SILVER ELEPHANT MINING CORP.

Consolidated Financial Statements

For the Fifteen Months Ended
March 31, 2023

(Expressed in Canadian Dollars)

Mao & Ying LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of ***Silver Elephant Mining Corp.***

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Silver Elephant Mining Corp. and subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of March 31, 2023, and the related consolidated statements of comprehensive loss, consolidated statements of changes in equity, and consolidated cash flows for the fifteen-month period ended March 31, 2023, and the related notes, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2023, and the results of its operations and its cash flows for the fifteen-month period ended March 31, 2023, in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements of the Company as of December 31, 2021 and for the years ended December 31, 2021 and 2020, were audited by other auditors whose report dated March 30, 2022, expressed an unqualified opinion on those statements before the adjustments described in Note 3(l).

We also audited the adjustments described in Note 3(l) that were applied to restate the 2021 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Emphasis of Matter Regarding Going Concern Uncertainty

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has accumulated losses of $220,375,871 since its inception and incurred a loss of $9,739,129 during the fifteen-month period ended March 31, 2023. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Mao & Ying LLP

Chartered Professional Accountants
Vancouver, Canada,
August 2, 2023
We have served as the Company's auditor since December 2022.

(Expressed in Canadian Dollars)

	March 31, 2023 ($)	December 31, 2021 ($) (Restated – note 3(l))
Assets		
Current assets		
Cash	1,504,969	1,378,693
Restricted cash (note 3(l))	-	6,715,407
Receivables (note 6)	440,982	81,208
Prepaid expenses	413,556	103,931
	2,359,507	8,279,239
Non-current assets		
Equipment (note 8)	436,678	106,525
Exploration and evaluation assets (note 10	64,907,581	53,605,099
Buildings and structures (note 9)	685,580	-
Land (note 7)	4,044,061	-
Other non-current assets	143,811	55,555
Total assets	**72,577,218**	**62,046,418**
Liabilities And Equity		
Current liabilities		
Accounts payable and accrued liabilities (note 11 and 19)	3,807,809	2,828,417
Promissory note (note 13)	4,271,857	-
Other current liabilities (note 14)	636,545	139,471
Subscription receipts	-	6,350,658
	8,716,211	9,318,546
Non-current liabilities		
Lease liability (note 12)	30,285	-
Provision for closure and reclamation (note 15)	2,022,335	2,037,731
Total liabilities	10,768,831	11,356,277
Equity		
Share capital (note 16)	219,321,270	214,790,904
Reserves (note 16)	28,958,228	26,335,247
Accumulated other comprehensive income	463,740	-
Deficit	(220,375,871)	(191,935,861)
Equity attributable to equity holders of parent	28,367,367	49,190,290
Equity attributable to non-controlling interests (note 17)	33,441,020	1,499,851
Total equity	61,808,387	50,690,141
Total liabilities and equity	**72,577,218**	**62,046,418**

Nature of Operations and Going Concern (note 1)
Subsequent Events (note 20)

Approved by the Board of Directors

"John Lee"	*"Greg Hall"*
John Lee – Director	Greg Hall – Director

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

(Expressed in Canadian Dollars)

	Fifteen Months Ended, March 31, 2023 ($)	Twelve Months Ended December 31, 2021 ($)	Twelve Months Ended December 31, 2020 ($)
General and administrative expenses			
Amortization (note 8)	190,016	22,062	41,116
Advertising and promotion	757,130	559,183	541,029
Consulting and management fees (note 18)	1,242,803	848,146	570,356
Director fees (note 18)	306,434	119,801	108,600
Insurance	184,213	86,012	100,948
Office and administration	445,916	196,797	136,274
Professional fees	1,765,487	631,478	321,355
Salaries and benefits (note 18)	1,996,092	613,007	530,065
Share-based payments (note 16)	4,075,590	583,801	770,617
Stock exchange and shareholder services	484,130	315,371	180,433
Travel and accommodation	258,293	25,013	93,323
	(11,706,104)	(4,000,671)	(3,394,116)
Other items			
Other income (expense)	1,000,914	50,906	(107,448)
Finance expense	(208,088)	-	-
Foreign exchange gain (loss)	(531,665)	349,983	(64,841)
Loss from sale of marketable securities	-	(220,821)	-
Recovery of flow through liability (note 11)	132,224	-	-
Bad debt expense	-	-	(470,278)
Impairment of exploration and evaluation assets (note 10)	-	(1,278,817)	-
Gain on fair value change in contingent consideration	852,175	-	-
Gain on fair value change in derivative liabilities	414,909	-	-
Gain (loss) from care and maintenance of coal properties (note 21)	306,506	(1,730,294)	(590,204)
Net loss for the period	**(9,739,129)**	**(6,829,714)**	**(4,626,887)**
Other comprehensive income:			
Foreign currency translation	1,146,218	-	-
Comprehensive loss for the period	**(8,592,911)**	**(6,829,714)**	**(4,626,887)**
Net loss attributable to:			
Equity holders of parent	(4,562,213)	(6,829,714)	(4,626,887)
Non-controlling interest (note 17)	(5,176,916)	-	-
	(9,739,129)	**(6,829,714)**	**(4,626,887)**
Comprehensive loss attributable to:			
Equity holders of parent	(4,098,473)	(6,829,714)	(4,626,887)
Non-controlling interest (note 17)	(4,494,438)	-	-
	(8,592,911)	**(6,829,714)**	**(4,626,887)**
Basic and diluted loss per share attributable to shareholders	(0.17)	(0.33)	(0.34)
Basic and diluted weighted average number of shares outstanding (note 16e)	26,454,938	20,986,610	13,790,180

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

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital and Shares Issuable ($)	Reserves ($)	Accumulated Other Comprehensive Income ($)	Deficit ($)	Total Shareholders' Equity ($)	Non-controlling interest ($)	Total ($)
Balance January 1, 2020	**12,129,951**	**181,129,012**	**24,058,336**	-	**(180,479,260)**	**24,708,088**	**-**	**24,708,088**
Private placements, net of share issue costs	3,820,000	10,247,206	-	-	-	10,247,206	-	10,247,206
Finders' units	15,690	(24,000)	24,000	-	-	-	-	-
Broker warrants	-	(226,917)	226,917	-	-	-	-	-
Shares issued for property acquisition	400,000	2,000,000	-	-	-	2,000,000	-	2,000,000
Exercise of share purchase options	123,375	572,659	(272,847)	-	-	299,812	-	299,812
Exercise of warrants	1,402,767	3,273,822	(166,628)	-	-	3,107,194	-	3,107,194
Bonus shares	160,100	640,400	-	-	-	640,400	-	640,400
Share-based payments	-	-	982,244	-	-	982,244	-	982,244
Net loss	-	-	-	-	(4,626,887)	(4,626,887)	-	(4,626,887)
Balance December 31, 2020	**18,051,883**	**197,612,182**	**24,852,022**	-	**(185,106,147)**	**37,358,057**	**-**	**37,358,057**
Private placements, net of share issue costs (note 16)	2,700,000	7,331,633	-	-	-	7,331,633	-	7,331,633
Finders' warrants	-	(42,651)	42,651	-	-	-	-	-
Shares issued for property acquisition (note 16)	2,005,231	6,231,637	-	-	-	6,231,637	-	6,231,637
Exercise of stock options (note 16)	99,500	386,506	(179,682)	-	-	206,824	-	206,824
Exercise of warrants (note 16)	1,268,341	3,271,597	(9,600)	-	-	3,261,997	-	3,261,997
Warrants issued for property acquisition (note 16)	-	-	886,544	-	-	886,544	-	886,544
Flying Nickel Mining Corp. FT shares and warrants	-	-	-	-	-	-	1,284,757	1,284,757
Flying Nickel Mining Corp. warrants issuable	-	-	-	-	-	-	215,094	215,094
Share-based payments (note 16c)	-	-	743,312	-	-	743,312	-	743,312
Net loss	-	-	-	-	(6,829,714)	(6,829,714)	-	(6,829,714)
Balance, December 31, 2021	**24,124,955**	**214,790,904**	**26,335,247**	-	**(191,935,861)**	**49,190,290**	**1,499,851**	**50,690,141**
Private placements, net of share issue costs (note 16)	6,374,767	2,901,041	-	-	-	2,901,041	-	2,901,041
Finders' units	121,050	(55,013)	-	-	-	(55,013)	-	(55,013)
Broker warrants	-	(9,218)	9,218	-	-	-	-	-
Exercise of warrants (note 16)	10,000	26,000	-	-	-	26,000	-	26,000
Bonus shares (note 16)	187,049	235,682	-	-	-	235,682	-	235,682
Warrant modification (note 16(d))	-	-	241,686			241,686		241,686
Share-based payments (note 16)	-	-	1,908,161	-	-	1,908,161	-	1,908,161
Shares issued to settle liability (note 16)	1,267,145	1,431,874	-	-	-	1,431,874	-	1,431,874
Spin-off arrangement (note 17)	-	-	-	-	(23,877,797)	(23,877,797)	23,877,797	-
Changes in NCI ownership (note 17)	-	-	463,916	-	-	463,916	10,438,401	10,902,317
Share-based payments – Flying Nickel Mining Corp.	-	-	-	-	-	-	1,412,565	1,412,565
Share-based payments – Nevada Vanadium Mining Corp.	-	-	-	-	-	-	228,514	228,514
Warrants – Flying Nickel Mining Corp.	-	-	-	-	-	-	478,330	478,330
Net loss	-	-	-	-	(4,562,213)	(4,562,213)	(5,176,916)	(9,739,129)
Other comprehensive income	-	-	-	463,740	-	463,740	682,478	1,146,218
Balance, March 31, 2023	**32,084,966**	**219,321,270**	**28,958,228**	**463,740**	**(220,375,871)**	**28,367,367**	**33,441,020**	**61,808,387**

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

(Expressed in Canadian Dollars)

	Fifteen Month Ended, March 31, 2023 ($)	Twelve Months Ended December 31, 2021 ($) (Restated – note 3(l))	Twelve Months Ended December 31, 2020 ($)
Operating Activities			
Net loss	(9,739,129)	(6,829,714)	(4,626,887)
Items not involving cash			
Share-based payments	4,075,590	583,801	770,617
Depreciation and accretion	190,016	90,197	64,387
Finance expense	208,088	-	-
Unrealized foreign currency exchange gain/loss	262,456	-	-
Share compensation for services	-	660,000	720,900
Impairment of prepaid expenses	-	-	121,125
Impairment of mineral properties	-	1,278,817	-
Impairment / (recovery) of receivables	-	(50,906)	470,278
Loss on debt settlement	65,452	-	-
Gain on sale of equipment	(75,232)	-	13,677
Gain on FV change in derivative liabilities	(414,909)	-	-
Gain on FV change in contingent consideration	(852,175)	-	-
Loss on sale of marketable securities	-	220,821	-
Recovery of flow through liability	(132,224)	-	-
Change in estimate reclamation provision	(15,396)	1,274,339	405,196
	(6,427,463)	(2,772,645)	(2,060,707)
Changes in non-cash working capital			
Accounts receivable	(359,774)	47,635	(299,372)
Prepaid expenses and reclamation deposits	(292,392)	8,614	(100,075)
Accounts payable and accrued liabilities	749,072	525,236	(88,888)
Cash used in operating activities	(6,330,557)	(2,191,160)	(2,549,042)
Investing Activities			
Exploration and evaluation assets	(6,861,484)	(15,209,563)	(6,336,166)
Acquisition of land	(3,724,577)	-	-
Acquisition of buildings	(657,277)	-	-
Acquisition of equipment	(625,619)	-	(111,592)
Acquisition of livestock	(284,168)		
Sale of livestock	332,497		
Sale of marketable securities	-	779,179	-
Sale of equipment	-	-	50,695
Purchase of marketable securities	-	(1,000,000)	-
Transfer to restricted cash	(57,500)	-	-
Cash used in investing activities	(11,878,128)	(15,430,384)	(6,397,063)

