,000 of VAT receivable at March 31, 2022 (2021 – $1,245,000). While the Company is still pursuing collection, with the delay in processing and collection, management determined that it is appropriate to classify 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 consolidated financial statements.

- Share-based payments

  The Company issues equity-settled share-based payments to certain employees and third parties outside the Company. Equity-settled share-based payments are measured at fair value, except warrants issued as part of units for which the residual method is used, excluding the effect of non-market based vesting conditions, at the date of grant. Fair value is measured using the Black-Scholes option pricing model and requires the exercise of judgment in relation to variables such as the expected life and expected volatilities, which are based on information available at the time the fair value is measured.

3 Significant accounting policies

The consolidated financial statements have been prepared within the framework of the accounting policies summarized below.

Consolidation

The financial statements of the Company consolidate the accounts of the Company and the following subsidiaries:

Company	Activity	Country of incorporation
El Tigre Silver Corp.	Holding company	Canada
Lunar Gold Holdings Incorporated	Holding company	Canada
LGHI Holdings Incorporated	Holding company	Canada
Pacemaker Silver Mining S.A. de C.V.	Mineral exploration company	Mexico
Compãnia Minera Talaman S.A. de C.V.	Holding company	Mexico
0874346 B.C. Ltd.	Holding company	Canada

All subsidiaries are 100% owned.

All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation. There are no non-controlling interests; therefore, all loss and comprehensive loss is attributable to the shareholders of the Company.

Resource properties

Once the Company has obtained the legal right to explore, initial acquisition costs and exploration costs related to resource properties are deferred until such time as the properties are put into commercial production, sold or abandoned or management determines that the resource properties are not economically viable, at which time the resource properties are written down to their recoverable amount. Under this method, all amounts shown as resource properties represent costs incurred to date or written down.

If any properties are put into commercial production, the carrying values of the properties will be depleted following the unit of production method.

The carrying values of resource properties, on a property-by-property basis, will be reviewed by management at least annually to determine if there are indicators of impairment. If impairment is deemed to exist, the resource properties will be written down to their recoverable amount through a charge to the consolidated statement of loss and comprehensive loss. The ultimate recoverability of the amounts capitalized for the resource properties is dependent upon obtaining the necessary financing to complete their development and realize profitable production or proceeds from the disposition thereof.

Management's estimate of recoverability of the Company's resource property has been based on current conditions. However, it is reasonably possible that changes could occur in the near term that could adversely affect management's estimates and may result in future write-downs of the resource property.

All borrowing costs including interest charges directly attributable to resource property expenditures have been capitalized.

Income taxes

Current tax assets and liabilities for the current and prior periods are measured at the amounts expected to be paid or recovered, using tax rates and laws that have been enacted or substantively enacted by the end of the year.

Deferred tax assets and liabilities are recognized for all future tax consequences attributable to the differences between the consolidated financial statement carrying amounts of assets and liabilities and their respective tax bases, except for the initial recognition of goodwill and the initial recognition of an asset or liability, which at the time of the transaction, affects neither accounting profit nor taxable profit or loss. Deferred tax assets are also recognized for unused tax losses and unused tax credits. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against the deductible temporary differences, unused tax losses and unused tax credits can be utilized. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates and tax laws expected to apply when the carrying amount of the assets or liabilities are recovered or settled or the unused losses are expected to be utilized.

Current and deferred income tax expense is recognized in the consolidated statements of loss and comprehensive loss for the year, except to the extent that the income taxes related to a transaction or event which is recognized, in the same or different period, either in other comprehensive loss or directly in equity.

Stock-based compensation

The Company grants stock options to certain officers, directors and consultants. Stock options vest in accordance with the individual option granting contracts and expire after ten years or as determined by the Board of Directors when granted. Each grant is considered a separate award with its own vesting period and grant date fair value. Fair value of each grant is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the grant's vesting period by increasing contributed surplus based on the number of awards expected to vest. Consideration paid by the directors and officers upon exercise of the stock options and the amount previously recognized in contributed surplus are recorded as share capital.

The Company also issues deferred share units (DSUs) to employees and consultants. DSUs vest in accordance with the individual DSU granting contracts and expire after ten years or as determined by the Board of Directors when granted. The fair value of each grant is measured at the grant date and compensation expense is recognized over the vesting period by increasing contributed surplus based on the number of awards expected to vest. DSUs are settled in common shares of the Company.

Share issuance costs

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs.

