
**SILVER STORM MINING LTD.
(FORMERLY GOLDEN TAG RESOURCES LTD.)
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2023
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.) (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	As at September 30, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 7,786,676	\$ 6,605,991
Marketable securities (note 5)	28,000	49,000
Sales taxes receivable (note 6)	3,967,646	112,674
Prepaid expenses and other assets	892,289	326,568
Inventories (note 7)	1,226,567	-
Total current assets	13,901,178	7,094,233
Non-current assets		
Property, plant and equipment (note 8)	13,550,877	-
Right-of-use assets (note 9)	1,205,565	-
Other long-term assets	98,159	-
Total assets	\$ 28,755,779	\$ 7,094,233
EQUITY AND LIABILITIES		
Current liabilities		
Trade payables	\$ 946,917	\$ 441,481
Balance due to First Majestic Silver Corp. (note 4)	5,075,549	-
Lease obligations (note 10)	242,906	-
Total current liabilities	6,265,372	441,481
Non-current liabilities		
Lease obligations (note 10)	962,659	-
Decommissioning liabilities (note 11)	5,951,361	-
Total liabilities	13,179,392	441,481
Equity		
Share capital (note 12)	49,377,209	28,821,512
Options reserves (note 13)	1,969,820	2,983,559
Warrant reserves (note 12)	2,362,386	762,151
Accumulated other comprehensive income	389,557	301,877
Deficit	(38,522,585)	(26,216,347)
Total equity	15,576,387	6,652,752
Total equity and liabilities	\$ 28,755,779	\$ 7,094,233

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

Contingencies and commitments (note 18)

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating expenses				
Administrative costs	\$ 26,206	\$ 19,992	\$ 59,311	\$ 53,494
Foreign exchange	8,871	(174,500)	95,942	(193,049)
Listing, filing and transfer agency fees (note 17)	26,184	12,142	79,233	63,099
Management, consulting fees and directors' fees (note 17)	182,097	198,780	756,867	550,075
Mineral property expenses (note 15)	10,517,552	53,324	10,618,491	1,132,216
Professional fees (note 17)	99,682	113,864	468,672	311,947
Promotion costs	109,884	49,518	408,783	154,570
Rent	28,826	11,089	68,870	90,054
Salaries	33,442	71,536	135,443	220,876
Shareholder information	16,022	4,300	62,982	17,940
Costs related to the acquisition of La Parrilla (note 4)	621,866	-	621,866	-
Total operating expenses	11,670,632	360,045	13,376,460	2,401,222
Finance income	(51,028)	(26,842)	(162,146)	(38,285)
Unrealized loss on change in fair value of marketable securities (note 5)	10,500	3,500	21,000	10,500
Net loss for the period	\$ (11,630,104)	\$ (336,703)	\$ (13,235,314)	\$ (2,373,437)
Other comprehensive income (loss)				
Items that will be reclassified subsequently to loss				
Exchange differences on translating foreign operations	\$ 25,178	\$ (137,847)	\$ 87,680	\$ (171,783)
Other comprehensive income (loss) for the period	25,178	(137,847)	87,680	(171,783)
Total comprehensive loss for the period	\$ (11,604,926)	\$ (474,550)	\$ (13,147,634)	\$ (2,545,220)
Basic and diluted net loss per share (note 14)	\$ (0.04)	\$ (0.00)	\$ (0.05)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	309,562,548	216,324,566	247,737,227	209,008,696