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(Expressed in Canadian Dollars)

Consolidated Statement of Cash Flows - *continued*

Financing Activities			
Proceeds from share issuance, net of share issue costs	2,901,041	7,331,633	10,201,706
Proceeds from share issuance of subsidiaries, net of share issue costs	2,361,733	-	-
Cash from promissory note (note 13)	3,752,400	-	-
Sale of shares of subsidiary	2,110,476	-	-
Proceeds from exercise of warrants	504,330	2,601,997	3,072,194
Proceeds from exercise of share purchase options	-	206,824	299,812
Flow-through shares, net of share issue costs	-	1,424,228	-
Subscription receipts, net of deferred transaction costs	-	6,565,752	-
Lease payments	(13,974)	(22,939)	(37,162)
Cash from financing activities	11,616,006	18,107,495	13,536,550
Effect of foreign exchange on cash	3,548	-	-
(Decrease) Increase in cash	(6,589,131)	485,951	4,590,445
Cash, beginning of period	1,378,693	7,608,149	3,017,704
Restricted cash (note 3(l))	6,715,407	(6,715,407)	-
Cash, end of period	**1,504,969**	**1,378,693**	**7,608,149**

Supplemental Cash Flow Information

	Fifteen Months Ended, March 31, 2023 ($)	Twelve Months Ended December 31, 2021 ($)	Twelve Months Ended December 31, 2020 ($)
Supplementary information			
Non-Cash Financing and Investing Activities			
Shares issued on property acquisition	-	6,231,637	2,000,000
Bonus shares	2,500,000	-	640,000
Shares for services	-	-	80,500
Warrants issued on property acquisition	-	886,544	-
Finder's units	55,013	-	24,000
Finder's warrants	9,218	42,651	226,917
Flying Nickel warrants issuable	-	215,094	-
Flying Nickel warrants issued for FT shares	-	37,586	-
Warrant modification related to mineral properties	426,468	-	-
Depreciation included in mineral property	12,081	46,047	46,932
Mineral property expenditures included in accounts payable	484,154	1,225,798	681,781
Share-based payments capitalized in mineral properties	38,404	159,511	211,627
Reclassification of contributed surplus on exercise of options	-	179,682	272,627
Reclassification of contributed surplus on exercise of warrants	-	9,600	166,628

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

1. Description of Business and Nature of Operations

Silver Elephant Mining Corp. (the "Company" or "Silver Elephant") is incorporated under the laws of the province of British Columbia, Canada. The common shares of the Company are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "ELEF" and on the Frankfurt Stock Exchange under the symbol "1P2N" and are quoted on the OTCQX under the symbol "SILEF". The Company maintains its registered and records office at Suite 1610 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

The Company is a mineral exploration stage company. The Company's projects are the Pulacayo Paca silver-lead-zinc property in Bolivia (the "Pulacayo Project"), and the El Triunfo gold-silver-lead-zinc project in Bolivia ("the Triunfo Project"). In addition, as the Company has de facto control over Flying Nickel Mining Corp. and Nevada Vanadium Mining Corp. (note 2(c)), by extension, the Gibellini vanadium property in Nevada, USA (the "Gibellini Project") and the Minago nickel property in Canada (the "Minago Project") are also included in the Company's exploration and evaluation assets. The Company also owns or holds 100% interests in each of the following projects: (a) the Titan vanadium-titanium-iron project located in Ontario, Canada, (b) the Ulaan Ovoo coal project located in Mongolia, and (c) the Chandgana Khavtgai and Tal coal projects, located in Mongolia; all of which have been fully impaired. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or from proceeds of disposition. The Company's exploration and evaluation activities are not dependent on seasonality and may operate year-round; however, the Company may adjust the level of exploration and evaluation activities to manage its capital structure in light of changes in global economic conditions. To date, the Company has not received any revenue from commercial mining operations and is considered to be in the exploration stage.

These consolidated financial statements have been prepared on a going concern basis which implies that the Company will continue realizing assets and discharging liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required.

At March 31, 2023, the Company had working capital deficiency of $6,356,704 (December 31, 2021 surplus of $1,039,307) and an accumulated deficit of $220,375,871 (December 31, 2021 - $191,935,861). Accordingly, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to raise additional debt or equity to fund ongoing costs of operations and/or secure new or additional partners in order to advance its projects. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern and such adjustments could be material.

(Expressed in Canadian Dollars except where noted)

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"), and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

On December 30, 2022, the Company changed its financial year end from December 31 to March 31.

These consolidated financial statements were approved by the Board of Directors and authorized for issue on August 1, 2023.

(b) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Certain amounts in the prior period have been reclassified to conform with the presentation in the current period.

(c) Basis of Consolidation

Subsidiaries are all entities over which the Company has control. The Company controls an entity where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Subsidiaries are deconsolidated from the date that control ceases. All intercompany balances, transactions, income and expenses, and profits or losses are eliminated on consolidation.

These consolidated financial statements include the accounts of the Company and its subsidiaries as follows:

Entity	Location	Ownership Interest	Project
1420 PSR PTE Ltd.	Singapore	100%	n/a
Apogee Minerals Bolivia SA	Bolivia	98%	Pulacayo Project
ASC Bolivia LDC	Cayman	100%	n/a
ASC Bolivia LDC Sucursal	Bolivia	100%	Paca Project
ASC Holdings Limited	Cayman	100%	n/a
Chandgana Coal LLC	Mongolia	100%	Chandgana Project
Illumina Silver Bolivia S.A.	Bolivia	98%	n/a
Illumina Silver Mining Corp.	Canada	100%	Triunfo Project
Mega Thermal Coal Corp. (formerly Asia Mining Inc.)	Canada	100%	n/a
Prophecy Power Generation LLC	Mongolia	100%	n/a
Red Hill Mongolia LLC	Mongolia	100%	Ulaan Ovoo Project
Silver Elephant Bolivia S.A.	Bolivia	98%	n/a
UGL Enterprises LLC	Mongolia	100%	Ulaan Ovoo Project
Oracle Commodity Holding Corp. ("Oracle")	Canada	40%	n/a
Flying Nickel Mining Corp ("Flying Nickel")	Canada	11.58%	Minago Project
Nevada Vanadium Mining Corp. ("Nevada Vanadium")	Canada	21.75%	n/a
Nevada Vanadium Holding Corp. [1]	Canada	21.75%	n/a
1104002 B.C. Ltd. [1]	Canada	21.75%	n/a
Nevada Vanadium LLC[1]	USA	21.75%	Gibellini Project
VC Exploration (US) Inc. [1]	USA	21.75%	Gibellini Project

[1] *These entities are wholly owned subsidiaries of Nevada Vanadium, and the accounts are included in the consolidated financial statements of Nevada Vanadium.*

2. Basis Of Presentation - *continued*

De facto control exists in circumstances when an entity owns less than 50% voting rights in another entity but has control for reasons other than voting rights or contractual and other statutory means. These consolidated financial statements include the results of Oracle, Flying Nickel and Nevada Vanadium, and their subsidiaries as applicable, as management has determined that the Company has de facto control over these entities as the Company has the practical ability to direct the relevant activities of these entities and controls the Board of Directors for all periods presented.

As at the date of the Spin-off Arrangement (note 5), Oracle had a 41% ownership interest in Flying Nickel and a 46% ownership interest in Nevada Vanadium. As at March 31, 2023, these ownership interests were reduced to 29% and 41% respectively, however, Oracle continued to have de facto control over these investees. Specifically, Oracle has 1) power over each of these investees, 2) exposure or rights to variable returns from its involvement with these investees, and 3) the ability to use its power over these investees to affect the amount of its returns from these investees. As a result, Oracle consolidates the accounts of Flying Nickel and Nevada Vanadium (and its subsidiaries) in its consolidated financial statements.

Similarly, as at the date of the Spin-off Arrangement and March 31, 2023, the Company had a 40% ownership interest in Oracle. The Company has de facto control over Oracle since the Company has: 1) power over Oracle, 2) exposure or rights to variable returns from its involvement with Oracle, and 3) the ability to use its power over Oracle to affect the amount of its returns from Oracle. As a result, the Company consolidates the accounts of Oracle in its consolidated financial statements, which also includes the accounts of Flying Nickel and Nevada Vanadium (and its subsidiaries).

(d) Use of Estimates and Judgments

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions used by management where there is risk of material adjustments to assets and liabilities in future accounting periods include the estimated useful lives of depreciated and amortized assets, and exploration and evaluation assets, assumptions used in determination of the fair value of share-based payments, decommissioning, restoration and similar liabilities and contingent liabilities.

The Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in preparing the Company's financial statements include the assumption that the Company will continue as a going concern and whether the

2. Basis Of Presentation - *continued*

Company has significant influence over other entities, classification of expenditures as exploration and evaluation expenditures or operating expenses, the classification of financial instruments and determining de facto control (note 2(c)).

3. Significant Accounting Policies

(a) Foreign Currency Translation

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment. Management has determined the functional currency of all entities to be the Canadian dollar except as noted below:

Entity	**Location**	**Functional Currency**
Apogee Minerals Bolivia SA	Bolivia	US Dollar
ASC Bolivia LDC Sucursal	Bolivia	US Dollar
Illumina Silver Bolivia S.A.	Bolivia	US Dollar
Silver Elephant Bolivia S.A.	Bolivia	US Dollar
Red Hill Mongolia LLC	Mongolia	Mongolian Tugrik
UGL Enterprises LLC	Mongolia	Mongolian Tugrik
Chandgana Coal LLC	Mongolia	Mongolian Tugrik
Prophecy Power Generation LLC	Mongolia	Mongolian Tugrik
Nevada Vanadium LLC	USA	US Dollar

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

At the end of each reporting period, assets and liabilities of the entities whose functional currency is not the Canadian dollar are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in other comprehensive income or loss for the year.

(b) Exploration and Evaluation Assets

Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and evaluation are capitalized by property. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets is written down to its net realizable value.

Administration and overhead costs that are not directly attributable to a specific exploration area are charged to the consolidated statement of income.

3. Significant Accounting Policies - *continued*

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. The recoverability of the exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

General exploration costs consist of exploration expenditures incurred in the process of evaluating potential property acquisitions. Such expenditures will continue to be expensed until the property is acquired.

The proceeds from royalties granted and operator fees earned are deducted from the costs of the related property and any excess is recorded as income.

(c) Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Amortization of equipment is recorded as follows:

Computer equipment	Declining balance - 45%
Buildings and structures	Straight line over 25 years
Furniture and equipment	Declining balance - 20%
Mining equipment	Declining balance - 20%
Vehicles	Declining balance - 30%
Right-of-use asset	Straight line over term of lease

(d) Impairment of Long-Lived Assets

At each reporting date, the Company reviews the carrying amounts of its long-lived assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). This generally results in the Company evaluating its non-financial assets on an exploration asset by exploration asset basis.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense in the statement of comprehensive loss.

3. Significant Accounting Policies - *continued*

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reduced if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

(e) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease or the incremental borrowing rate if the interest rate cannot be readily determined. Subsequently, the lease lability is measured at amortized cost using the effective interest rate method, and accreted accordingly.

