SILVER TIGER
METALS INC

Interim Unaudited Condensed
Consolidated Financial Statements

June 30, 2020

August 31, 2020

Management's Report

The accompanying interim unaudited condensed consolidated financial statements of **Silver Tiger Metals Inc.** (the "Company") are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The 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 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.

These consolidated financial statements have not been reviewed by the external auditors of the Company.

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

(signed) "*Glenn Holmes*"
Chief Financial Officer
Halifax, Nova Scotia

SILVER TIGER METALS INC

Unaudited Interim Condensed Consolidated Statements of Financial Position

As at June 30, 2020 and March 31, 2020

	June 30, 2020 $	March 31, 2020 $
Assets		
Current assets		
Cash	297,596	89,438
Sales tax recoverable	39,595	38,782
Prepaid expenses	57,980	19,647
	395,171	147,867
Finance lease right-of-use asset (note 5)	38,300	46,000
Resource properties (note 7)	19,109,678	19,039,807
	19,543,149	19,233,674
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	2,305,295	2,827,137
Current portion of finance lease liability	32,000	31,000
	2,337,295	2,858,137
Finance lease liability (note 5)	7,300	16,000
Loan payable (note 6)	40,000	–
	2,384,595	2,874,137
Equity (note 10)	17,158,554	16,359,537
	19,543,149	19,233,674

Nature of operations (notes 1 and 14)

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

Approved on behalf of the Board of Directors

(signed) "*Keith Abriel*", Director

(signed) "*Wade Anderson*", Director

SILVER TIGER METALS INC

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

For the periods ended June 30, 2020 and 2019

	Number of shares	Share capital $	Contributed surplus $	Warrants $	Deficit $	Total $
Balance – March 31, 2019	143,916,357	31,921,996	2,804,517	–	(19,164,115)	15,562,398
Net loss and comprehensive loss for the period	–	–	–	–	(55,229)	(55,229)
Shares issued for cash, exercise of stock options	100,000	19,000	(9,000)	–	–	10,000
Balance – June 30, 2019	144,016,357	31,940,996	2,795,517	–	(19,219,344)	15,517,169
Balance – March 31, 2020	162,766,353	33,056,024	2,838,517	–	(19,535,004)	16,359,537
Net loss and comprehensive loss for the period	–	–	–	–	(878,392)	(878,392)
Shares issued for cash, net of issue costs	7,856,429	545,787	–	–	–	545,787
Shares issued in settlement of accounts payable	6,535,366	392,122	–	–	–	392,122
Stock-based compensation	–	–	739,500	–	–	739,500
Balance – June 30, 2020	177,158,148	33,993,933	3,578,017	–	(20,413,396)	17,158,554

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

SILVER TIGER METALS INC

Unaudited Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

For the periods ended June 30, 2020 and 2019

	2020 $	2019 $
Operating expenses		
Consulting fees	84,549	62,500
Dues and fees	7,925	9,044
Foreign exchange gain	(29,967)	(4,713)
Insurance	19,891	16,549
Office and other	18,789	31,034
Professional fees	4,398	2,117
Shareholder communication	9,086	1,322
Stock-based compensation (note 10 ii and iv)	739,500	–
Travel	1,248	9,053
Wages and benefits	15,273	15,261
	(870,692)	(142,177)
Other expenses (income)		
Depreciation expense (note 5)	7,700	–
Gain on settlement of accounts payable	–	(86,938)
Net loss and comprehensive loss for the periods	(878,392)	(55,229)
Loss per share – basic and diluted	(0.005)	(0.001)
Weighted average outstanding common shares – basic and diluted	168,934,265	143,959,214

