Silver Tiger Metals Inc.

Consolidated Financial Statements
March 31, 2023 and 2022
(expressed in Canadian dollars)

July 27, 2023

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, 2023 and 2022, 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, 2023 and 2022;
- 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.

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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 for the year ended March 31, 2023. 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.

Key audit matter	How our audit addressed the key audit matter
Assessment of indicators of impairment of resource properties *Refer to note 2 – Basis of presentation, note 3 – Significant accounting policies and note 7 – Resource properties to the consolidated financial statements.* The carrying amount of resource properties was \$56,292,493 as at March 31, 2023. At the end of each reporting period, management assesses whether there are any indicators of impairment related to resource properties. Management applies judgment in determining whether indicators of impairment exist, including factors such as the period for which the Company has the right to explore, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and whether results of exploration and evaluation activities on the resource properties indicate that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale. If any such indicator exists, then an impairment test is performed by management. No indicators of impairment were identified by management as at March 31, 2023. We considered this a key audit matter due to the significance of the resource properties and the judgments made by management in its assessment of indicators of impairment, which resulted in a high degree of subjectivity in performing procedures related to these judgments applied by management.	Our approach to addressing the matter included the following procedures, among others: • Assessed the judgment applied by management in determining the indicators of impairment, which included the following: – Obtained, for all claims, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates. – Read board minutes and obtained budget approvals to evidence continued and planned substantive expenditures on further exploration and evaluation activities, which included evaluating the results of the current year work programs. – Assessed whether results of exploration and evaluation activities, or other facts and circumstances suggest that the carrying amount may not be recoverable, based on evidence obtained in other areas of the audit.

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 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.

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.

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, 2023

Silver Tiger Metals Inc.

Consolidated Statements of Financial Position

As at March 31, 2023 and 2022

(expressed in Canadian dollars)

	2023 $	2022 $
Assets		
Current assets		
Cash	29,803,660	33,620,351
Sales tax recoverable	159,225	133,524
Deposits and prepaid expenses	195,042	7,094
	30,157,927	33,760,969
Property and equipment (note 6)	509,932	-
Resource properties (note 7)	56,292,493	39,167,149
	86,960,352	72,928,118
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	2,843,633	3,806,125
Equity (note 11)	84,116,719	69,121,993
	86,960,352	72,928,118

Commitments (note 16)

Subsequent events (note 17)

Approved by the Board of Directors

Signed "*Richard Gordon*", Director

Signed "*Lila Maria Bensojo-Arras*", 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, 2023 and 2022

(expressed in Canadian dollars)

	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 year	-	-	-	-	(2,720,439)	(2,720,439)
Shares issued for cash, net of issue costs (note 11)	40,365,000	20,767,624	-	-	-	20,767,624
Shares issued for cash, exercise of stock options (note 11)	635,000	200,500	(94,000)	-	-	106,500
Shares issued for cash, exercise of warrants (note 11)	3,187,375	457,654	-	(40,750)	-	416,904
Issuance of compensation warrants (note 11)	-	-	-	578,000	-	578,000
Expiry of warrants (note 11)	-	-	774,250	(774,250)	-	-
Stock-based compensation (note 11)	-	-	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
Net loss and comprehensive loss for the year	-	-	-	-	(3,682,535)	(3,682,535)
Shares issued for cash, net of issue costs (note 11)	58,100,000	16,496,968	-	-	-	16,496,968
Shares issued for cash, exercise of stock options (note 11)	900,000	274,645	(130,645)	-	-	144,000
Shares issued for cash, exercise of warrants (note 11)	717,927	111,793	-	-	-	111,793
Shares issued, settlement of deferred share units (“DSUs”) (note 11)	250,000	-	(63,885)	-	(33,615)	(97,500)
Expiry of warrants (note 11)	-	-	578,000	(578,000)	-	-
Stock-based compensation (note 11)	-	-	2,022,000	-	-	2,022,000
Balance – March 31, 2023	364,497,833	105,347,250	7,179,237	539,000	(28,948,768)	84,116,719

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, 2023 and 2022

(expressed in Canadian dollars)

	2023 $	2022 $
Operating expenses		
Consulting fees (note 10)	857,300	773,324
Depreciation	1,194	15,200
Dues and fees	67,434	166,637
Insurance	160,167	177,243
Office and other	282,532	244,125
Professional fees	223,665	193,813
Shareholder communication	238,351	326,814
Stock-based compensation (note 11)	2,022,000	662,000
Travel	120,791	115,032
Wages and benefits	173,566	130,917
	4,147,000	2,805,105
Other expenses (income)		
Interest income	(520,954)	(57,251)
Foreign exchange loss (gain)	56,489	(27,415)
	(464,465)	(84,666)
Net loss and comprehensive loss for the years	3,682,535	2,720,439
Loss per share – Basic and diluted	0.01	0.01
Weighted average outstanding common shares – Basic and diluted	311,783,728	263,547,976