(f) Closure and Reclamation Provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year.

(g) Finance Income and Expenses

Finance expense comprises interest expense on borrowings and unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(h) Income Taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income taxes are accounted for using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are recognized for the tax consequences of temporary differences by applying substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

The effect on deferred taxes for a change in tax rates is generally recognized in income in the period that includes the substantive enactment.

3. Significant Accounting Policies - *continued*

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Current and deferred taxes relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive loss.

(i) Loss per Share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The calculation of diluted loss per share assumes that outstanding options and warrants are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. The effect is to increase the number of shares used to calculate diluted earnings per share and is only recognized when the effect is dilutive.

(j) Share-Based Payments

The Company grants share-based awards, including options, as an element of compensation to directors, officers, employees and service providers. Details of the Company's share option plan are disclosed in note 16b.

The Company uses the Black-Scholes Option Pricing Model to measure the fair value for all share options granted, modified or settled during the period. Compensation expense is recorded based on the fair value of the award at the grant date, amortized over the vesting period. Each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognised in the statement of comprehensive income or as capitalized mineral resource property cost with a corresponding entry within equity, against share-based payments reserve. No expense is recognised for awards that do not ultimately vest. When options are exercised, the proceeds received, together with any related amount in share-based payments reserve, are credited to share capital.

The proceeds from private placements that include warrants are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

(k) Financial Instruments

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

Asset or Liability	**IFRS 9 Classification**
Cash	Amortized cost
Restricted cash	Amortized cost
Receivables	Amortized cost
Restricted cash equivalents	Amortized cost
Accounts Payable and accrued liabilities	Amortized cost
Subscription receipts	Amortized cost
Promissory note	Amortized cost
Derivative Liability	FVTPL

[1] *Fair value through profit and loss ("FVTPL")*

3. Significant Accounting Policies – *continued*

Classification

On initial recognition, the Company classifies its financial instruments in the following categories: at ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVTOCI. This election is made on an investment-by-investment basis.

All financial assets not classified or measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

Measurement

Financial Assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial Assets and Liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

(Expressed in Canadian Dollars except where noted)

3. Significant Accounting Policies - *continued*

Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial Assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial Liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(l) Restatement and Reclassification of Prior Year Presentation

The Company identified an accounting error in relation to its prior year consolidated financial statements due to the classification of Assets Held for Sale which has been corrected as it is a spin-out transaction that did not result in the Company's loss of control over the subsidiaries being spun out.

Prior year classification has resulted in an understatement and overstatement of certain assets and liabilities as follows:

	December 31, 2021 ($)	**Restatement ($)**	**December 31, 2021 ($)**
	Original		Restated
Cash	579,508	799,185	1,378,693
Restricted cash	-	6,715,407	6,715,407
Receivables	79,036	2,172	81,208
Assets held for spin-out	40,052,477	(40,052,477)	-
Equipment	41,035	65,490	106,525
Exploration and evaluation assets	21,134,876	32,470,223	53,605,099
Accounts payable and accrued liabilities	2,502,139	326,278	2,828,417
Flow-through share liability	-	139,471	139,471
Subscription receipts	-	6,350,658	6,350,658
Liabilities associated with assets held for spin-out	6,816,407	(6,816,407)	-

(Expressed in Canadian Dollars except where noted)

3. Significant Accounting Policies - *continued*

As a result of this restatement, the effect on Consolidated Statement of cash flow for the year ended December 31, 2021 is as follows:

	December 31, 2021 ($)	Restatement ($)	December 31, 2021 ($)
Cashflows From Financing Activities	Original		Restated
Cash held in assets held for sale	(7,514,592)	7,514,592	-
Restricted cash	-	6,715,407	6,715,407
Cash – end of year	579,508	799,185	1,378,693

This restatement has no effects on the consolidated statements of loss and comprehensive loss for the year ended December 31, 2021. Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no material effect on the statement of financial position or the reported results of operations.

(m) Non-controlling Interest

Non-controlling interest in the Company's less than wholly owned subsidiaries is classified as a separate component of equity. On initial recognition, non-controlling interest is measured at the fair value of the non-controlling entity's contribution into the related subsidiary. Subsequent to the original transaction date, adjustments are made to the carrying amount of non-controlling interest for the non-controlling interest's share of changes to the subsidiary's equity.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interest is adjusted to reflect the change in the non-controlling interest's relative interest in the subsidiary, and the difference between the adjustment to the carrying amount of non-controlling interests and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to owners of the Company.

4. Changes in Accounting Standards

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

5. Spin-off Arrangement

On January 14, 2022, the Company completed a strategic reorganization of the Company's business through a statutory plan of arrangement (the "Spin-off Arrangement") under the Business Corporations Act (British Columbia), dated November 8, 2021. Pursuant to the Spin-off Arrangement, the common shares of the Company were consolidated on a 10:1 basis and each holder of common shares of the Company received in exchange for every 10 pre-consolidation common shares held: (i) one post-consolidation common share of the Company; (ii) one common share of Flying Nickel; (iii) one common share of Nevada Vanadium; and (iv) two common shares of Oracle (formerly Battery Metals Royalties Corp.).

As a result of the Spin-off Arrangement:

i. certain intercompany royalties held by the Company were transferred to Oracle in exchange for the issuance of 1,785,430 Oracle shares;
ii. the Minago Project was spun out, into Flying Nickel in exchange for the issuance of 50,000,000 Flying Nickel shares, and the assumption of certain liabilities related to the underlying assets;

(Expressed in Canadian Dollars except where noted)

5. Spin-off Arrangement - *continued*

iii. and the Gibellini Project was spun out, into Nevada Vanadium in exchange for the issuance of 50,000,000 Nevada Vanadium shares, and the assumption of certain liabilities related to the underlying assets; and

iv. Oracle purchased 22,953,991 of the outstanding shares of both Nevada Vanadium and Flying Nickel in exchange for the issuance of 78,214,570 Oracle shares to the Company.

In addition, as a result of the Spin-off Arrangement, each of the Company's option and warrant holders as at January 14, 2022, (a "Holder") is entitled to receive, upon exercise of each such warrant and option ("January 14, 2022 Options and Warrants") at the same original exercise price and in accordance with the terms of such warrant and option, one share of each of Flying Nickel and Nevada Vanadium; two shares of the Oracle (collectively, the "Reserved Shares"); and one share of Silver Elephant.

6. Receivables

	March 31, 2023 ($)	December 31, 2021 ($)
Goods and services tax receivable	211,493	81,208
Other receivables	229,489	-
Total	**440,982**	**81,208**

7. Fish Creek Ranch

On April 6, 2022, Nevada Vanadium acquired the Fish Creek Ranch property located in Eureka County, Nevada USA for an aggregate purchase price of $5,291,641 (US$4,245,895). The Fish Creek Ranch is adjacent to the Gibellini Project, contains a part of the irrigation canal, and will provide support to the Gibellini Project in the form of water supply.

Nevada Vanadium obtained independent appraisals on land and buildings where land was valued at $4,237,080 (US$3,400,000) and buildings at $747,720 (US$600,000). An independent appraisal value of the machinery and equipment was estimated at $711,705 (US$571,100). Livestock was sold immediately after the acquisition for $332,497 (US$259,403). As a result, the total fair market value of acquired assets is $6,019,773 (US$4,830,503), which exceeds the total consideration paid of $5,291,641 (US$4,245,895).

The transaction was accounted for based on a "basket" purchase whereas the price is allocated based on relative fair value on individual assets. Using this approach, the assets were recorded as follows:

	($)
Buildings and structures (US$527,385)	657,277
Land (US$2,988,517)	3,724,577
Machinery and equipment (US$501,983)	625,619
Livestock held for sale (US$228,010)	284,168
	5,291,641

(Expressed in Canadian Dollars except where noted)

8. Equipment

The following table summarizes the Company's equipment information as at March 31, 2023, December 31, 2021 and 2020:

	Computer Equipment ($)	Furniture and Equipment ($)	Vehicles ($)	Mining Equipment ($)	Fish Creek Equipment ($)	Total ($)
Cost						
Balance, December 31, 2020 and 2021	**101,928**	**278,845**	**254,395**	**24,476**	**-**	**659,644**
Additions	-	-	55,669	11,862	659,355	726,886
Disposals	-	(2015)	(70,539)	(24,476)	(199,839)	(296,869)
Foreign exchange	-	-	1,683	359	19,927	21,969
Balance, March 31, 2023	**101,928**	**276,830**	**241,208**	**12,221**	**479,443**	**1,111,630**
Accumulated Amortization						
Balance, December 31, 2020	**(100,806)**	**(252,112)**	**(142,372)**	**(10,554)**	**-**	**(505,844)**
Amortization	(1,122)	(13,716)	(29,854)	(2,583)	-	(47,275)
Balance, December 31, 2021	**(101,928)**	**(265,828)**	**(172,226)**	**(13,137)**	**-**	**(553,119)**
Amortization	-	(14,337)	(48,535)	(2,715)	(124,910)	(190,497)
Disposals	-	1,081	17,322	13,137	39,311	70,851
Foreign exchange	-	2,254	(592)	(82)	(3,767)	(2,187)
Balance, March 31, 2023	**(101,928)**	**(276,830)**	**(204,031)**	**(2,797)**	**(89,366)**	**(674,952)**
Net book value, December 31, 2021	**-**	**13,017**	**82,169**	**11,339**	**-**	**106,525**
Net book value, March 31, 2023	**-**	**-**	**37,177**	**9,424**	**390,077**	**436,678**

9. Buildings and Structures

The continuity of buildings and structures relating to the Fish Creek Ranch are as follows:

Cost	
Balance, December 31, 2020 and 2021	-
Additions	692,720
Foreign exchange effect	20,937
Balance, March 31, 2023	**713,657**
Accumulated Amortization	
Balance December 31, 2020 and 2021	-
Amortization for the period	(27,254)
Foreign exchange effect	(823)
Balance, March 31, 2023	**(28,077)**
Net book value, December 31, 2021	**-**
Net book value, March 31, 2023	**685,580**

(Expressed in Canadian Dollars except where noted)

10. Exploration and Evaluation Assets

	Bolivia			Canada	USA	
	Pulacayo ($)	Sunawayo ($)	Triunfo ($)	Minago ($)	Gibellini ($)	Total ($)
Balance, December 31, 2020	**17,539,760**	**513,088**	**463,665**	**-**	**13,290,081**	**31,806,594**
Acquisition costs	-	-	-	16,011,151	-	16,011,151
Licenses, tax and permits	5,200	-	-	54,276	390,098	449,574
Geological and consulting	2,532,970	765,728	209,260	334,648	1,547,810	5,390,416
Personnel, camp and general	384,021	-	-	52,580	789,579	1,226,180
Impairment	-	(1,278,816)	-	-	-	(1,278,816)
Balance, December 31, 2021	**20,461,951**	**-**	**672,925**	**16,452,655**	**16,017,568**	**53,605,099**
Bonus shares issuance	-	-	-	2,000,000	-	2,000,000
Contingent consideration	-	-	-	-	500,000	500,000
Licenses, tax and permits	-	-	69,390	373,740	462,922	906,052
Geological and consulting	843,490	-	368,948	-	760,989	1,973,427
Feasibility	-	-	-	1,183,974	-	1,183,974
Exploration	-	-	-	978,828	-	978,828
Drilling	-	-	-	610,825	-	610,825
Royalties	-	-	-	-	272,941	272,941
Personnel, camp and general	995,951	-	63,907	359,732	-	1,419,590
Incremental cost related to Flying Nickel warrants	-	-	-	426,468	-	426,468
Share based payments	-	-	-	16,564	21,840	38,404
Foreign exchange effect	241,585	-	93,368	-	657,020	991,973
Balance, March 31, 2023	**22,542,977**	**-**	**1,268,538**	**22,402,786**	**18,693,280**	**64,907,581**

Pulacayo Project, Bolivia

The Company holds an interest in the Pulacayo Paca silver-lead-zinc project in Bolivia.