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

SILVER TIGER METALS INC

Unaudited Interim Condensed Consolidated Statements of Cash Flows

For the periods ended June 30, 2020 and 2019

	2020 $	2019 $
Cash provided by (used in)		
Operating activities		
Net loss for the periods	(878,392)	(55,229)
Charges to income not affecting cash		
Stock-based compensation	739,500	–
Depreciation expense	7,700	–
Interest expense on lease liability	600	
Gain on settlement of accounts payable	–	(86,938)
	(130,592)	(142,167)
Net changes in non-cash working capital balances related to operations		
Decrease (increase) in sales tax recoverable	(813)	25,778
Decrease (increase) in prepaid expenses	(38,333)	5,121
Increase (decrease) in accounts payable and accrued liabilities	(188,108)	106,582
	(357,846)	(4,686)
Investing activities		
Purchase of and expenditures on resource properties	(11,483)	(13,819)
Financing activities		
Proceeds from issuance of common shares	549,950	–
Share issue costs paid	(4,163)	–
Proceeds from exercise of stock options and warrants	–	10,000
Loan proceeds	40,000	–
Repayment of lease liability	(8,300)	
	577,487	10,000
Net change in cash for the periods	208,158	8,505
Cash – Beginning of periods	89,438	22,364
Cash – End of periods	297,596	22,364

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

1 Nature of operations and going concern

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 and its common shares are listed on the TSX Venture Exchange (the “Exchange”) under the trading symbol SLVR and on the OTCQB under the trading symbol SLVTF. The Company’s registered office is located at Suite 2108, 1969 Upper Water Street, 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.

COVID-19

On March 11, 2020, the World Heath Organization declared a pandemic following the emergence and rapid spread of a novel strain of coronavirus (“COVID-19”). The continued spread of COVID-19 and the actions being taken by governments, business and individuals may adversely impact the Company’s operation and its financial results. This has resulted in significant economic uncertainty, of which the potential impact on the Company’s future financial results is difficult to reliably measure.

2 Basis of presentation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of financial statements as set out in the Chartered Professional Accountants of Canada Handbook – Accounting – Part 1 (“CPA Canada Handbook”).

2 Basis of presentation (continued)

a) Statement of compliance

These financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements have been set out in note 2 of the Company’s financial statements for the year ended March 31, 2020. These financial statements should be read in conjunction with the Company financial statements for the year ended March 31, 2020.

These financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Company’s results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year.

The Board of Directors approved the consolidated financial statements for issue on August 31, 2020.

b) Basis of measurement

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

3 Significant accounting policies

These financial statements have been prepared using the same accounting policies and methods of computation as the annual financial statements of the Company for the year ended March 31, 2020. Refer to note 3 – Significant Accounting Policies and note 4– New and Revised IFRS Accounting Pronouncements, of the Company’s annual consolidated financial statements for the year ended March 31, 2020, for information on accounting policies and new accounting standards not yet effective.

4 Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Company considers capital to be total equity, which at June 30, 2020 totaled $17,158,554 (March 31, 2020 - $16,747,322). The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business. The Company is not subject to externally imposed capital requirements.

5 Leases

The Company entered into a five-year lease for its head office with an effective date of October 1, 2016. The lease is reflected on the balance sheet as a right-of-use asset, with an associated lease liability. Depreciation expense for the period of $7,700 was recorded with the carrying value of the asset at June 30, 2030 being $38,300 (March 31, 2020 - $46,000). The associated lease liability at June 30, 2020 is $39,300 (March 31, 2020 - $47,000) of which the current portion is $32,000 (March 31, 2020 - $31,000).

6 Loan payable

On May 6, 2020, the Company received a $40,000 emergency business loan from Bank of Montreal 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. In the event there is a loan balance outstanding on January 1, 2023, the loan will be renewed for a 3 year term with a fixed annual rate of interest of 5%.

7 Resource properties

	Total $
Balance - March 31, 2019	17,966,648
Exploration and property costs incurred	92,414
Balance – June 30, 2019	18,059,062
Balance – March 31, 2020	19,039,807
Exploration and property costs incurred	69,871
Balance – June 30, 2020	19,109,678

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 Silver Tiger on the basis of 0.2839 of one Silver Tiger 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 north-eastern 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 subsidiary, Pacemaker Silver Mining SA de CV and its wholly owned subsidiary, Compãnia Minera Talaman SA de CV.

Pursuant to certain land access agreements, at such time as the El Tigre Property is put into production the Corporation is required to make the following payments to the land owners; 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, pursuant to an agreement to acquire 6,283 hectares of land within the boundaries of the El Tigre Property, the Company is required to make a payment of US$500,000 to the vendor upon establishing commercial production subject to completing the purchase agreement which has 45 monthly payments of US$10,952 remaining at June 30, 2020. The monthly payments paid to date have been recorded to resource properties.