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

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating activities		
Net loss for the period	\$ (13,235,314)	\$ (2,373,437)
Non-cash items:		
Depreciation and accretion (notes 8, 9 and 11)	175,158	-
Foreign exchange	309,274	(152,257)
Mining property expenses (note 4)	9,578,060	-
Unrealized loss on change in fair value of marketable securities (note 5)	21,000	10,500
Changes in working capital items (note 16)	(2,627,752)	(724,891)
Net cash used in operating activities	(5,779,574)	(3,240,085)
Financing activities		
Proceeds from private placements (note 12)	7,078,522	3,250,000
Share issue costs	(192,990)	(70,409)
Proceeds from options exercised	100,000	-
Proceeds from warrants exercised	-	674,956
Lease obligation payments	(29,319)	-
Net cash provided by financing activities	6,956,213	3,854,547
Net change in cash and cash equivalents	1,176,639	614,462
Effect of exchange rate	4,046	(19,526)
Cash and cash equivalents, beginning of period	6,605,991	6,317,563
Cash and cash equivalents, end of period	\$ 7,786,676	\$ 6,912,499
Cash	\$ 4,556,511	\$ 919,509
Cash equivalents	3,230,165	5,992,990
Cash and cash equivalents	\$ 7,786,676	\$ 6,912,499

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

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Number of shares	Share capital	Options reserves	Warrants reserves	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2021	194,325,157	\$ 25,431,648	\$ 3,017,631	\$ 2,318,071	\$ 432,767	\$ (25,409,196)	\$ 5,790,921
Private placement (note 12(a))	13,000,000	3,250,000	-	-	-	-	3,250,000
Warrants (note 12(a))	-	(762,151)	-	762,151	-	-	-
Share issue costs (note 12(a))	-	(70,409)	-	-	-	-	(70,409)
Warrants exercised	8,999,409	937,738	-	(262,782)	-	-	674,956
Warrants expired	-	-	-	(2,055,289)	-	2,055,289	-
Net loss and comprehensive loss for the period	-	-	-	-	(171,783)	(2,373,437)	(2,545,220)
Balance, September 30, 2022	216,324,566	\$ 28,786,826	\$ 3,017,631	\$ 762,151	\$ 260,984	\$ (25,727,344)	\$ 7,100,248
Balance, December 31, 2022	216,824,566	\$ 28,821,512	\$ 2,983,559	\$ 762,151	\$ 301,877	\$ (26,216,347)	\$ 6,652,752
Private placement (note 12(a))	35,392,610	7,078,522	-	-	-	-	7,078,522
Warrants (note 12(a))	-	(1,589,149)	-	1,589,149	-	-	-
Share issue costs (note 12(a))	-	(204,076)	-	11,086	-	-	(192,990)
Options exercised	1,250,000	184,663	(84,663)	-	-	-	100,000
Acquisition - La Parrilla (note 4)	143,673,684	15,085,737	-	-	-	-	15,085,737
Options cancelled	-	-	(929,076)	-	-	929,076	-
Net loss and comprehensive loss for the period	-	-	-	-	87,680	(13,235,314)	(13,147,634)
Balance, September 30, 2023	397,140,860	\$ 49,377,209	\$ 1,969,820	\$ 2,362,386	\$ 389,557	\$ (38,522,585)	\$ 15,576,387

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

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operation

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.) (the "Company" or "Silver Storm") is incorporated under the Canada Business Corporations Act and holds advanced stage silver projects located in Durango, Mexico. The address of the Company's registered office and its principal place of business are 22 Adelaide Street West, Suite 2020, Bay Adelaide Centre, Toronto, Ontario, Canada.

On November 5, 2020, the Company announced that after successfully completing the application process, the Company was approved for quotation on the OTCQB operated by the OTC Market Groups. The Company's common shares started trading on the OTCQB November 5, 2020 at the opening of the market under the stock symbol "GTAGF" and remains listed on the TSX Venture Exchange ("TSXV") under the ticker symbol "GOG".

On May 9, 2023, the Company announced the listing of the Company's common share on the Frankfurt Stock Exchange under the trading symbol "GTD".

On August 14, 2023, the Company completed the acquisition of a 100% interest in the La Parrilla Silver Mine Complex ("La Parrilla") located in San Jose de La Parrilla, Durango, Mexico. Refer to note 4.