The Pulacayo Project comprises seven mining concessions covering an area of approximately 3,560 hectares of contiguous areas centered on the historical Pulacayo mine and town site. The Pulacayo Project is located 18 kilometers east of the town of Uyuni in the Department of Potosí, in southwestern Bolivia. It is located 460 kilometers south-southeast of the national capital of La Paz and 150 kilometers southwest of the City of Potosí, which is the administrative capital of the department. The Pulacayo Project is fully permitted with secured social licenses for mining.

The Pulacayo Project mining rights are recognized by two legally independent contractual arrangements, one covering all, except the Apuradita deposit, from a mining production contract (the "Pulacayo MPC") between the Company and the Corporación Minera de Bolivia ("COMIBOL"), a Bolivian state mining company, and the original holder of the rights, executed on October 3, 2019. The Pulacayo MPC grants the Company the 100% exclusive right to develop and mine at the Pulacayo and Paca concessions for up to 30 years against certain royalty payments. In connection with the Apuradita deposit, its rights are covered by a second contractual arrangement, with the Bolivian Jurisdictional Mining Authority, acting for the Government of Bolivia, which is in process of formalization, as a mean of recognition of the acquired rights to what was originally the mining concession. Until such time as the contract is formalized, all mining rights, as recognized in the Bolivian Mining Law 535, can be exercised by the holder of the ex-concession.

Pursuant to the Pulacayo MPC, ASC Bolivia LDC Sucursal Bolivia (“ASC”), a subsidiary of the Company, will pay monthly rent of $1,353 (US$1,000) to COMIBOL and $2,029 (US$1,500) monthly rent to the Pulacayo Ltda. Mining Cooperative until the Pulacayo Project starts commercial production.

10. Exploration and Evaluation Assets - *continued*

Triunfo Project, Bolivia

The Triunfo Project area covers approximately 256 hectares located in the La Paz Department, which is located about 75 kilometers to the east of the city of La Paz, Bolivia. The Triunfo Project has access to power and water and is accessible by road year-round.

On July 13, 2020, the Company announced that it had entered into an agreement (the **"**Triunfo Agreement**"**) with a private party (the **"**Triunfo Vendor**"**) for the right to conduct mining exploration activities (the "Exploration Right") within the El Triunfo gold-silver-lead-zinc project in La Paz District, Bolivia (the **"**Triunfo Project**"**) and the right, at the Company's election, to purchase the Triunfo Project for US$1,000,000 (the "Purchase Right") and together with the Exploration Right, the "Triunfo Rights"). The Purchase Right can be exercised at any time after the Triunfo Vendor completes the required Bolivian administrative procedures for the Triunfo Project until July 13, 2025 or such further period as the parties may agree. To secure the Triunfo Rights, the Company paid the Triunfo Vendor US$100,000 upon execution of the Triunfo Agreement. Until the Company exercises its Purchase Right, beginning in 2021 the Company must pay the Triunfo Vendor US$50,000 on July 13 of each year to maintain the Triunfo Rights. The Company may elect to terminate the Triunfo Agreement at any time. If the Company exercises the Purchase Right, the Triunfo Vendor will maintain up to a 5% interest of the profits, net of taxes and royalties, derived from the sale of concentrate produced from the Triunfo Project (the "Residual Interest").

The Triunfo Vendor has agreed to extend the term corresponding to the fourth payment of the Triunfo Rights for US$50,000, from July 13, 2023 to August 15, 2023.

If the Company exercises the Purchase Right, the Company may reduce some or all of the Residual Interest at any time by making a lump sum payment to the Triunfo Vendor at any time to reduce some or all of the Residual Interest as follows:

- the Residual Interest may be extinguished for US$300,000;
- the Residual Interest may be reduced by 4% for US$250,000;
- the Residual Interest may be reduced by 3% for US$200,000;
- the Residual Interest may be reduced by 2% for US$150,000; or
- the Residual Interest may be reduced by 1% for US$100,000.

Sunawayo Project, Bolivia

On September 7, 2020, the Company announced that it had entered into a binding sales and purchase agreement (the "Sunawayo SPA") with a private party (the "Sunawayo Vendor") to acquire the Sunawayo silver-lead mining project (the "Sunawayo Project"). Subject to the provisions of the Sunawayo SPA, the Sunawayo Vendor agreed to irrevocably transfer the mining rights of the Sunawayo Project to the Company for consideration of $8,509,150 (US$6,500,000), which payment consists of $392,730 (US$300,000) paid on execution of the Sunawayo SPA, with the remaining $8,116,420 (US$6,200,000) to be paid in cash over a one-year period in twelve equal monthly installments, starting March 1, 2021.

During the year ended December 31, 2021, the Company suspended the Sunawayo property installment payments pending verification of the status of Sunawayo title and environmental permit (held by the Sunawayo Vendor) with authorities. The Company has notified the Sunawayo Vendor of their breach of certain disclosure representations in the Sunawayo SPA. To date, the Company has made one payment totaling $392,730 (US$300,000) and has no further contractual obligations unless it wishes to pursue the SPA further to acquire Sunawayo. As such, the Company impaired the carrying value of the Sunawayo Project to $nil in 2021.

The Sunawayo Project remains impaired with a value of $nil as at December 31, 2022 (December 31, 2021 - $nil).

10. Exploration and Evaluation Assets - *continued*

Minago Project, Manitoba Canada

The Minago property is located in northern Manitoba, Canada within the southern part of the Thompson Nickel Belt, approximately 107 kilometers north of the Town of Grand Rapids, Manitoba and 225 kilometres south of the City of Thompson, Manitoba. Provincial Highway 6 transects the eastern portion of the Minago property. The Minago Project is comprised of 94 mining claims and two mining leases.

On February 10, 2021, the Company acquired the Minago Project from Victory Nickel Inc. (“Victory Nickel”) by way of an Asset Purchase Agreement (the “VN APA”). Additionally, the Company agreed to issue to Victory Nickel $2,000,000 (the “VN Contingent Consideration”) in Common Shares, upon the price of nickel exceeding US$10 per pound for 30 consecutive business days, at any time before December 31, 2023 (the “VN Condition”).

On January 14, 2022, pursuant to the Spin-off Arrangement, Flying Nickel issued 50,000,000 common shares to the Company in consideration for the Minago Project and the assumption of certain liabilities related to the underlying assets.

The VN condition was met on February 23, 2022, and as a result, Victory Nickel and the Company mutually agreed that the Company should issue 1,267,145 shares with the fair value of $2,000,000 on February 23, 2022, the date the VN condition was met. Therefore, a derivative liability of $2,000,000 was recognized, with a corresponding increase to exploration and evaluation assets on February 23, 2022. Subsequently on April 8, 2022, the Company issued the 1,267,145 shares with the fair value of $1,431,874 as of April 8, 2022 and transferred 45,392 shares of Flying Nickel with the fair value of $9,759 as of April 8, 2022, to Victory Nickel, the aggregate of which settles the VN Contingent Consideration. Accordingly, the Company recognized a fair value gain of $558,367 relating to the VN Contingent Consideration.

Gibellini Project, USA

The Gibellini vanadium project (the “Gibellini Project”) is comprised of the Gibellini, Bisoni and Louie Hill vanadium deposits and associated claims located in the State of Nevada, USA. On January 14, 2022, pursuant to the Spin-off Arrangement, Nevada Vanadium issued 50,000,000 common shares to the Company in consideration for Gibellini Vanadium mineral property assets and the assumption of certain liabilities related to the underlying assets.

Gibellini Group

The Gibellini group of claims were acquired on June 22, 2017, through leasehold assignments from the claimant and then-holder of the Gibellini mineral claims (the “Gibellini Lessor”). Under the Gibellini mineral lease agreement (the “Gibellini MLA”), the company leased this core group of claims, which originally constituted the entire Gibellini Project, by, among other things, agreeing to pay to the Gibellini Lessor annual advance royalty payments. These payments are tied, based on an agreed formula not to exceed US$120,000 per year, to the average vanadium pentoxide price of the prior year (each an "Advance Royalty Payment"). Upon commencement of production, the obligation to make Advance Royalty Payments will cease and the company will instead maintain its acquisition through lease of the Gibellini group of claims by paying to the Gibellini Lessor, a 2.5% net smelter return royalty (the “Gibellini NSR Payments”) until a total of US$3 million is paid. Thereafter, the Gibellini NSR will be reduced to 2% over the remaining life of the mine (and referred to thereafter, as “Production Royalty Payments”). Upon commencement of production, any Advance Royalty Payments that have been made will be deducted as credits against the Gibellini NSR Payments or Production Royalty Payments, as applicable. The lease is for a term of 10 years, expiring on June 22, 2027, which can be extended for an additional 10 years, at the Company’s option. On April 19, 2018, the Gibellini MLA was amended to grant the Company the option, at any time during the term of the Gibellini MLA, which ends on June 22, 2027, to require the Gibellini Lessor to transfer their title over all of the leased mining claims (excluding four claims which will be retained by the Gibellini Lessor) (the "Transferred Claims") to the Company in exchange for $1,000,000, which will be deemed an Advance Royalty Payment (the “Transfer Payment”).

10. Exploration and Evaluation Assets - *continued*

Bisoni Group

On September 18, 2020, the company completed the acquisition of the Bisoni vanadium property situated immediately southwest of the Gibellini Project pursuant to an asset purchase agreement (the "Bisoni APA") dated August 18, 2020, with Cellcube Energy Storage Systems Inc. ("Cellcube"). The Bisoni property comprised of 201 lode mining claims. As consideration for the acquisition of the Bisoni property under the Bisoni APA, the Company issued 4 million Common Shares (the "Bisoni APA Shares") and paid $200,000 cash to Cellcube. Additionally, subject to TSX approval, if, on or before December 31, 2023, the price of European vanadium pentoxide on the Metal Bulletin (or an equivalent publication) exceeds US$12.00 a pound for 30 consecutive days, the Company will issue to Cellcube additional Common Shares with a value of $500,000 calculated based upon the 5-day volume weighted average price of the Common Shares immediately following the satisfaction of the vanadium pentoxide pricing condition. This condition was potentially met on April 5, 2022, and derivative liabilities of $500,000 was recognized, with a corresponding increase to exploration and evaluation assets. As at March 31, 2023, these derivative liabilities were remeasured with a fair value of $215,951, and accordingly the Company recognized a gain on change in fair value of derivative liabilities of $284,049.

VC Exploration Group

Silver Elephant entered into a lease agreement to acquire 10 unpatented lode claims totaling approximately 207 gross acres (the "Former Louie Hill Claims") from their holders (the "Former Louie Hill Lessors") on July 10, 2017 (the "Louie Hill MLA"). The Former Louie Hill Claims were located approximately 1600 feet south of the Gibellini group of claims. The Former Louie Hill Claims were subsequently abandoned by the Former Louie Hill Lessors, and on March 11 and 12, 2018, Silver Elephant staked the area within and under 17 new claims totaling approximately 340 gross acres, which now collectively comprise the expanded Louie Hill group of claims (the "Current Louie Hill Claims").