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, 2023 and 2022

(expressed in Canadian dollars)

	2023 $	2022 $
Cash provided by (used in)		
Operating activities		
Net loss and comprehensive loss for the years	(3,682,535)	(2,720,439)
Charges to net loss and comprehensive loss not affecting cash		
Stock-based compensation	2,022,000	662,000
Depreciation expense	1,194	15,200
Interest expense – lease liability	-	792
Accretion expense – loan payable	-	4,801
	(1,659,341)	(2,037,646)
Changes in non-cash working capital balances related to operations		
Sales tax recoverable	(25,701)	(9,763)
Deposits and prepaid expenses	(187,948)	219,362
Accounts payable and accrued liabilities	(209,740)	118,791
	(2,082,730)	(1,709,256)
Investing activities		
Expenditures on resource properties (note 7)	(17,878,096)	(12,428,838)
Purchase of property and equipment (note 6)	(511,126)	-
	(18,389,222)	(12,428,838)
Financing activities		
Proceeds from issuance of common shares (note 11)	18,011,000	23,008,050
Share issue costs paid (note 11)	(1,514,032)	(1,662,426)
Proceeds from exercise of stock options (note 11)	144,000	106,500
Proceeds from exercise warrants (note 11)	111,793	416,904
Payroll withholding taxes paid on settlement of DSUs (note 11)	(97,500)	-
Repayment of loan (note 9)	-	(30,000)
Repayment of lease liability	-	(16,508)
	16,655,261	21,822,520
Change in cash during the years	(3,816,691)	7,684,426
Cash – Beginning of years	33,620,351	25,935,925
Cash – End of years	29,803,660	33,620,351

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

(expressed in Canadian dollars)

1 Nature of operations

Silver Tiger Metals Inc. (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, 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 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.

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, 2023.

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.

(expressed in Canadian dollars)

- 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, management assesses whether there are any indicators of impairment related to resource properties. Management applies judgment in determining whether indicators of impairment exist, including factors such as the period for which the Company has the right to explore, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and whether results of exploration and evaluation activities on the resource properties indicate that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale. No indicators of impairment were identified by management as at March 31, 2023 and 2022.

  Where an indicator of impairment exists, an estimate of the recoverable amount is calculated by management, which is considered to be the higher of 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 $5,940,000 of VAT receivable at March 31, 2023 (2022 – $2,750,000). 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.

(expressed in Canadian dollars)

- 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 estimated 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.

- Recoverability of deferred income tax asset

  Deferred income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the consolidated statements of financial position and their corresponding tax values. Deferred income tax assets also result from unused loss carry-forwards and other deductions.

  There is judgment involved in the determination of the timing of reversals of temporary differences, and whether tax losses will be available in the period those temporary differences reverse. To the extent the Company does not consider it probable that a deferred income tax asset will be recovered, the deferred income tax asset is not recognized.

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.

(expressed in Canadian dollars)

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, are reviewed by management at each balance sheet date to determine if indicators of impairment exist. If the recoverable amount is estimated to be less than the carrying amount, the carrying amount of the resource properties is reduced to its recoverable amount through a charge to the consolidated statements 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.

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.

(expressed in Canadian dollars)

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.

(expressed 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.

Property and equipment

Property and equipment is measured at historical cost, less accumulated depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the asset. Property and equipment is amortized over its estimated useful life of the asset calculated as follows:

	Basis	Rate
Computer equipment	Declining balance	30%
Furniture and equipment	Declining balance	20%

Any item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statements of loss and comprehensive loss in the period the asset is derecognized.

The processing equipment is not yet available for use. Depreciation will begin once the processing equipment is capable of operating in the manner it is intended by the Company.

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.

(expressed in Canadian dollars)

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.

In January 2020, the IASB issued Classification of Liabilities as Current or Non-Current (Amendments to IAS 1, Presentation of Financial Statements). The narrow-scope amendment affects only the presentation of liabilities in the consolidated statements of financial position and not the amount or timing of recognition. Specifically, it clarifies that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and that a settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. These amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. The Company is assessing the potential impact of this narrow-scope amendment.