Warrants

Proceeds on the issuance of warrants are recorded in a separate component of equity as the warrants give right to a fixed number of the Company's common shares. Costs incurred on the issuance of warrants are recognized as a deduction from warrant proceeds. Warrants issued with common shares as part of a unit are measured using the residual fair value method. The fair value is included as a component of equity and is transferred from warrants to share capital on exercise.

Loss per share

Loss per share is calculated based on the weighted average number of shares outstanding during the year. The Company follows the treasury method of calculating diluted earnings per share. This method assumes that any proceeds from the exercise of stock options and other dilutive instruments would be used to purchase common shares at the average market price during the year. Diluted loss per share for the periods presented is the same as basic loss per share, as the Company has incurred losses and the exercise of options and warrants would be anti-dilutive.

Functional and presentation currency and foreign currency translation

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates, and the consolidated financial statements are presented in Canadian dollars.

The functional currency of all subsidiaries and the parent company is Canadian dollars. Foreign currency transactions are recorded at the foreign exchange rate in effect on the date of the transaction and gains and losses resulting from the settlement of such transactions are recorded in the consolidated statements of loss and comprehensive loss.

Leases

- Right-of-use assets

  The Company recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized at the inception of the lease, initial direct costs incurred, and lease payments made at or before the lease commencement date less any lease incentives received. The recognized right-of-use assets are depreciated on a straight-line basis over the lease term.

- Lease liabilities

  At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased for accretion expense and reduced for lease payments made.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are initially measured at fair value. Financial assets are classified into one of the following specified categories: amortized cost, fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the consolidated statements of loss and comprehensive loss.

All of the Company’s financial instruments are measured at amortized cost.

4 Amendments to accounting standards not yet adopted

The IASB issued the following standards that have not been applied in preparing these consolidated financial statements as their effective dates fall within periods beginning subsequent to the current reporting period. The Company is currently assessing the financial impact of these amendments.

On January 23, 2020, the IASB issued an amendment to International Accounting Standards (IAS) 1 Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The Company is currently assessing the financial impact of the amendments and expects to apply the amendments at the effective date.

5 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 March 31, 2022 totalled $69,121,993 (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.

6 Resource properties

	$
Balance – March 31, 2020	19,039,807
Exploration and property costs incurred	6,106,403
Balance – March 31, 2021	25,146,210
Exploration and property costs incurred	14,020,939
Balance – March 31, 2022	39,167,149

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 Compãnia Minera Talaman S.A. de C.V.

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 land-owners US$1,030,000, of which US$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 March 31, 2022, there are 24 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 vendor upon establishing commercial production subject to completing the agreement. The monthly payments paid to date have been recorded to resource properties.

7 Accounts payable and accrued liabilities

	2022 $	2021 $
Accounts payable	3,707,454	1,915,563
Accrued liabilities	98,671	179,670
	3,806,125	2,095,233

As at March 31, 2022, $48,857 (2021 – $17,275) of accounts payable and accrued liabilities is due to the Chief Executive Officer, Chief Financial Officer and Vice President Exploration.

8 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, 2022, there will be no interest payable on the loan and the remaining $10,000 will be forgiven. During the year ended March 31, 2022, the Company repaid the loan in full and recorded accretion expense of $4,801 (2021 – $2,199).

9 Related party transactions

Consulting services were provided during the year ended March 31, 2022, by a corporation owned by the Chief Executive Officer of the Company. The cost of these consulting services during the year was $312,500 (2021 – $250,000) related to annual fees and $275,000 (2021 – $250,000) related to bonus payments. The Company recorded these costs to consulting fees.

Consulting services were provided during the year ended March 31, 2022, by a corporation owned by the Chief Financial Officer of the Company. The cost of these services during the year was $31,250 (2021 – $nil). The Company recorded these costs to consulting fees.

Consulting services were provided during the year ended March 31, 2022, by a corporation owned by the former Chief Financial Officer of the Company, while serving as the Chief Financial Officer. The cost of these consulting services during the year was $42,000 (2021 – $103,000). The Company recorded these costs to consulting fees.

Geological consulting services were provided during the year ended March 31, 2022, by a corporation owned by the Vice President Exploration of the Company. The cost of these consulting services during the year was $55,000 (2021 –$36,500). The Company recorded these costs to resource properties.

During the year ended March 31, 2021, officers and directors subscribed to an aggregate of 20,000 common shares issued by the Company pursuant to equity financings for aggregate subscription proceeds of $6,000.