Louie Hill Net Smelter

The Gibellini property is subject to a net smelter return royalty interest retained by the former Louie Hill Lessors. The royalty agreement provides Nevada Vanadium to pay the following royalties to the former Louie Hill Lessors as an advance royalty: (i) US$75,000 upon Nevada Vanadium achieving Commercial Production (as defined in the Royalty Agreement) at the Gibellini Project; (ii) US$50,000 upon the Nevada Vanadium selling, conveying, transferring or assigning all or any portion of certain claims defined in the Royalty Agreement to any third party and (iii) annually upon the anniversary date of July 10, 2018, and the anniversary date of each year thereafter during the term of the Royalty Agreement: (a) if the average vanadium pentoxide price per pound as quoted on www.metalbulletin.com (the "Metal Bulletin") or another reliable and reputable industry source as agreed by the parties, remains below US$7.00 per pound during the preceding 12 months, US$12,500; or (b) if the average vanadium pentoxide price per pound as quoted on Metal Bulletin or another reliable and reputable industry source as agreed by the parties, remains equal to or above US$7.00 per pound during the preceding 12 months, US$2,000 x average vanadium pentoxide price per pound up to a maximum annual advance royalty payment of US$28,000. Further, Nevada Vanadium will pay to the former Louie Hill Lessors a 2.5% net smelter return royalty (the "Louie Hill NSR") payable on vanadium pentoxide produced from the area of the former Louie Hill Claims contained within the current Louie Hill Claims. Nevada Vanadium may purchase three-fifths of the Louie Hill NSR at any time for US$1,000,000, leaving the total Louie Hill NSR payable by Nevada Vanadium at 1.0% for the remaining life of the mine. Any Louie Hill Advance Royalty Payments that have been made at the time of Commercial Production will be deducted as credits against future payments under the Louie Hill NSR. The payments under the Royalty Agreement will continue for an indefinite period and will be payable as long as Nevada Vanadium, its subsidiaries, or any of their permitted successors or assigns holds a valid and enforceable mining concession over the area.

Ulaan Ovoo Project, Mongolia

The Company's 100% owned Ulaan Ovoo property is located approximately 430 km from the capital city of Mongolia, Ulaanbaatar, and contains the Ulaan Ovoo coal project (the "Ulaan Ovoo Project"). The Ulaan Ovoo Project was fully impaired as of December 31, 2014. The impairment was due to higher input costs and lower average coal sales prices than anticipated and the inability to establish commercial production levels.

(Expressed in Canadian Dollars except where noted)

11. Premium on Flow-Through Shares

During the year ended December 31, 2021, Flying Nickel recognized a deferred premium of flow-through shares of $139,471, of which $7,247 was settled, with a remaining balance of $132,224.

A continuity of the premium on flow-through shares is as follows:

	($)
December 31, 2020	-
Liability assumed under the plan of Arrangement	132,224
Balance, December 31, 2021	132,224
Settlement on expenditures made recorded as other income	(132,224)
Balance, March 31, 2023	**-**

12. Right of use assets and lease Liabilities

The company leases its office in Vancouver, Canada and has recognized a right of use asset and lease liability accordingly. The incremental borrowing rate for lease liability initially recognized as at August 1, 2022 was 5.6%.

	Right of use assets ($)	**Lease liabilities ($)**
Balance, December 31, 2020	**18,430**	**20,533**
Depreciation charge for the year	(18,430)	-
Lease payments for the year	-	(22,939)
Accretion expenses for the year	-	2,406
Balance, December 31, 2021	**-**	**-**
Additions	61,700	61,700
Depreciation charge for the period	(13,711)	-
Lease payments for the period	-	13,975
Accretion expenses for the period	-	(2,111)
Balance, March 31, 2023	**47,989**	**(49,837)**
Current portion	20,567	(19,552)
Non-current portion	27,422	(30,285)

13. Promissory Note

On April 6, 2022, Nevada Vanadium borrowed $3,752,400 (US$3,000,000) through a promissory note (the “CVB Loan”) with Cache Valley Bank. The CVB Loan has a five-year term, due April 6, 2027, and bears simple interest at 5.5% per annum. The note and the interest will be paid in installments as follows:

	($)
April 6, 2023 (paid)	US$251,045
April 6, 2024	US$251,045
April 6, 2025	US$251,045
April 6, 2026	US$251,045
April 6, 2027	US$2,770,851
	US$3,775,031

(Expressed in Canadian Dollars except where noted)

13. Promissory Note - *continued*

The CVB Loan is accounted for using the effective interest rate method, utilizing an implied interest rate of 5.27%. The continuity of the CVB Loan is as follows:

	($)
Balance, January 1, 2020 and December 31, 2020 and 2021	-
Initial recognition of CVB Loan	3,752,400
Finance expense	206,030
Foreign exchange	313,427
Balance, March 31, 2023	**4,271,857**

During the fifteen months ended March 31, 2023 the Company accrued finance expense of $206,030 (year ended December 31, 2021 and 2020 - $nil and $nil, respectively) related to the CVB Loan.

14. Other Current Liabilities

Included in other liabilities is as follows:

	March 31, 2023 ($)	December 31, 2021 ($)
Derivative liabilities – options (note 16(c))	218,642	-
Derivative liabilities – warrants (note 16(d))	182,400	-
	401,042	-
Derivative liabilities – contingent liability (note 10)	215,951	-
Lease liability	19,552	-
Flying Nickel flow-through share liability (note 17)	-	139,471
Total other current liabilities	**636,545**	**139,471**

As the Company did not have sufficient shares of Flying Nickel to fulfill the potential obligations of the January 14, 2022 Options and January 14, 2022 Warrants and as described in note 16(c) and 16(d), the Company recognized derivative liabilities relating to the Flying Nickel shares that may potentially need to be transferred relating to the January 14, 2022 Options and January 14, 2022 Warrants as follows:

	$
Balance, January 1, 2022	-
Recognition	815,951
Gain on change in fair value	(414,909)
Balance, March 31, 2023	**401,042**

(Expressed in Canadian Dollars except where noted)

15. Provision for Closure and Reclamation

The Company's closure and reclamation costs consists of costs accrued based on the current best estimate of mine closure and reclamation activities that will be required at the Ulaan Ovoo site upon completion of mining activity. These activities include costs for earthworks, including land re-contouring and re-vegetation, water treatment and demolition. The Company's provision for future site closure and reclamation costs is based on the level of known disturbance at the reporting date, known legal requirements and estimates prepared by a third-party specialist.

Management used a risk-free interest rate of 3.15% (2021 – 1.68%,) n preparing the Company's provision for closure and reclamation. Although the ultimate amount of reclamation costs to be incurred cannot be predicted with certainty, the total undiscounted amount of estimated cash flows required to settle the Company's estimated obligations is $8,600,000 (2021 - $8,071,000) over the next 19 years from March 31, 2023. The cash expenditures are expected to occur over a period of time extending several years after the projected mine closure of the mineral properties.

	($)
Balance, December 31, 2020	**695,257**
Change in estimate	1,274,339
Accretion	68,135
Balance, December 31, 2021	**2,037,731**
Change in estimate	(370,977)
Accretion	215,117
Foreign currency translation	140,464
Balance, March 31, 2023	**2,022,335**

16. Share Capital

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares. At March 31, 2023, the Company had 32,084,966 (December 31, 2021 – 24,124,955, December 31, 2020 – 18,051,883) common shares issued and outstanding.

On January 14, 2022, the Company's share capital was consolidated on the basis of one (1) new share for each ten (10) old shares. All common share, warrant, option and per share amounts have been retroactively adjusted.

(b) Equity issuances

<u>During the fifteen months ended March 31, 2023</u>

On March 16, 2022, the Company issued 187,049 bonus shares with a fair value of $1.26 per common share to the company's directors, officers, employees, and consultants valued at $235,682.

On April 8, 2022, the Company issued 1,267,145 shares to settle liability related to the Minago Project (note 10). The fair value of the shares issued was $1,431,874.

On August 24, 2022, the Company closed a non-brokered private placement through the issuance of 640,000 units at a price of $0.50 for gross proceeds of $320,000. Each unit consists of one common share of the Company and one-half share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of $0.65 per share for 36 months. In connection with the closing, the Company issued 10,800 Units as finder's fees. Based on the residual method, the fair value of the warrants is $nil.

16. Share Capital - *continued*

On December 5, 2022, the Company closed a private placement for gross proceeds of $1,384,500. Pursuant to the closing, the Company issued an aggregate of 3,076,666 Units. Each Unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.55 per share for 36 months from Closing. In connection with the Closing, the Company issued 75,600 Units and paid $4,620 in cash as finders' fees. The proceeds will be used for the Company's mineral project development and for general working capital purposes. Based on the residual method, the fair value of the warrants is $nil.

On December 9, 2022, the Company closed the final tranche of its December 2022 private placement for gross proceeds of $13,500. An aggregate of 30,000 units were issued. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.55 per share for 36 months from the closing date. In connection with the final tranche of the December 2022 private placement, the Company paid $945 in cash as finders' fees. Based on the residual method, the fair value of the warrants is $1,050.

On February 1, 2023, the Company announced that it plans to extend, in the aggregate, the term of 960,000 outstanding warrants by an additional two years. In May 2020, the Company conducted a private placement whereby it issued 1,520,000 share purchase warrants (the "May 2020 Warrants") exercisable at a price of $1.60 per share (on a post-consolidated basis) with a three year term, of which 463,800 warrants are due to expire on May 1, 2023 and 496,200 are due to expire on May 20, 2023. The remaining 560,000 warrants from the May 2020 Warrants have already been exercised prior to the date of this news release. No insiders of the Company hold any of these warrants and the extension of these warrants are subject to the approval of the Toronto Stock Exchange.

On March 23, 2023, the Company closed the first tranche of its March 13, 2023, private placement for gross proceeds of $675,000. An aggregate of 1,500,000 units were issued. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.55 per share for three years from the closing date. No finders' fee was paid in connection with the first tranche closing. Based on the residual method, the fair value of the warrants is $nil.

A total of 10,000 share purchase warrants with an exercise price of $2.60 were exercised for total proceeds of $26,000.

<u>During the year ended December 31, 2021</u>

On February 5, 2021, the Company closed its non-brokered private placement (the "February 2021 Placement") through the issuance of 1,000,000 common shares at a price of $3.75 per Common Share. The February 2021 Placement raised gross cash proceeds of $3,750,000. The Company paid $73,875 in cash as finder's fees.

On November 15, 2021, the Company closed its non-brokered private placement (the "November 2021 Placement") offering of 1,700,000 Shares at a price per Common Share of $2.20 for aggregate gross proceeds of $3,740,000. In connection with the November 2021 Placement, the Company paid $84,492 in cash and issued 35,405 common share purchase warrants ("Finder's Warrants") to certain finders as finder's fees. Each Finder's Warrant is exercisable to acquire one share at a price of $2.60 until September 22, 2022 (21,305 Finder's Warrants) and October 21, 2022 (14,100 Finder's Warrants).

The fair value of $42,651 of the Finder's Warrants determined using the Black Scholes option pricing model using the following assumptions: (1) a risk-free interest rate of 2%; (2) expected life of one year; (3) expected volatility of 107%; and (4) dividend yield of nil. The Company has recorded the fair value of the finder's units as share issuance costs.

16. Share Capital - *continued*

During the year ended December 31, 2021, the Company issued an aggregate of 2,005,231 shares, with a fair value of $6,231,637, to Victory Nickel under the VN APA.

During the year ended December 31, 2021, 1,268,341 common share purchase warrants were exercised for total proceeds of $2,601,997 and settlement of outstanding payables for services of $660,000.