Certificate of amendment was filed on October 30, 2023 to change the name of the Company to "Silver Storm Mining Ltd.". On November 7, 2023, the Company's common shares started trading on the TSXV under the new trading symbol "SVRS", on the OTCQB under the new trading symbol "SVRSF" and on the Frankfurt Stock Exchange under the new trading symbol "SVR".

These unaudited condensed interim consolidated financial statements comprise the financial statements of Silver Storm Mining Ltd. and its wholly-owned subsidiaries, Golden Tag Mexico SA de CV and Parilla Plata Mining, S.A. de C.V., incorporated in Mexico.

These unaudited condensed interim consolidated financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, and the Company has not yet generated income or cash flows from its operations.

2. Basis of presentation

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") under international Accounting Standard 34 – Interim Financial Reporting. These unaudited condensed interim consolidated financial statements do not include all the notes required in annual financial statements and accordingly, should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2022.

Approval of financial statements

The Company's Board of Directors approved these unaudited condensed interim consolidated financial statements on November 29, 2023.

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

2. Basis of presentation (continued)

Basis of measurement

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis, unless otherwise stated.

Functional and presentation currency

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise stated, which is the Company's functional currency. The functional currency of the Company's Mexican subsidiaries is the US dollar. The Company has adopted the Canadian dollar as its presentation currency.

3. Summary of significant accounting policies

These unaudited condensed interim consolidated financial statements were prepared using the same accounting policies, methods of computation and basis of presentation as outlined in note 3 – Summary of Significant Accounting Policies, as described in the Company's annual audited consolidated financial statements for the year ended December 31, 2022, except for the changes in accounting policies resulting from the adoption of new standards as described below.

Inventories and cost of sales

Mineral inventories, including stockpiled ore, work in process and finished goods, are valued at the lower of weighted average cost and estimated net realizable value. Cost includes all direct costs incurred in production including direct labour and materials, freight, depreciation and amortization and directly attributable overhead costs. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and future metal prices less estimated future production costs to convert the inventories into saleable form.

Any write-downs of inventory to net realizable value are recorded as cost of sales. If there is a subsequent increase in the value of inventories, the previous write-downs to net realizable value are reversed to the extent that the related inventory has not been sold.

Stockpiled ore inventory represents ore that has been extracted from the mine and is available for further processing. Costs added to stockpiled ore inventory are valued based on current mining cost per ounce incurred up to the point of stockpiling the ore and are removed at the weighted average cost per ounce. Stockpiled ore tonnage and head grades are verified by periodic surveys and physical counts.

Work in process inventory includes precipitates, inventories in tanks and in the milling process. Finished goods inventory includes metals in their final stage of production prior to sale, including primarily doré, bullion and dried concentrates at our operations and finished goods in-transit.

Materials and supplies inventories are valued at the lower of weighted average cost and net realizable value. Costs include acquisition, freight and other directly attributable costs.

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

3. Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. This includes the purchase price, any other costs directly attributable to bringing the assets to a working condition for intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

Where an item of equipment comprises significant parts with useful lives that are significantly different from that of the asset as a whole, the parts are accounted for as separate items of equipment and depreciated accordingly. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from derecognizing an asset determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized through profit or loss.

Property, plant and equipment is depreciated over its estimated useful life. Costs for normal repairs and maintenance that do not extend economic life or improve service potential are expensed as incurred. Costs of improvements that extend economic life or improve service potential are capitalized and depreciated over the estimated remaining useful life.

The Company commences recording depreciation when the assets are in a working condition ready for use using the straight-line method, based on the expected useful life of the asset. Should the expected life and associated depreciation rate differ from the initial estimate, the change in estimate would be made prospectively in the statement of earnings or loss.

Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset on the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term. Judgment is applied to determine the lease term where a renewal option exists. Right-of-use assets are depreciated using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. In addition, the right-of-use assets may be reduced by impairment losses or adjusted for certain remeasurements of the lease liability.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments are recognized as an expense when incurred over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments include fixed payments, and variable payments that are based on an index or rate.