8 Accounts payable and accrued liabilities

	June 30, 2020 $	March 31, 2020 $
Accounts payable		
El Tigre Property fees	1,832,026	1,828,026
Other	400,999	905,439
Accrued liabilities	72,270	93,672
	2,305,295	2,827,137

As at June 30, 2020, $15,782 (March 31, 2020 - $16,330) of accounts payable and accrued liabilities is due to the Chief Executive Officer, Chief Financial Officer and Vice President Exploration.

Subsequent to June 30, 2020, the Company paid in full the El Tigre Property fees.

9 Related party transactions

Consulting services were provided during the period ended June 30, 2020 by a corporation owned by the Chief Executive Officer of the Company. The cost of these consulting services during the period was $62,500 (2019 - $62,500). The Company recorded these costs to consulting fees.

Consulting services were provided during the period ended June 30, 2020 by a corporation owned by the Chief Financial Officer of the Company (“Consultant”). The cost of these consulting services during the period was $12,000 (2019 - $15,000). The Company recorded these costs to consulting fees. During the period ended June 30, 2019, the Consultant and the Company agreed to the forgiveness of unpaid consulting fees, including HST, aggregating $46,250.

During the period ended June 30, 2019, an amount payable of $40,688 for geological consulting services provided by a corporation owned by the Vice President Exploration of the Company was forgiven.

10 Shareholders' equity

i) Capital stock

Authorized

Unlimited number of common shares, without nominal or par value

	Number of shares	Amount $
Balance – March 31, 2019	143,916,357	31,921,996
Shares issued for cash, exercise of stock options	100,000	19,000
Balance – June 30, 2019	144,016,357	31,940,996
Balance – March 31, 2020	162,766,353	33,056,024
Shares issued for cash, net of issue costs	7,856,429	545,787
Shares issued in settlement of accounts payable	6,535,366	392,122
Balance – June 30, 2020	177,158,148	33,993,933

During the period ended June 30, 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 are subject to a 4 month hold period that expires on September 23, 2020. At June 30, 2020, the transfer of subscription proceeds aggregating $125,050 remained outstanding. The 1,786,424 units relating to these subscriptions were held in trust at June 30, 2020 and for accounting purposes these shares were excluded from the issued number of shares. The capital stock value of the common shares issued as at June 30, 2020 is net of share issue costs of $4,163.

During the period ended June 30, 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.

10 Shareholders' equity (continued)

ii) Stock options

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

The following weighted average assumptions were used in the Black-Scholes option pricing model for the period ended June 30, 2020:

	2019
Risk-free interest rate	2.25%
Expected volatility	105%
Expected dividend yield	–
Expected life	10 years

The following table summarizes the changes in the Company's stock options during the periods ended June 30, 2020 and June 30, 2019:

	Weighted average exercise price $	Number of Options	Weighted average remaining life (years)
Balance – March 31, 2019	0.20	14,140,000	
Exercised during the period	0.10	(100,000)	
Balance – June 30, 2019	0.20	14,040,000	
Balance – March 31, 2020	0.20	14,040,000	5.3
Granted during the period	0.17	3,275,000	9.9
Balance – June 30, 2020	0.20	17,315,000	6.2

As at June 30, 2020, 579,457 options remained available for future grants under the Plan. Options vested and exercisable at June 30, 2020 totaled 17,315,000 with an average exercise price of $0.19 per share. The weighted average grant date fair value per option was $0.16 for the stock options granted during the period ended June 30, 2020. The Company charged $230,500 in non-cash based compensation to operations for the period ended June 30, 2020 ($nil – June 30, 2019).

10 Shareholders' equity (continued)

iii) Contributed surplus

	$
Balance – March 31, 2019	2,804,517
Exercise of stock options	(9,000)
Balance – June 30, 2019	2,795,517
Balance – March 31, 2020	2,838,517
Stock-based compensation	739,500
Balance – June 30, 2020	3,578,017

iv) Warrants

The following table summarizes the changes in the Company's warrants for the periods ended March 31, 2020 and March 31, 2019:

	Expiry date	Exercise price $	Number	Ascribed value $
Balance – June 30, 2019, March 31, 2019 and March 31, 2020	Sept 17, 2020	0.17	2,884,612	–
Warrants issued pursuant to May 2020 private placement financing	May 22, 2022	0.10	3,928,214	–
Balance – June 30, 2020			6,812,826	–

The fair value of the warrants issued pursuant to the September 2018 and May 2020 private placement financings have an estimated value of $nil at the issue date using the residual method of valuation.