During the year ended December 31, 2021, 99,500 stock options were exercised for total proceeds of $206,824.

<u>During the year ended December 31, 2020</u>

On May 1, 2020, and on May 20, 2020, the Company closed two tranches of a non-brokered private placement (the "May 2020 Private Placement") for aggregate gross proceeds of $1,930,500 and share compensation for services of $45,500 through the issuance of 1,520,000 units of the Company at a price of $1.30 per unit. Each unit is comprised of one Common Share and one Common Share purchase warrant. Each warrant entitles the holder to purchase one Common Share at an exercise price of $1.60 for a period of three years from the date of issuance. The Company paid $3,250 in cash and issued 15,690 units as finder's fees in connection with the May 2020 Private Placement. The units issued as a finder's fee have been valued at $24,000 based on the offering price of the units under the May 2020 Private Placement. The Company has recorded the fair value of the finder's units as share issuance costs.

The Company issued 160,100 Common Shares with a value of $640,400 as a bonus payment to certain directors, officers, employees, and consultants of the Company.

On September 18, 2020, the Company issued 400,000 Common Shares at a value of $5 per common share in relation with purchase of Bisoni Project in Nevada, USA.

On November 24, 2020, the Company closed its bought deal short form prospectus offering pursuant to which the Company has issued 2,300,000 Common Shares at a price of $4 per Common Share for aggregate gross proceeds of $9,200,000 (the "Offering"). Pursuant to the terms and conditions of the Underwriting Agreement, the Company paid a cash commission to the Underwriters of $534,000, additional fees of $391,544 and issued 133,500 Share purchase warrants as a finder's fee in relation with the Offering. The fair value of $226,917 of the issued warrants determined using the Black-Scholes option pricing model using the following assumptions: (1) a risk-free interest rate of 0.2%; (2) expected life of one year; (3) expected volatility of 107%, and (4) dividend yield of nil. The Company has recorded the fair value of the finder's units as share issuance costs.

During the year ended December 31, 2020, the Company issued 123,375 Common Shares on the exercise of stock options for total proceeds of $299,812.

During the year ended December 31, 2020, the Company issued 1,402,767 Common Shares on the exercise of warrants for aggregate gross proceeds of $3,072,194 and share compensation for services of $35,000.

(c) Share-based compensation plan

The Company has a 10% rolling equity-based compensation plan in place, as approved by the Company's shareholders on September 10, 2021 (the "2021 Plan"). Under the 2021 Plan the Company may grant stock options, bonus shares or stock appreciation rights. All stock options and other share-based awards granted by the Company, or to be granted by the Company, since the implementation of the 2021 Plan will be issued under, and governed by, the terms and conditions of the 2021 Plan. The stock option vesting terms are determined by the Board of Directors on the date of grant with a maximum term of 10 years.

(Expressed in Canadian Dollars except where noted)

16. Share Capital - *continued*

(c) Share-based compensation plan - continued

The continuity of the Company's share options is as follows:

	Number of Options	Weighted Average Exercise Price ($)
Balance, January 1, 2020	957,750	3.10
Granted	382,000	2.80
Expired	(9,000)	5.00
Cancelled	(180,125)	3.00
Exercised	(123,375)	2.40
Balance, December 31, 2020	**1,027,250**	**3.10**
Granted	680,000	2.60
Expired	(5,000)	2.00
Cancelled	(25,000)	2.60
Exercised	(99,500)	2.10
Balance, December 31, 2021	**1,577,750**	**3.00**
Granted	1,805,000	0.55
Expired	(227,000)	3.81
Cancelled	(724,500)	1.48
Balance, March 31, 2023	**2,431,250**	**1.54**

The following table summarizes the stock options outstanding as at March 31, 2023.

	Options Outstanding		Options Exercisable	
Exercise Price ($)	**Number of Options Outstanding**	**Weighted Average Remaining Contractual Life (Years)**	**Number of Options Exercisable**	**Weighted Average Remaining Contractual Life (Years)**
0.43	310,000	4.75	51,667	4.75
0.57	1,045,000	4.41	348,333	4.41
2.00	119,875	1.33	119,875	1.33
2.20	166,875	2.10	166,875	2.10
2.60	520,000	3.48	390,000	3.48
2.80	57,750	0.02	57,750	0.02
3.30	56,000	0.55	56,000	0.55
3.70	15,000	3.15	13,125	3.15
4.40	92,000	1.59	92,000	1.59
5.00	48,750	2.38	48,750	2.38
	2,431,250	**3.58**	**1,344,375**	**2.96**

(Expressed in Canadian Dollars except where noted)

16. Share Capital – *continued*

(c) Share-based compensation plan - continued

The fair value of each share option is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on the historical volatility of the Company's shares, and other factors. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the share option is based on the Canadian government bond rate. Assumptions used for share options granted during the years ended March 31, 2023, December 31, 2021 and December 31, 2020 are as follows:

Grant Date	Number of Share Options	Stock Price ($)	Exercise Price ($)	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Fair Value Per Option ($)	Total Fair Value ($)
For the fifteen months ended, March 31, 2023									
December 28, 2022	310,000	0.41	0.43	108%	3.27%	5.0	-	0.32	99,200
August 25,2022	1,260,000	0.63	0.57	107%	3.11%	5.0	-	0.50	630,000
June 1, 2022	235,000	0.59	0.61	105%	2.86%	5.0	-	0.46	108,100
For the year ended December 31, 2021									
September 22, 2021	650,000	2.60	2.60	106%	1.46%	5.0	-	1.95	1,267,500
May 24, 2021	30,000	0.36	0.37	130%	1.12%	5.0	-	3.09	92,700
For the year ended December 31, 2020									
May 4, 2020	203,125	0.20	0.22	133%	1.46%	5.0	-	1.72	349,375
August 17, 2020	72,000	0.51	0.50	130%	1.46%	5.0	-	4.40	316,800

Certain of share options have been superseded with modified fair value of January 14, 2022 Options table

	Fifteen Months Ended, March 31, 2023 ($)	Year Ended December 31, 2021 ($)	Year Ended December 31, 2020 ($)
Consolidated Statement of Operations			
Gain on fair value change in derivative liabilities	(362,525)	-	-
Share based payment	4,075,590	583,801	755,080
	3,713,065	583,801	755,080
Consolidated Statement of Financial Position			
Gibellini exploration	21,840	89,452	124,855
Pulacayo exploration	16,416	70,059	86,772
Minago exploration	16,564	-	-
Derivative liability	(218,642)	-	-
	(163,825)	159,511	211,627

(Expressed in Canadian Dollars except where noted)

16. Share Capital - *continued*

(c) Share-based compensation plan - continued

As a result of the Spin-off Arrangement, holders of the Company's stock options (the "January 14, 2022 Options") as at January 14, 2022, is entitled to receive, upon exercise of each such option at the same original exercise price and in accordance with the terms of such option, one share of each of Flying Nickel and Nevada Vanadium; two shares of the Oracle and one share of Silver Elephant. This is deemed a modification to the original stock options. As at January 14, 2022, there were 1,463,250 January 14, 2022 Options outstanding.

As a result of this modification and in accordance with *IFRS 2 Share-based Payment*, the incremental fair value of the January 14, 2022 Options totaled $2,556,442 of which $1,368,938 was recognized in the statement of loss during the fifteen months ended March 31, 2023. The weighted average fair value of these January 14, 2022 Options is $3.65

The fair values of the January 14, 2022 Options immediately before and after the modification is determined based on the key assumptions as follows:

Before modification

Silver Elephant

Number of Share Options	Share Price ($)	Exercise Price ($)	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Weighted Average Fair Value Per Option ($)	Total Fair Value ($)
1,463,250	2.80	2.00-5.00	77%-155%	0.55%-1.49%	0.41-4.70	-	1.90	2,783,123

After modification

Silver Elephant

Number of Share Options	Share Price ($)	Exercise Price ($)	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Weighted Average Fair Value Per Option ($)	Total Fair Value ($)
1,463,250	2.80	2.00-5.00	77%-155%	0.56%-1.54%	0.41-4.69	-	1.90	2,781,806

Flying Nickel

Number of Share Options	Share Price ($)	Exercise Price ($)	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Weighted Average Fair Value Per Option ($)	Total Fair Value ($)
1,463,250	0.70	-	96%-136%	0.56%-1.54%	0.41-4.69	-	0.70	1,024,275

(Expressed in Canadian Dollars except where noted)

16. Share Capital – *continued*

As the Company did not have sufficient shares of Flying Nickel to fulfill the potential obligations of the January 14, 2022 Options, the Company recognized derivative liabilities relating to the Flying Nickel shares that may potentially need to be transferred relating to January 14, 2022 Options (note 14). As at March 31, 2023, $218,642 relating to 1,150,747 Flying Nickel shares from the January 14, 2022 Options has been included in derivative liabilities. At March 31, 2023, these derivative liabilities were measured based on the following assumptions: 1,150,747 options, $0.19 price per share and $nil exercise price. The other assumptions of expected price volatility, risk free interest rate, expected life and expected dividend yield typically included the Black-Scholes Option Pricing Model have no impact to the fair value calculation of the derivative liability due to the exercise price being $nil. The fair value of the derivative liability is $218,642 as of March 31, 2023.

Nevada Vanadium

Number of Share Options	Share Price ($)	Exercise Price ($)	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Weighted Average Fair Value Per Option ($)	Total Fair Value ($)
1,463,250	0.40	-	99%-116%	0.56%-1.54%	0.41-4.69	-	0.40	585,300

Oracle

Number of Share Options	Share Price ($)	Exercise Price ($)	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Weighted Average Fair Value Per Option ($)	Total Fair Value ($)
2,926,500	0.32	-	101%-123%	0.56%-1.54%	0.41-4.69	-	0.32	936,480

(d) Warrants

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

	Number of warrants	Weighted average exercise price ($)
Balance, January 1, 2020	2,666,660	4.40
Issued	1,669,190	1.80
Expired	(275,976)	5.10
Exercised	(1,402,767)	2.20
Balance, December 31, 2020	**2,657,107**	**2.30**
Issued	335,405	4.50
Expired	(254,691)	2.60
Exercised	(1,268,341)	2.60
Balance, December 31, 2021	**1,469,480**	**2.50**
Issued	6,170,427	0.56
Expired	(499,480)	3.83
Exercised	(10,000)	2.60
Balance, March 31, 2023	**7,130,427**	**0.70**

(Expressed in Canadian Dollars except where noted)

16. Share Capital - *continued*

As of March 31, 2023, the following warrants were outstanding:

Expiry Date	Remaining Life (Years)	Number of Warrants	Exercise Price ($)
May 1, 2023	0.08	463,800	1.60
May 20, 2023	0.14	496,200	1.60
August 25, 2025	2.41	325,400	0.65
December 5, 2025	2.68	3,152,266	0.55
December 9, 2025	2.70	30,000	0.55
March 22, 2026	2.98	1,500,000	0.55
March 31, 2026	3.00	1,162,761	0.55
	2.44	**7,130,427**	**0.70**

As a result of the Spin-off Arrangement, holders of the Company's warrants (the January 14, 2022 Warrants") as at January 14, 2022, is entitled to receive, upon exercise of each such warrant at the same original exercise price and in accordance with the terms of such warrant, one share of each of Flying Nickel and Nevada Vanadium; two shares of the Oracle and one share of Silver Elephant. As at January 14, 2022, there were 1,447,814 January 14, 2022 Warrants outstanding.