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

4. Acquisition

On August 14, 2023, the Company completed its previously announced acquisition of First Majestic Silver Corp. ("First Majestic") to acquire a 100% interest in the La Parrilla in the locality of San Jose de la Parrilla, Durango, Mexico (the "Transaction") through its wholly-owned subsidiary Parilla Plata Mining, S.A. de C.V.

Under the terms of the Transaction, the Company funded the acquisition through:

- the issuance of 143,673,684 common shares of Silver Storm (valued at \$15,085,737 based on the closing price of August 14, 2023);
- aggregate cash payments of \$3,634,470 (approximately US\$2.7 million) (unpaid as at September 30, 2023);
- US\$5.75 million when either (a) 5 million ounces of Ag.Eq reserves are declared from the La Parrilla claims, or (b) 22 million ounces of Ag.Eq of measured and indicated resources are declared, from the La Parrilla claims; and
- US\$5.05 million when a new zone is discovered on the La Parrilla claims inclusive of a NI 43-101 resource of 12.5 million ounces of Ag.Eq.

The Transaction does not constitute a business combination and there are no intangible assets identified that meet the recognition criteria under IFRS. The Transaction is accounted for as an equity-settled share-based payment transaction under IFRS 2.

The Company will pay cash of US\$10.8 million, as contingent consideration for the acquisition if certain milestones are met. Under IFRS, a Company makes a probabilistic estimate of the fair value of contingent consideration on the grant-date based on the probability of achieving each respective milestone. Based on management's assessment at the Transaction date, the probability of achieving the milestones is negligible, therefore, no fair value has been attributed to the contingently cash owing. The assessment is not re-evaluated or remeasured at any reporting period or when the cash is paid.

The Company recorded a total of \$621,866 in transaction costs to the unaudited condensed interim statement of loss and comprehensive loss related to the Transaction as outlined in the following purchase price acquisition.

The following table summarizes the total consideration paid and the fair value of the identifiable net assets assumed as of the date of acquisition:

Consideration paid:

143,673,684 common shares	\$ 15,085,737
Cash payment	3,634,470
	<u>\$ 18,720,207</u>

Less fair value of net assets:

Inventories	\$ 1,230,905
Prepaid expenses and other assets	33,491
Property, plant and equipment	13,580,348
Right-of-use assets	1,229,497
Deposits on long-term assets	97,731
Trade payables	(191,403)
Lease obligations	(1,229,497)
Decommissioning liabilities	(5,608,925)

Total fair value of net assets acquired	\$ 9,142,147
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Mining property expenses	\$ 9,578,060
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Transaction costs expensed	\$ 621,866
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Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

4. Acquisition (continued)

As at September 30, 2023, the balance due to First Majestic of \$5,075,549 included the cash payment of \$3,634,470 (approximately US\$2.7 million) from the acquisition price and recovery of costs of \$1,441,079.

5. Marketable securities

	2023	2022
Balance as at January 1,	\$ 49,000	\$ 49,000
Unrealized loss on change in fair value of marketable securities	(21,000)	-
Balance as at September 30, 2023 and December 31, 2022	\$ 28,000	\$ 49,000

Marketable securities include the following components at fair value:

	September 30, 2023	December 31, 2022
Sirios Resources Inc. - 700,000 shares (700,000 shares 2022)	\$ 28,000	\$ 49,000

6. Sales taxes receivable

	September 30, 2023	December 31, 2022
Aging analysis		
Current	\$ 80,691	\$ 4,609
30-90 days	3,813,338	32,236
Over 90 days	73,617	75,829
Total	\$ 3,967,646	\$ 112,674

7. Inventories

Inventories consist of raw materials. The following is a breakdown of inventories:

	September 30, 2023	December 31, 2022
Raw materials	\$ 1,226,567	\$ -

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

8. Property, plant and equipment

	Land and buildings	Plant equipment	Other	Total
Cost				
Balance as at December 31, 2022	\$ -	\$ -	\$ -	\$ -
Additions - Acquisition of the La Parrilla (note 4)	6,777,580	6,686,619	116,149	13,580,348
Foreign exchange	29,706	29,306	509	59,521
Balance as at September 30, 2023	\$ 6,807,286	\$ 6,715,925	\$ 116,658	\$ 13,639,869
Accumulated Depreciation				
Balance as at December 31, 2022	\$ -	\$ -	\$ -	\$ -
Depreciation	21,879	64,626	2,487	88,992
Balance as at September 30, 2023	\$ 21,879	\$ 64,626	\$ 2,487	\$ 88,992
Carrying Amounts				
Balance as at December 31, 2022	\$ -	\$ -	\$ -	\$ -
Balance as at September 30, 2023	\$ 6,785,407	\$ 6,651,299	\$ 114,171	\$ 13,550,877

9. Right-of-use assets

Balance as at December 31, 2022	\$ -
Additions - Acquisition of the La Parrilla (note 4)	1,229,497
Remeasurements	11,503
Depreciation	(35,435)
Balance as at September 30, 2023	\$ 1,205,565

10. Lease obligations

Balance as at December 31, 2022	\$ -
Additions - Acquisition of the La Parrilla (note 4)	1,229,497
Operating lease payments	(29,319)
Foreign exchange loss	5,387
Balance as at September 30, 2023	\$ 1,205,565
Current	\$ 242,906
Non-current	962,659
Balance as at September 30, 2023	\$ 1,205,565

11. Decommissioning liabilities

Balance as at December 31, 2022	\$ -
Movements during the period:	
Additions - Acquisition of the La Parrilla (note 4)	5,608,925
Accretion expense	50,731
Foreign exchange	291,705
Balance as at September 30, 2023	\$ 5,951,361

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

12. Equity

(a) Share capital

Authorized share capital: An unlimited number of the following classes of shares:

- Common shares, voting, without par 397,140,860.
- Preferred shares, non-voting, redeemable for the amount paid thereon, all rights and privileges to be determined by the Board of Directors.

Issued during 2023

(i) On August 14, 2023, the Company issued 143,673,684 common shares for the acquisition of La Parrilla. Refer to note 4.

(ii) The Company raised \$7,078,522 pursuant to a subscription receipt offering. Immediately prior to the completion of the Transaction, in accordance with their terms, each subscription receipt of the Company issued pursuant to the offering was exchanged for one common share of the Company and one-half of one common share pursuant warrant with each warrant exercisable into one common share at an exercise price of \$0.34 until August 14, 2026. The fair value of the 17,696,305 warrants was estimated at \$0.090 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 85%, a risk-free interest rate of 4.47%, an expected unit life of 3 years, no expected dividend yield and a price at date of grant of \$0.200.

In connection in the offering, the Company agreed to pay certain eligible arm's length parties who introduced subscribers to the offering: (1) up to 7% cash fees, and (2) up to 7% finders' warrants. The finders' warrants entitle the holder to acquire one common share at a price of \$0.20 until August 14, 2025. The finders for the offering and their fees paid include: \$124,990 cash and 620,700 finders' warrants. The fair value of the 620,700 finders' warrants was estimated at \$0.018 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 82%, a risk-free interest rate of 4.72%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.105.

The common shares and warrants are subject to a four-month plus a day hold period from their date of distribution in accordance with applicable securities law.

First Majestic acquired 18,009,000 subscription receipts pursuant to the offering. All of these subscription receipts were converted to common shares and warrants on August 14, 2023 in connection with the closing of the Transaction. Following completion of the offering and conversion of the subscription receipts, First Majestic owns and exercises control or direction over 161,682,684 common shares and 9,004,500 warrants, representing approximately 40.8% of the issued and outstanding common shares on a non-diluted basis and approximately 42.2% of the issued and outstanding common shares on a partially diluted basis (assuming the exercise of all warrants held by First Majestic).

Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.)

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

12. Equity (continued)

(a) Share capital (continued)

Issued during 2022

(iii) On February 8, 2022, the Company closed the first tranche of a non-brokered private placement. Under the first tranche, the Company issued 7,166,670 units at a price of \$0.25 per unit for aggregate gross proceeds of \$1,791,668. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant issued pursuant to the first tranche entitles the holder thereof to acquire one common share at a price of \$0.40 until February 8, 2024. The warrants contain an acceleration provision whereby if the closing price of the common shares on the TSXV is \$0.70 or more for 10 consecutive trading days the Company will have the right to accelerate the expiry date of the warrants (the "Acceleration Provision"). The fair value of the 3,583,335 warrants was estimated at \$0.117 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 110%, a risk-free interest rate of 1.35%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.25.

In connection with the first tranche, the Company paid aggregate cash finder's fees of \$39,800 and issued 140,000 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.25 for a period of 24 months following closing of the first tranche, subject to Acceleration Provision. The fair value of the 140,000 broker warrants was estimated at \$0.143 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 110%, a risk-free interest rate of 1.35%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.25.

(iv) On February 28, 2022, the Company completed the second and final tranche of the non-brokered private placement. In connection with the second tranche, the Company issued an aggregate of 5,833,330 units at a price of \$0.25 per unit for aggregate gross proceeds of \$1,458,332. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant issued pursuant to the first tranche entitles the holder thereof to acquire one common share at a price of \$0.40 until February 28, 2024. The warrants are subject to the Acceleration Provision. The fair value of the 2,916,665 warrants was estimated at \$0.110 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 105%, a risk-free interest rate of 1.45%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.25.

In connection with the second tranche, the Company paid aggregate cash finder's fees of \$7,000 and issued 28,000 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.25 for a period of 24 months following closing of the second tranche, subject to Acceleration Provision. The fair value of the 28,000 broker warrants was estimated at \$0.137 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 105%, a risk-free interest rate of 1.45%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.25.

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(Expressed in Canadian Dollars)

(Unaudited)

12. Equity (continued)

(b) Share purchase warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares is as follows:

	2023		2022	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1,	6,668,000	0.40	22,501,536	0.27
Issued (note 12(a)(b))	17,696,305	0.34	6,696,003	0.39
Issued broker warrants (note 12(a))	620,700	0.20	168,000	0.25
Exercised warrants	-	-	(8,999,409)	0.07
Expired warrants	-	-	(13,698,130)	0.39
Balance as at September 30, 2023 and December 31, 2022	24,985,005	0.35	6,668,000	0.40

2022

During the three months ended June 30, 2022, 392,005 broker warrants were exercised for \$0.056 per broker unit. Each broker warrant entitled the holder to one common share and one-half warrant at a price of \$0.075. The fair value of the 196,003 additional warrants issued was estimated at \$0.0001 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 101%, a risk free interest rate of 2.50%, an expected unit life of 0.02 year, no expected dividend yield and an expected unit value at date of grant of \$0.06.

At September 30, 2023, the following exercisable warrants were outstanding:

Number of warrants	Price (\$)	Expiry date
3,583,335	0.40	08-Feb-24
140,000	0.25	08-Feb-24
2,916,665	0.40	28-Feb-24
28,000	0.25	28-Feb-24
620,700	0.20	14-Aug-25
17,696,305	0.34	14-Aug-26
24,985,005	0.35	

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13. Stock options

Outstanding options entitle their holders to subscribe to an equivalent number of common shares is as follows:

	2023		2022	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1	12,600,000	0.28	13,600,000	0.26
Expired	(3,700,000)	0.30	(500,000)	0.05
Exercised	(1,250,000)	0.08	(500,000)	0.05
Balance as at September 30, 2023 and December 31, 2022	7,650,000	0.31	12,600,000	0.28

As at September 30, 2023, 7,650,000 (December 31, 2022 - 12,600,000) options are exercisable.