At June 30, 2020, 893,212 warrants relating to the May 2020 private placement were held in trust pending receipt of subscription proceeds from registered accounts.

10 Shareholders' equity (continued)

v) Deferred share units

The Company has a deferred share unit plan (the "DSU Plan") whereby Participants may elect to receive all or a portion of their annual compensation or bonus compensation, if any, in deferred share units ("DSU's"). The election, if it is made, must be for a minimum of 10%, or a multiple thereof, of such compensation in DSU's. The number of DSU's received is equal to the amount of compensation elected to be received in DSU's, divided by the volume-weighted average trading price of the Common Shares on the TSX for the 5 trading days immediately prior to the payment date. DSU's 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. DSU's granted pursuant to discretionary awards will vest in accordance with the vesting schedule determined by the Board of Directors. Generally, DSU's will vest equally over three years, with one-third of the awarded DSU's vesting on each of the first, second and third anniversaries of the date of the award.

All unvested DSU's 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 DSU's will vest immediately. The Board of Directors may at any time shorten the vesting period of any or all DSU's.

The maximum number of common shares issuable under the DSU Plan is 7,500,000. Each DSU held by a Participant must be redeemed by the company within 10 years of 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 of the separation date for DSU Plan shares issued from treasury.

In determining the stock-based compensation expense, the fair value of options issued is estimated using the Black-Scholes option pricing model. Expected volatility is based on actual volatility of similar companies.

The following weighted average assumptions were used in the Black-Scholes option pricing model for the years ended March 31, 2020 and March 31, 2019:

	2019	**2018**
Risk-free interest rate	2.25%	2.0%
Expected volatility	105%	95%
Expected dividend yield	–	–
Expected life	10 years	10 years

On January 4, 2019, the Board of Directors approved the issuance of 900,000 DSU's to officers of the Company. This was the initial grant of DSU's under the DSU Plan. The 900,000 DSU's are priced at $0.10 per common share and vest over a period of three years. The fair value per DSU granted was $0.09.

On May 22, 2020, the Board of Directors approved the issuance of 1,450,000 DSU's to officers and an employee of the Company. The 1,450,000 DSU's are priced at $0.17 per common share and vest upon issuance. The fair value per DSU granted was $0.16. The Company charged $509,000 in non-cash based compensation to operations for the period ended June 30, 2020 ($nil – June 30, 2019) in connection with the issuance of DSU's.

11 Supplemental cash flow information

At June 30, 2020 the Company's accounts payable included expenditures on resource properties of $1,872,409 (March 31, 2020 - $2,206,143).

12 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 $760,000 of Mexican VAT receivable at June 30, 2020 (March 31, 2020 - $755,000). 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 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.

Market Risk

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

a) Interest rate risk

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

b) Foreign currency risk

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

As at June 30, 2020, the Company held the following financial instruments in foreign currencies:

	US$	Pesos
Cash	3,068	7,610
Accounts payable and accrued liabilities	2,716	31,237,060

12 Financial instruments and other (continued)

Market Risk (continued)

c) Price risk

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

d) COVID-19

On March 11, 2020, the World Health Organization declared a pandemic following the emergence and rapid spread of a novel strain of coronavirus ("COVID-19"). The continued spread of COVID-19 and the actions being taken by governments, businesses and individuals may adversely impact the Company's operations, including the Company's ability to raise financing. This has resulted in significant economic uncertainty, of which the potential impact on the Company's future financial results is difficult to reliably measure.

13 Commitments

The minimum annual lease payments for the lease of office space are as follows:

	$
Year ending March 31, 2020	33,017
2021	33,017
2022	16,509

14 Subsequent events

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 28, 2023. The common shares issued pursuant to this private placement are subject to a 4 month hold period that expires on November 28, 2020.