As a result of this modification and in accordance with *IFRS 2 Share-based Payment*, the incremental fair value relating to the January 14, 2022 Warrants totaled $476,470, of which $426,468 was allocated Exploration and Evaluation Assets (Minago Project) and $50,002 to share capital. The weighted average fair value of these January 14, 2022 Warrants is $2.23. As at January 14, 2022, 335,406 warrants that were subject to IFRS 2.

The fair values of the January 14, 2022 Warrants immediately before and after the modification is determined based on the key assumptions as follows:

Before modification

Silver Elephant

Number of Share Options	Share Price ($)	Exercise Price ($)	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Weighted Average Fair Value Per Option ($)	Total Fair Value ($)
335,406	2.80	2.60-4.76	78%-82%	0.56%-1.10%	0.69-1.07	-	0.48	161,488

After modification

Silver Elephant

Number of Share Options	Share Price ($)	Exercise Price ($)	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Weighted Average Fair Value Per Option ($)	Total Fair Value ($)
335,406	2.80	2.60-4.76	78%-82%	0.56%-1.15%	0.68-1.07	-	0.48	160,341

(Expressed in Canadian Dollars except where noted)

16. Share Capital - *continued*

Flying Nickel

Number of Share Options	Share Price ($)	Exercise Price ($)	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Weighted Average Fair Value Per Option ($)	Total Fair Value ($)
335,406	0.70	-	99%-104%	0.56%-1.15%	0.68-1.07	-	0.70	234,784

Nevada Vanadium

Number of Share Options	Share Price ($)	Exercise Price ($)	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Weighted Average Fair Value Per Option ($)	Total Fair Value ($)
335,406	0.40	-	100%-104%	0.56%-1.15%	0.68-1.07	-	0.40	134,162

Oracle

Number of Share Options	Share Price ($)	Exercise Price ($)	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Weighted Average Fair Value Per Option ($)	Total Fair Value ($)
670,812	0.32	-	84%-105%	0.56%-1.15%	0.68-1.07	-	0.32	214,660

The Company's accounting policy for proceeds from private placements that include warrants are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants. The remaining 1,112,408 January 14, 2022 Warrants were from unit private placements which was comprised of a share and warrant component, with no remaining value attributed to the warrant component.

As the Company did not have sufficient shares of Flying Nickel to fulfill the potential obligations of the January 14, 2022 Warrants, the Company recognized derivative liabilities relating to the Flying Nickel shares that may potentially need to be transferred relating to January 14, 2022 Warrants (note 14). As at March 31, 2023, $182,400 relating to 960,000 Flying Nickel shares from the January 14, 2022 Warrants has been included in derivative liabilities. At March 31, 2023, these derivative liabilities were measured based on the following assumptions: 960,000 options, $0.19 price per share, and $nil exercise price. The other assumptions of expected price volatility, risk free interest rate, expected life and expected dividend yield typically included the Black-Scholes Option Pricing Model have no impact to the fair value calculation of the derivative liability due to the exercise price being $nil. The fair value of the derivative liability is $182,400 as of March 31, 2023.

(Expressed in Canadian Dollars except where noted)

16. Share Capital - *continued*

(e) Loss per Share

	Fifteen Months Ended, March 31, 2023 ($)	**Year Ended December 31, 2021 ($)**	**Year Ended December 31, 2020 ($)**
Basic earnings (loss) per share	(0.17)	(0.33)	(0.34)
Diluted earnings (loss) per share	(0.17)	(0.33)	(0.34)
Loss attributable to shareholders for the period	**(4,562,213)**	**(6,829,714)**	**(4,626,887)**

	Fifteen Months Ended, March 31, 2023 ($)	**Year Ended December 31, 2021 ($)**	**Year Ended December 31, 2020 ($)**
Shares outstanding, beginning of period	24,124,945	18,051,882	12,129,950
Effect of:			
Private placement share issuances	1,166,578	1,223,407	755,080
Prospectus offering	-	-	238,798
Shares issued to property acquisition	-	820,048	114,754
Shares issued to settle liability	997,007	-	-
Bonus shares	156,628	-	157,913
Options exercise	-	69,804	44,559
Warrant exercises	9,780	821,469	349,126
Basic weighted average number of shares outstanding	**26,454,938**	**20,986,610**	**13,790,180**
Effect of dilutive share options	-	-	-
Effect of dilutive warrants	-	-	-
Diluted weighted average number of shares outstanding	**26,454,938**	**20,986,610**	**13,790,180**

As at March 31, 2023, there were 2,431,250 (December 31, 2021 – 1,577,750, December 31, 2020 - 1,027,250) share options and 7,130,427 (December 31, 2021 – 1,469,480, December 31, 2020 - 2,657,107) warrants that were potentially dilutive but not included in the diluted loss per share calculation as the effect would be anti-dilutive.

(Expressed in Canadian Dollars except where noted)

17. Non-Controlling Interest

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

	Flying Nickel ($)	Nevada Vanadium ($)	Oracle ($)	Total ($)
Non-controlling interest, January 1, 2020 and 2021 (b)	-	-	-	-
Flying Nickel FT shares and warrants	1,284,757	-	-	1,284,757
Flying Nickel warrants issuable	215,094	-	-	215,094
Non-controlling interest, December 31, 2021	1,499,851	-	-	1,499,851
Spin-off arrangement (a)	11,754,947	12,122,850	-	23,877,797
Change in ownership (c)	8,866,713	1,571,688	-	10,438,401
Net loss	(3,414,388)	(1,408,875)	(353,653)	(5,176,916)
Share-based payments (d and e)	1,412,565	228,514	-	1,641,079
Warrants (f)	478,330	-	-	478,330
Other comprehensive loss	-	682,478	-	682,478
Non-controlling interest, March 31, 2023	**20,598,018**	**13,196,655**	**(353,653)**	**33,441,020**

On January 14, 2022, pursuant to the Spin-off Arrangement (Note 6), the common shares of the Company were consolidated on a 10:1 basis and each holder of common shares of the Company received in exchange for every 10 pre-consolidation common shares held: (i) one post-consolidation common share of the Company; (ii) one common share of Flying Nickel; (iii) one common share of Nevada Vanadium; and (iv) two common shares of Oracle Commodity Holding Inc. (“Oracle”) (formerly Battery Metals Royalties Corp.).

a) As a result of the Spin-off Arrangement:

i. certain intercompany royalties held by the Company were transferred to Oracle in exchange for the issuance of 1,785,430 Oracle shares. This is an internally created royalties as a result of the Spin-off Arrangement and as such the royalties are eliminated on the consolidated financial statements;

v. the Minago Project was spun out, into Flying Nickel in exchange for the issuance of 50,000,000 Flying Nickel shares, and the assumption of certain liabilities related to the underlying assets;

vi. and the Gibellini Project was spun out, into Nevada Vanadium in exchange for the issuance of 50,000,000 Nevada Vanadium shares, and the assumption of certain liabilities related to the underlying assets; and

vii. Oracle purchased 22,953,991 of the outstanding shares of both Nevada Vanadium and Flying Nickel in exchange for the issuance of 78,214,570 Oracle shares to the Company.

17. Non-Controlling Interest - *continued*

b) On December 31, 2021, $1,534,176 gross proceeds were released from escrow upon converting an aggregate 1,992,437 FT Subscription Receipts into 1,992,437 FT Shares at a price of $0.77 per share. Flying Nickel incurred agents' fees of $109,948 in connection with the FT Shares. Flying Nickel used the residual value method to calculate the fair value of the tax deduction attached with the FT Shares and recorded a flow-through liability of $139,471. As at December 31, 2021, Flying Nickel had not incurred any expenditures towards the flow-through liability included in assets held for sale at year-end (Note 6). $37,586 of Flying Nickel warrants were issued in relation to the FT Shares and recorded as share issuance costs. The remaining warrants issuable of $215,094 were recorded as equity attributable to non-controlling interest and added to deferred transaction costs to be included in the spin-out. The remaining gross subscription receipts of $7,065,823, net of cash deferred transaction costs of $500,071 are also included in restricted cash.

c) Change in ownership of subsidiaries:

On January 14, 2022 and February 28, 2022, Flying Nickle converted a total of 5,844,033 and 4,250,000 NFT Subscription Receipts into 5,844,033 and 4,250,000 units, for a total of 10,094,033 units (the "NFT Units"). Each Unit consists of one common share and one-half of one common share purchase warrant, each whole warrants entitles its holder to acquire one common share of the Flying Nickel at an exercise price of $1.00 per share until November 29, 2023.

On February 15, 2023, Flying Nickel closed a non-brokered private placement and issued an aggregate of 5,370,000 units for aggregate gross proceeds of $859,200. Each unit consists of one common share of Flying Nickel and one share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.20 per share for 36 months from closing.

On May 20, 2022, the Nevada Vanadium closed a non-brokered private placement of 3,032,500 units of Nevada Vanadium at a price per unit of $0.40 for aggregate gross proceeds of $1,213,000. The transaction costs related to the private placement was $2,370. Each unit consists of one common share in the capital of Nevada Vanadium and one share purchase warrant. Each warrant entitles its holder to purchase one additional common share of Nevada Vanadium at a price of $0.50 per share at any time on or before the 36-month anniversary of the date of issuance of the warrants. Nevada Vanadium has allocated the entire proceeds to share capital and $nil has been allocated to Warrants by applying the residual method. The exercise price of these warrants were amended to $0.18 in August 2022.

On February 15, 2023, Nevada Vanadium closed a non-brokered private placement and issued an aggregate of 2,539,286 units at a price of $0.14 per unit for aggregate gross proceeds of $355,500. Each unit consists of one common share of Nevada Vanadium and one share purchase warrant with each warrant entitling the holder to purchase one additional share of Nevada Vanadium at a price of $0.18 per share for 36 months from closing.

d) During the fifteen months ended March 31, 2023, Flying Nickel recorded share-based payments expense of $1,412,565 of which $16,564 was capitalized as exploration cost and the reminder of $1,396,001 was expensed as general and administrative expenses (December 21, 2020 to December 31, 2021 - $nil, $nil and $nil).

The fair value of each stock option is estimated on the date of grant using the Black-Scholes Option Pricing Model with the assumptions presented in the table below. Expected volatilities are based on historical volatility of the comparable companies as the Flying Nichel doesn't have enough trading history. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free interest rate is based on the Canadian government bond rate.

(Expressed in Canadian Dollars except where noted)

17. Non-Controlling Interest – *continued*

Grant Date	Number of Share Options	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Fair Value Per Option ($)	Total Fair Value ($)
March 4, 2022	5,160,000	137%	1.45%	5.00	-	0.34	1,735,482
March 18, 2022	150,000	138%	1.45%	5.00	-	0.57	85,249
May 3, 2022	300,000	138%	2.75%	5.00	-	0.47	142,194
January 3, 2023	1,400,000	141%	3.23%	5.00	-	0.13	175,617
	7,010,000						**2,138,542**

e) During the fifteen months ended March 31, 2023, Nevada Vanadium recorded share-based payments expense of $228,514.

The fair value of each stock option is estimated on the date of grant using the Black-Scholes Option Pricing Model with the assumptions presented in the table below. Expected volatilities are based on historical volatility of the comparable companies as the Nevada Vanadium doesn't have trading history. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free interest rate is based on the Canadian government bond rate.

Grant Date	Number of Share Options	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Fair Value Per Option ($)	Total Fair Value ($)
August 25, 2022	5,300,000	141%	3.11%	5.00	-	0.16	851,689
December 28, 2022	120,000	141%	3.27%	5.00	-	0.16	19,311
	5,420,000						**871,000**

f) The value of: 1) Flying Nickel warrants is from the NFT Units, and is estimated using the residual approach by allocating the proceeds to share capital. Flying Nickel estimated the value of common shares issued is $0.66 per share, calculated based on the estimated flow through share premium, and is $201,881, and 2) broker warrants and finders' fees related to the NFT Units totaling $276,449.