14. Loss per share

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, potential ordinary shares such as share options and warrants have not been included as their exercise prices were higher than the Company's share price as at September 30, 2023 and September 30, 2022. Details of share options and warrants issued that could potentially dilute loss per share in the future are given in note 12 and note 13.

Both the basic and diluted loss per share have been calculated using the loss as the numerator, i.e. no adjustment to the loss were necessary for the three and nine months ended September 30, 2023 and September 30, 2022 respectively.

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Loss for the period	\$ (11,630,104)	\$ (336,703)	\$ (13,235,314)	\$ (2,373,437)
Weighted average number of shares in circulation	309,562,548	216,324,566	247,737,227	209,008,696
Basic and diluted loss per share	\$ (0.04)	\$ (0.00)	\$ (0.05)	\$ (0.01)

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15. Mineral properties

La Parrilla Silver Mine

The La Parrilla Silver Mine is a complex consisting of five non-operational underground mines, a non-operational open pit mine and a 2,000 tonne per day processing facility located about 76 km southeast of the city of Durango, the capital of Durango State, and 225 km from Zacatecas city. The La Parrilla property consists of 41 contiguous mining concessions covering a total of 69,478 hectares. The La Parrilla Silver Mine is a complex consisting of five non-operational underground mines, a non-operational open pit mine and a 2,000 tonne per day processing facility located about 76 km southeast of the city of Durango, the capital of Durango State, and 225 km from Zacatecas city. The La Parrilla property consists of 41 contiguous mining concessions covering a total of 69,478 hectares.

Refer to note 4.

Mexico San Diego Property

The Company holds a 100% interest in the San Diego Property, Durango State, Mexico. Golden Minerals Company has a 2% net smelter return royalty on the property. This was the only mining property that the Company holds the rights to explore as at December 31, 2022.

16. Additional cash flow information

The changes in working capital items are as follows:

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Sales taxes receivable	\$ (3,854,972)	\$ (7,185)
Prepaid expenses	(532,230)	(52,026)
Inventories	4,338	-
Trade payables	314,033	(665,680)
Balance due to First Majestic	1,441,079	-
	\$ (2,627,752)	\$ (724,891)

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(Expressed in Canadian Dollars)

(Unaudited)

17. Related party transactions

The Company's related parties include private companies controlled by directors and joint key management, as described below. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel

Key management personnel of the Company are members of the Board of Directors as well as members of key management personnel.

Remuneration includes the following expenses:

	Three Months ended September 30, 2023	Three Months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Management and administration fees paid to private companies controlled by directors and officers	\$ 181,135	\$ 137,385	\$ 755,905	\$ 418,582
Professional fees paid to private companies controlled by directors and officers	6,438	8,636	40,468	78,003
Listing, filing and transfer agency fees paid to private companies controlled by officers	12,361	735	18,135	3,280
	\$ 199,934	\$ 146,756	\$ 814,508	\$ 499,865

Included in trade payables are amounts due to companies owned and controlled by key management personnel of \$43,587 and to directors of \$65,000 (December 31, 2022 - \$85,305 and \$65,000).

First Majestic acquired 143,673,684 common shares of the Company during 2023 as part of the Transaction (note 4) and 18,009,000 units issued during 2023 as part of the private placement (note 12(a)(ii)).

Of the 13,000,000 units issued during 2022 as part of the private placement (note 12(a)(i)(ii)), Eric Sprott, through 2176423 Ontario Ltd., a corporation beneficially controlled by him, subscribed for 4,000,000 units.

18. Contingencies and commitments

The Company's operations are subject to governmental laws and regulations regarding environmental protection. Environments' consequences, their impact and their duration are difficult to determine. To the best of its knowledge, management believes that the Company's operations are in compliance with all applicable laws and regulations. Provisions for estimated costs are recorded when environmental remedial efforts are likely and costs can be reasonably estimated.