10 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	84,642,854	31,496,283
Shares issued for cash, exercise of stock options	1,425,000	333,260
Shares issued for cash, exercise of warrants	4,972,958	1,041,487
Shares issued in settlement of accounts payable	6,535,366	1,111,012
Balance – March 31, 2021	260,342,531	67,038,066
Shares issued for cash, net of issue costs	40,365,000	20,767,624
Shares issued for cash, exercise of stock options	635,000	200,500
Shares issued for cash, exercise of warrants	3,187,375	457,654
Balance – March 31, 2022	304,529,906	88,463,844

On March 17, 2022, the Company closed a bought deal offering of common shares (the Offering) whereby 40,365,000 common shares of the Company were sold at a price of $0.57 per share for gross proceeds of $23,008,050, including 5,265,000 common shares for gross proceeds of $3,001,050 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 2,421,900 compensation warrants to the underwriters entitling them to purchase 2,421,900 common shares at a price of $0.57 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 $2,240,426, which includes the estimated grant date fair value of the compensation warrants of $578,000.

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 estimated grant date fair value of the compensation warrants of $815,000.

On July 27, 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 27, 2023. The common shares issued pursuant to this private placement were subject to a four month hold period that expired November 28, 2020. In addition, the Company issued 2,000,000 finders warrants entitling the holders to purchase 2,000,000 common shares at a price of $0.50 per share for a period of 36 months following closing of the private placement. The capital stock value of the common shares issued is net of share issue costs of $658,104, which includes the grant date fair value of the finders warrants of $539,000.

On May 22, 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.

On May 22, 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 statements of loss and comprehensive loss in the amount of $718,890.

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:

	2022	2021
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 years ended March 31, 2022 and 2021:

	Weighted average exercise price $	Number of options #	Weighted average remaining life (years)
Balance – March 31, 2020	0.20	14,040,000	5.2
Granted during the year	0.17	3,275,000	9.1
Exercised during the year	0.12	(1,425,000)	
Balance – March 31, 2021	0.20	15,890,000	5.6
Granted during the year	0.70	2,900,000	9.7
Exercised during the year	0.16	(635,000)	
Balance – March 31, 2022	0.28	18,155,000	5.5

As at March 31, 2022, 12,297,991 options remained available for future grants under the Plan. Options vested and exercisable as at March 31, 2022, totalled 15,255,000 with an average exercise price of $0.20 per share. The weighted average grant date fair value per option was $0.64 for the stock options granted during the year ended March 31, 2022. The Company charged $662,000 in stock-based compensation to the consolidated statements of loss and comprehensive loss for the year ended March 31, 2022.

Contributed surplus

	$
Balance – March 31, 2020	2,838,517
Exercise of stock options	(160,000)
Stock-based compensation related to stock options	509,000
Stock-based compensation related to deferred share units	244,000
Balance – March 31, 2021	3,431,517
Exercise of stock options	(94,000)
Stock-based compensation related to stock options	489,000
Stock-based compensation related to deferred share units	173,000
Expiry of warrants	774,250
Balance – March 31, 2022	4,773,767

Warrants

The following table summarizes the changes in the Company's warrants for the years ended March 31, 2022 and 2021:

	Expiry date	Exercise price $	Number #	Ascribed value $
Balance – March 31, 2020		0.17	2,884,612	-
Warrants issued pursuant to May 2020 private placement financing	May 22, 2022	0.10	4,821,425	-
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
Compensation warrants issued pursuant to March 2021 offering	March 2, 2022	0.60	2,300,000	815,000
Warrants exercised during the year		0.50	(855,556)	-
Warrants exercised during the year		0.17	(2,884,612)	-
Warrants exercised during the year		0.10	(1,232,790)	-
Balance – March 31, 2021			25,366,406	1,354,000
Compensation warrants issued pursuant to March 2022 offering	March 17, 2022	0.57	2,421,900	578,000
Warrants expired		0.60	(2,185,000)	(774,250)
Warrants exercised during the year		0.10	(2,970,708)	-
Warrants exercised during the year		0.50	(101,667)	-
Warrants exercised during the year		0.60	(115,000)	(40,750)
Balance – March 31, 2022			22,415,931	1,117,000

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 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 of $0.50, risk-free rate 2.25%, expected volatility 124%, expected dividend yield $nil and expected life three years. The fair value amount of $539,000 has been recorded to share issue costs.

The fair value of the compensation warrants issued pursuant to the March 2021 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 of $0.60, risk-free rate 0.29%, expected volatility 143%, expected dividend yield $nil and expected life one year. The estimated fair value amount of $815,000 has been recorded to share issue costs.