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, 2023 totalled $84,116,719 (2022 – $69,121,993). 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.

(expressed in Canadian dollars)

6 Property and equipment

The following tables summarized property and equipment for the year ended March 31, 2023:

	Cost		
	Beginning of year $	**Additions $**	**End of year $**
Computer equipment	-	4,753	4,753
Furniture and equipment	-	4,812	4,812
Processing equipment	-	501,561	501,561
	-	511,126	511,126

	Accumulated deprecation		
	Beginning of year $	**Depreciation $**	**End of year $**
Computer equipment	-	713	713
Furniture and equipment	-	481	481
Processing equipment	-	-	-
	-	1,194	1,194

	Net		
	Cost $	**Accumulated depreciation $**	**Total $**
Computer equipment	4,753	713	4,040
Furniture and equipment	4,812	481	4,331
Processing equipment	501,561	-	501,561
	511,126	1,194	509,932

(expressed in Canadian dollars)

7 Resource properties

	$
Balance – March 31, 2021	25,146,210
Exploration and property costs incurred	14,020,939
Balance – March 31, 2022	39,167,149
Exploration and property costs incurred	17,125,344
Balance – March 31, 2023	56,292,493

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 landowners 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, 2023, there are 12 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. The monthly payments paid to date have been recorded to resource properties.

(expressed in Canadian dollars)

8 Accounts payable and accrued liabilities

	2023 $	2022 $
Accounts payable	2,665,633	3,707,454
Accrued liabilities	178,000	98,671
	2,843,633	3,806,125

As at March 31, 2023, $3,760 (2022 – $48,857) of accounts payable and accrued liabilities is due to the Chief Executive Officer, Chief Financial Officer and Vice President Exploration.

9 Loan payable

On May 6, 2020, the Company received a $40,000 emergency business loan under the federal government Canada Business Emergency Account 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. During the year ended March 31, 2022, prior to repayment, the Company recorded accretion expense of $4,801.

10 Related party transactions

Consulting services were provided during the year ended March 31, 2023, by a corporation owned by the Chief Executive Officer of the Company. The cost of these consulting services during the year was $375,000 (2022 – $312,500) related to annual fees and $275,000 (2022 – $275,000) related to performance incentive awards. The Company recorded these costs to consulting fees.

Consulting services were provided during the year ended March 31, 2023, by a corporation owned by the Chief Financial Officer of the Company. The cost of the consulting services during the year was $125,000 (2022 – $73,250) related to annual fees and $50,000 (2022 – $nil) related to performance incentive awards. The Company recorded the costs to consulting fees.

Geological consulting services were provided during the year ended March 31, 2023, by a corporation owned by the Vice President Exploration of the Company. The cost of these consulting services during the year was $60,000 (2022 – $55,000). The Company recorded these costs to resource properties.

(expressed in Canadian dollars)

11 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, 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
Shares issued for cash, net of issue costs	58,100,000	16,496,968
Shares issued for cash, exercise of stock options	717,927	111,793
Shares issued for cash, exercise of warrants	900,000	274,645
Shares issued, settlement of DSUs	250,000	-
Balance – March 31, 2023	364,497,833	105,347,250

On March 17, 2022, the Company closed a bought deal offering of common shares (the "2022 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 2022 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 2022 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 February 24, 2023, the Company closed a bought deal offering of common shares (the "2023 Offering") whereby 58,100,000 common shares of the Company were sold at a price of $0.31 per share for gross proceeds of $18,011,000. The underwriters were paid a commission of 6% on the gross proceeds of the 2023 Offering. The capital stock value of the common shares issued is net of share issue costs of $1,514,032.

(expressed in Canadian dollars)

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:

	2023	2022
Risk-free interest rate	3.00%	1.52%
Expected volatility	106%	117%
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, 2023 and 2022:

	Weighted average exercise price $	Number of options #	Weighted average remaining life (years)
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
Granted during the year	0.32	3,575,000	9.8
Exercised during the year	0.16	(900,000)	
Expired during the year	0.20	(100,000)	
Balance – March 31, 2023	0.29	20,730,000	5.5

As at March 31, 2023, 15,719,783 options remained available for future grants under the Plan. Options vested and exercisable as at March 31, 2023 totalled 16,598,750 with an average exercise price of $0.25 per share. The weighted average grant date fair value per option was $0.29 for the stock options granted during the year ended March 31, 2023 (2022 – $0.64). The Company charged $1,359,000 in stock-based compensation related to stock options to the consolidated statements of loss and comprehensive loss for the year ended March 31, 2023 (2022 – $489,000).