On October 6, 2022, Nevada Vanadium and Flying Nickel entered into an arrangement agreement pursuant to which Flying Nickel proposes to acquire all of the issued and outstanding common shares of Nevada Vanadium by way of a court-approved plan of arrangement (the "Merger Transaction").

Under the terms of the agreement, the Nevada Vanadium shareholders will receive one (1) (the "Exchange Ratio") Flying Nickel common share (a "Flying Nickel Share") for each Nevada Vanadium Share held immediately prior to the effective time of the Merger Transaction. All convertible securities of Nevada Vanadium outstanding immediately prior to the effective time of the Transaction will be exchanged for securities of Flying Nickel bearing substantially the same terms as the securities replaced based on the Exchange Ratio. As at March 31, 2023, the Merger Transaction is still in progress.

(Expressed in Canadian Dollars except where noted)

18. Related Party Transactions

During the fifteen months ended March 31, 2023, the Company had related party transactions with key management personnel in providing management and consulting services to the Company. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include, but is not limited to, the CEO, CFO, COO, executive and non-executive directors.

A summary of related party transactions is as follows:

	Fifteen Months Ended, March 31, 2023 ($)	Year Ended December 31, 2021 ($)	Year Ended December 31, 2020 ($)
Management fees to Linx Partners Ltd., a company controlled by John Lee, Director, CEO and Executive Chairman of the Company	525,000	659,500	370,000
Directors' fees	106,400	119,801	108,600
Mineral properties	459,670	714,068	1,387,067
Salaries and benefits paid to key management of the Company	296,159	587,869	522,359
Salaries and benefits paid to former key management of the Company	248,648	-	-
Share based payments – John Lee	981,084	197,672	289,673
Share based payments – directors	160,980	120,447	187,891
Share based payments – former directors	159,861	-	-
Share based payments – key management of the Company	204,365	312,132	577,248
Share based payments – former key management of the Company	60,976	-	-
	3,203,143	**2,711,489**	**3,442,838**

The Company had balances due to related parties as follows:

	March 31, 2023 ($)	December 31, 2021 ($)
Management fees payable to John Lee	-	(10,000)
Directors' fees payable	(102,452)	(19,613)
	(102,452)	(19,613)

(Expressed in Canadian Dollars except where noted)

19. Segmented Information

The Company operates in one operating segment, being the acquisition, exploration and development of mineral properties. Assets by geographical area are as follows:

	March 31, 2023 ($)	**December 31, 2021 ($)**
Current assets		
Canada	1,782,558	24,711,854
USA	6,858	16,088,223
Mongolia	385,403	2,082
Bolivia	184,688	12,793
	2,359,507	40,814,952
Non-current assets		
Canada	27,924,568	39,611
USA	23,837,759	-
Mongolia	3,822	28,446
Bolivia	18,451,562	21,163,409
	70,217,711	21,231,466
Total assets		
Canada	29,707,126	24,751,465
USA	23,844,617	16,088,223
Mongolia	389,225	30,528
Bolivia	18,636,250	21,176,202
	72,577,218	**62,046,418**

20. Deferred Income Taxes

The Company's operations are, in part, subject to foreign tax laws where interpretations, regulations and legislation are complex and continually changing. As a result, there are usually some tax matters in question that may, upon resolution in the future, result in adjustments to the amount of deferred income tax assets and liabilities, and those adjustments may be material to the Company's financial position and results of operations.

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	March 31, 2023 ($)	**December 31, 2021 ($)**	**December 31, 2020 ($)**
Income (loss) for the year	(9,739,129)	(6,829,714)	(4,626,887)
Canadian federal and provincial income tax rates	27%	27%	27%
Expected income tax (recovery)	(2,630,000)	(1,844,000)	(1,249,000)
Change in statutory, foreign tax, foreign exchange rates and other	273,000	39,000	117,000
Permanent differences	1,393,000	134,000	269,000
Impact of flow through shares	335,000	22,000	-
Share issue cost	(56,000)	(43,000)	(250,000)
Adjustments to prior years provision versus statutory tax returns and expiry of non-capital losses	(290,000)	(27,000)	404,000
Change in unrecognized deductible temporary differences	975,000	1,719,000	709,000
Total income tax expense (recovery)	-	-	-

(Expressed in Canadian Dollars except where noted)

20. Deferred Income Taxes - *continued*

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	March 31, 2023	Expiry date Range	December 31, 2021	Expiry date Range
Temporary Differences				
Exploration and evaluation assets	211,000	No expiry date	211,000	No expiry date
Investment tax credit	24,000	2029	23,000	2029
Property and equipment	972,000	No expiry date	517,000	No expiry date
Share issue cost	1,049,000	2043 to 2045	946,000	2042 to 2045
Assets held for sale	-	n/a	5,060,000	No expiry date
Assets retirement obligation	2,022,000	No expiry date	2,038,000	No expiry date
Derivative liabilities	216,000	No expiry date	-	n/a
Other – intangible assets	314,000	No expiry date	-	n/a
Allowable capital losses	8,616,000	No expiry date	4,260,000	No expiry date
Non-capital losses available for future periods	33,062,000	2024 onwards	38,269,000	2023 onwards
Bolivia	753,000	2024	717,000	2024
Canada	27,992,000	2029 to 2042	36,349,000	2029 to 2041
Mongolia	2,468,000	2024 to 2030	1,178,000	2023 to 2029
US	1,849,000	No expiry date	25,000	No expiry date

21. Care and Maintenance of Coal Properties

The Company's Ulaan Ovoo Project has been impaired to value of $nil (2021 - $nil, 2020 - $nil) and all property costs incurred, including changes in the provision for closure and reclamation costs, are presented net of incidental income earned from the property:

	March 31, 2023 ($)	December 31, 2021 ($)	December 31, 2020 ($)
Property income (costs)	344,030	(387,820)	(161,737)
Provision for closure and reclamation – change in estimate	370,977	(1,274,339)	(405,196)
Provision for closure and reclamation – accretion	(215,117)	(68,135)	(23,271)
Bad debt provision	(193,384)	-	-
	306,506	**(1,730,294)**	**(590,204)**

22. Capital Management

Management considers its capital structure to consist of share capital, share purchase options and warrants. The Company manages its capital structure and makes adjustments to it, based on the funds available to, and required by the Company in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative returns on capital criteria for management. In order to facilitate the management of its capital requirement, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors.

The properties, to which the Company currently has an interest in, are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. There were no changes in managements approach to capital management during the period ended March 31, 2023. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

23. Fair Value Measurements and Financial Instruments

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. At March 31, 2023, there were no financial assets measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

The fair value of the Company's financial instruments including cash, receivables, and accounts payable approximates their carrying value due to the immediate or short-term maturity of these financial instruments. Restricted cash is readily convertible into cash, and therefore its carrying value approximates fair value. The fair values of the Company's interest-bearing promissory note is determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2023 was assessed to be insignificant. Derivative liabilities and contingent liability are recorded at fair value based on the quoted market price at the end of each reporting period with changes in fair value through profit or loss. As at March 31, 2023, the fair value of: 1) derivative liabilities is $401,042 (2021 - $nil), 2) contingent liability is $215,951 (2021 - $nil), and 3) promissory note is $4,271,857 (2021 - $nil). The Company does not offset financial assets with financial liabilities. There were no transfers between Level 1, 2 and 3 for the period ended March 31, 2023.

24. Financial Risk Management

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at March 31, 2023 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its financial obligations as they fall due. The Company manages liquidity risk by preparing cash flow forecasts of upcoming cash requirements. As at March 31, 2023, the Company had a cash balance of $1,504,969 (December 31, 2021 – $1,378,693). As at March 31, 2023 the Company had accounts payable and accrued liabilities of $3,807,809 (December 31, 2021 - $2,828,417). Liquidity risk is assessed as very high.

The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of its mineral property interests. The Company coordinates this planning and budgeting process with its financing activities through the capital management process in normal circumstances.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk primarily associated with cash, restricted cash and receivables, net of allowances. The carrying amount of financial assets included on the statements of financial position represents the maximum credit exposure.

(c) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash and restricted cash equivalents primarily include highly liquid investments that earn interest at market rates that are fixed to maturity. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have significant impact on the fair values of the financial instruments as of March 31, 2023. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has foreign exploration and development projects in the USA, Mongolia and Bolivia and undertakes transactions in various foreign currencies. The Company is therefore exposed to foreign currency risk arising from transactions denominated in a foreign currency and the translation of financial instruments denominated in US dollars, Mongolian tugrik, and Bolivian boliviano into its reporting currency, the Canadian dollar.

24. Financial Risk Management - *continued*

(iii) Commodity and equity price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for these commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities including governmental reserves and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The Company is also exposed to price risk with regards to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

(iv) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's derivative financial liability includes debts to be settled in common shares of Silver Elephant. A 10% increase or decrease of the common shares price of Silver Elephant or Flying Nickel has a corresponding effect of approximately $61,000 to net loss.

The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

Sensitivity Analysis

A 1% change in interest rates does not have a material effect on the Company's profit or loss and equity.

The Company has certain cash balances, receivables, accounts payables and the CVB Loan denominated in either the US Dollar, Mongolian Tugrik or Bolivian Boliviano (the "Foreign Currencies"), currencies other than the functional currency of Company. Based on the above, net exposures as at March 31, 2023, with other variables unchanged, a 10% strengthening (weakening) of the Canadian dollar against the Mongolian tugrik would impact net loss with other variables unchanged by $1,531. A 10% strengthening (weakening) of the Canadian dollar against the Bolivian boliviano would impact net loss with other variables unchanged by $35,951. A 10% strengthening (weakening) of the US dollar against the Canadian dollar would impact net loss with other variables unchanged by $539,530. The Company currently does not use any foreign exchange contracts to hedge this currency risk.

25. Contingencies

During the 15 months ended March 31, 2023, the Company accrued $558,236 in connection with a former employee's claim for severance.

26. Subsequent Events

On April 4, 2023, the Company completed the second and final tranche of its private placement offering and issued 1,128,111 units at $0.45 per unit for gross proceeds of $507,560. Each unit consisted of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at $0.55 per share for a period of three years. In connection with the closing, the Company issued 34,650 units as finder's fees. Each finder's unit consisted of one common share of the Company and one non-transferable share purchase warrant with each warrant entitling the holder to purchase one additional share of the Company at a price of $0.55 per share for 3 years.

In total, including the first tranche of the Placement that closed on March 22, 2023, the Company raised total gross proceeds of $ 1,182,650 through the aggregate sales of 2,628,111 units at $0.45 per unit.

On May 15, 2023, the TSX issued confirmation that it has accepted the Company's intention to extend the terms of common share purchase warrants to purchase 960,000 common shares for an additional two years. The warrants were issued by the Company on May 20, 2020, with a three-year term, closing in two tranches, due to expire on May 1, 2023, and May 20, 2023. The warrants to purchase 463,800 common shares will have their expiry date extended to May 1, 2025 and warrants to purchase 496,200 common shares will have their expiry date extended to May 20, 2025.

On June 23, 2023, the Company announced that it proposes to undertake a non-brokered private placement of up to 2.5 million units of the Company at a price of $0.30 per Unit to raise aggregate gross proceeds of up to $750,000. Each unit will consist of one common share of the Company and one half of one common share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of $0.45 per share for 2 years.