The fair value of the compensation warrants issued pursuant to the March 2022 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 of $0.57, risk-free 1.62%, expected volatility 109%, expected dividend yield $nil and expected life one year. The estimated fair value of $578,000 has been recorded to share issue cots.

Deferred share units

The Company has a 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 DSU’s 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 that 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.

The maximum number of common shares issuable under the DSU Plan is 10,000,000. Each DSU held by a participant must be settled by the Company within 10 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 vested immediately and the grant date fair value amounted to $225,000.

On December 30, 2021, the Board of Directors approved issuance of 1,595,000 DSUs to officers, employees and consultants of the Company. The 1,595,000 DSUs vest over three years and the grand date fair value amounted to $1,085,000.

At March 31, 2022, the Company had a total of 3,945,000 DSUs outstanding, 2,350,000 of which were fully vested.

The Company recognized $173,000 (2021 – $244,000) in stock-based compensation expense to the consolidated statements of loss and comprehensive loss for the year ended March 31, 2022, in relation to the outstanding DSUs.

11 Income taxes

Losses

The Company has non-capital tax losses, which include certain deductions for share issue costs, of approximately $21 million available for carry-forward to reduce future years' taxable income in its Canadian entities. These non-capital tax losses expire as follows:

	$
Year ended March 31,	
2027	11,000
2028	198,000
2029	395,000
2030	740,000
2031	1,274,000
2032	1,960,000
2033	1,990,000
2034	2,016,000
2035	2,336,000
2036	1,174,000
2037	1,471,000
2038	1,483,000
2039	1,330,000
2040	872,000
2041	2,246,000
2042	2,058,000

The Company also has Mexican non-capital tax losses of approximately $9.9 million, which expire after ten years, available to carry-forward to reduce future years' taxable income in its Mexican subsidiaries.

As at March 31, 2022, the Company's effective income tax rate differs from the amount that would be computed from applying the federal and provincial statutory rate of 29% (2021 – 29%) to the pre-tax net loss for the year. The reasons for the difference are as follows:

	2022 $	2021 $
Loss before income taxes	2,720,439	2,977,175
Income tax recovery based on statutory rates	789,000	863,000
Non-deductible stock option expense and other expenses	(192,000)	(426,000)
Unutilized losses	(597,000)	(437,000)
Recovery of income taxes	-	-

The following reflects deferred tax assets at March 31, 2022 and 2021:

	2022 $	2021 $
Non-capital losses	9,217,000	7,634,000
Deductible share issuance costs	705,000	403,000
Temporary difference relating to resource properties	(2,495,000)	(2,037,000)
	7,427,000	6,000,000
Portion of deferred tax assets unrecognized	(7,427,000)	(6,000,000)
	-	-

12 Compensation of key management

Key management includes the Company's Directors, President and Chief Executive Officer, Chief Financial Officer and Vice President Exploration. Compensation awarded to key management is summarized as follows:

	2022 $	2021 $
Cash and accrued compensation and other benefits	721,091	639,500
Stock-based compensation	255,187	508,400
	976,278	1,147,900

Cash compensation and other benefits are included in consulting fees and wages and benefits on the consolidated statement of loss and comprehensive loss.

13 Supplemental cash flow information

As at March 31, 2022, the Company’s accounts payable included expenditures on resource properties of $3,015,290 (2021 – $1,423,189).

14 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 has approximately $2,750,000 of Mexican VAT receivable as at March 31, 2022, (2021 – $1,245,000). 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 consolidated financial statements.

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 Company’s planned exploration activities on its resource properties. The Company has the ability to scale its exploration activities, and will do so as necessary, based on cash availability. The Company will need to raise further financing to fund future additional exploration and mine 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.

- Interest rate risk

  The Company has no interest-bearing debt, except for the loan payable (note 8), which was repaid in full during the year, and is not exposed to any significant interest rate risk.

- 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 March 31, 2022, the Company held the following financial instruments in foreign currencies:

	US$ (in US$)	Pesos (in MxP)
Cash	851,850	323,059
Accounts payable and accrued liabilities	1,755,540	13,466,842

- 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 revenues.

15 Commitments

The minimum annual payments in relation to the Company's El Tigre Agreement (note 6) are as follows:

	$
2023	164,227
2024	164,227

16 Subsequent events

Subsequent to March 31, 2022, a total of 617,927 warrants were exercised for aggregate proceeds of $61,793 and a total of 900,000 stock options were exercised for aggregate proceeds of $144,000.

Additionally, 500,000 DSUs were exercised on a net settlement basis, resulting in the issuance of 250,000 common shares after withholding for income taxes.