(expressed in Canadian dollars)

Contributed surplus

	$
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
Exercise of stock options	(130,645)
Settlement of DSUs	(63,885)
Stock-based compensation related to stock options	1,359,000
Stock-based compensation related to DSUs	663,000
Expiry of warrants	578,000
Balance – March 31, 2023	7,179,237

Warrants

The following table summarizes the changes in the Company's warrants for the years ended March 31, 2023 and 2022:

	Expiry date	Exercise price $	Number #	Ascribed value $
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		0.50	22,415,931	1,117,000
Warrants expired		0.57	(2,421,900)	(578,000)
Warrants exercised during the year		0.50	(100,000)	-
Warrants exercised during the year		0.10	(617,927)	-
Balance – March 31, 2023		0.50	19,276,104	539,000

(expressed in Canadian dollars)

The fair value of the compensation warrants issued pursuant to the 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 costs.

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

On January 11, 2023, the Board of Directors approved the grant of 2,150,000 DSUs to officers, employees and consultants of the Company. The DSUs vest over three years and the grant date fair value amounted to $688,000.

During the year ended March 31, 2023, 500,000 DSUs were settled on a net basis, resulting in the issuance of 250,000 common shares after withholding for DSUs, resulting in the payment of income taxes of $97,500.

The Company recognized $663,000 (2022 – $173,000) in stock-based compensation expense to the consolidated statements of loss and comprehensive loss for the year ended March 31, 2023, in relation to the outstanding DSUs.

(expressed in Canadian dollars)

The following table summarizes the changes in the Company's DSUs for the years ended March 31, 2023 and 2022:

	Number #
Balance – March 31, 2021	2,350,000
Granted during the year	1,595,000
Balance – March 31, 2022	3,945,000
Granted during the year	2,150,000
Exercised during the year	(500,000)
Balance – March 31, 2023	5,595,000
Exercisable at March 31, 2023	2,381,667

12 Income taxes

Losses

The Company has non-capital tax losses of approximately $24 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	2,256,000
2042	3,077,000
2043	1,660,000

The Company also has Mexican non-capital tax losses of approximately $13.3 million, which expire after ten years, available to carry-forward to reduce future years' taxable income in its Mexican subsidiaries. The non-capital losses will expire between 2024 and 2033.

(expressed in Canadian dollars)

As at March 31, 2023, 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% (2022 – 29%) to the pre-tax net loss for the year. The reasons for the difference are as follows:

	2023 $	2022 $
Loss before income taxes	3,682,535	2,720,439
Income tax recovery based on statutory rates	1,068,000	789,000
Non-deductible stock option expense and other expenses	(586,000)	(192,000)
Unutilized losses	(482,000)	(597,000)
Recovery of income taxes	-	-

The following reflects deferred tax assets at March 31, 2023 and 2022:

	2023 $	2022 $
Non-capital losses	11,011,000	9,217,000
Deductible share issuance costs	853,000	705,000
Temporary difference relating to resource properties	(3,975,000)	(2,495,000)
	7,889,000	7,427,000
Portion of deferred tax assets unrecognized	(7,899,000)	(7,427,000)
	-	-

13 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:

	2023 $	2022 $
Cash and accrued compensation and other benefits	925,341	721,091
Stock-based compensation	1,042,759	255,187
	1,968,100	976,278

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

(expressed in Canadian dollars)

14 Supplemental cash flow information

As at March 31, 2023, the Company's accounts payable included expenditures on resource properties of $2,262,538 (2022 – $3,015,290).

15 Financial instruments and other

Credit risk

The Company manages credit risk by holding its cash with high quality financial institutions in Canada, where management believes the risk of loss to be low. The Company also has approximately $5,940,000 of Mexican VAT receivable as at March 31, 2023 (2022 – $2,750,000). 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 9), which was repaid in full during the prior 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.

(expressed in Canadian dollars)

As at March 31, 2023, the Company held the following financial instruments in foreign currencies:

	US$ (in US$)	Pesos (in MxP)
Cash	61,882	202,940
Accounts payable and accrued liabilities	1,068,665	6,087,612

- 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.

16 Commitments

a) The minimum remaining payments in relation to the Company's El Tigre agreement (note 7) are as follows:

	$
Year ending March 31, 2024	177,856

b) The Company has entered into an operating lease for premises in Mexico. The minimum remaining payments are as follows:

	$
Year ending March 31, 2024	15,008

17 Subsequent events

Subsequent to March 31, 2023, 300,000 stock options were exercised for gross proceeds of $60,000.