NEVADA VANADIUM MINING CORP.
(Formerly 1324825 B.C. LTD.)

Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Nevada Vanadium Mining Corp. (the “Company”) have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity’s auditor.

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NEVADA VANADIUM MINING CORP. (formerly 1324825 B.C. LTD.)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars) (Unaudited)

	Notes	As at March 31, 2022	As at December 31, 2021
Assets			
Current assets			
Cash		$ 6,686	$ -
Due from related party	10	906,003	10
Prepaid expenses		2,172	-
		914,861	10
Non-current assets			
Equipment	6	62,216	-
Mineral properties	7	20,281,551	-
Total assets		$ 21,258,628	$ 10
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities	8	$ 515,293	$ 104,862
Total liabilities		515,293	104,862
Equity			
Share capital	9	21,193,000	10
Deficit		(449,665)	(104,862)
Total equity		20,743,335	(104,852)
Total liabilities and equity		$ 21,258,628	$ 10

Description of Business and Nature of Operations (Note 1)
Subsequent Events (Note 16)

Approved on behalf of the Board of Directors:

"John Lee"

John Lee, Director

"Greg Hall"

Greg Hall, Director

Vancouver, British Columbia

May 30, 2022

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

NEVADA VANADIUM MINING CORP. (formerly 1324825 B.C. LTD.)
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars) (Unaudited)

		Three Months Ended March 31, 2022
General and Administrative Expenses		
Advertising and promotion	$	17,650
Consulting and management fees		78,413
Depreciation		3,275
Office and administration		37,660
Professional fees		57,752
Salaries and benefits		135,386
Travel and accommodation		14,668
		(344,803)
Loss and Comprehensive Loss for Year	**$**	(344,803)
Loss per Common Share	$	(0.01)
Wighted Average Number of Common Shares Outstanding		41,758,242

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

NEVADA VANADIUM MINING CORP. (formerly 1324825 B.C. LTD.)
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars) (Unaudited)

	Number of Shares	Share Capital	Shares to be issued	Deficit	Total
Balance, Incorporation on December 21, 2021	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Shares issued on incorporation	100	10	-	-	10
Net loss and comprehensive loss for the period	-	-	-	(104,862)	(104,862)
Balance, December 31, 2021	100	$ 10	$ -	$ (104,862)	$ (104,852)
Share cancelled on completion of the Arrangement	(100)	(10)	-	-	(10)
Shares issued for property acquisition, note 9	50,000,000	20,000,000	-	-	20,000,000
Shares issuable, note 9	-	1,193,000	2,982,500	-	1,193,000
Net loss and comprehensive loss for the period	-	-	-	(344,803)	(344,803)
Balance, March 31, 2022	**50,000,000**	**$ 21,193,000**	**$ 2,982,500**	**$ (449,665)**	**$ 20,743,335**

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

NEVADA VANADIUM MINING CORP. (formerly 1324825 B.C. LTD.)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars) (Unaudited)

	Notes		Three Months Ended March 31, 2022
Operating Activities			
Net loss for year		$	(344,803)
Adjustments to reconcile net loss to net cash flows:			
Depreciation	6		3,274
			(341,529)
Changes to working capital items			
Prepaid expenses			(2,172)
Due from related party	10		(905,993)
Accounts Payable			220,597
Cashflows From Operating Activities			(1,029,097)
Investing Activities			
Mineral property expenditures	7		(157,217)
Cashflows From Investing Activities			(157,217)
Financing Activities			
Proceeds from share issuance	9		1,193,000
Cashflows From Financing Activities			1,193,000
Net decrease in cash			6,686
Cash - beginning of period			-
Cash - end of period		$	6,686

		March 31, 2022
Supplementary information		
Non-Cash Financing and Investing Activities		
Cancellation of founder shares	$	10
Mineral property expenditures included in accounts payable	$	82,439
Shares issued under the Arrangement	$	20,000,000

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

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Nevada Vanadium Mining Corp. (former 1324825 B.C. Ltd.) (the "Company", "Nevada Vanadium", or "VanadiumCo") was incorporated on September 17, 2021, under the laws of the province of British Columbia, Canada. The Company was incorporated as part of a plan of arrangement (the "Arrangement") to be the target company for certain mineral property assets that are to be spun out from Silver Elephant Mining Corp. ("ELEF" or "Silver Elephant"). The Company maintains its registered and records office at Suite 1610 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

The Company is an exploration stage enterprise in the mineral resource industry. The Company holds 100% interest in the Gibellini vanadium project in the State of Nevada, USA (the "Gibellini Project").

These condensed interim consolidated financial statements (the "Interim Financial Statements") have been prepared under the assumption that the Company is a going concern, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. As at March 31, 2022, the Company has a deficit of $449,665.

The business of mineral exploration involves a high degree of risk and there can be no assurance that the Company's current operations, including exploration programs, will result in profitable mining operations. The recoverability of the carrying value of mineral properties, and property and equipment interests and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise additional sources of funding, and/or, alternatively, upon the Company's ability to dispose of some or all of its interests on an advantageous basis. These conditions may cast significant doubt upon the Company's ability to continue as a going concern.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

Risks associated with Public Health Crises, including COVID-19

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics, pandemics or other health crises, such as the outbreak of COVID-19 that was designated as a pandemic by the World Health Organization on March 11, 2020. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, the current COVID-19 pandemic, and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Company's operations, and the operations of suppliers, contractors and service providers, including smelter and refining service providers, and the demand for the Company's production.

2. ARRANGEMENT AND TRANSFER OF ASSETS

On January 14, 2022, Silver Elephant Mining Corp. ("ELEF") completed a strategic reorganization of its business through a statutory plan of arrangement (the **"Arrangement**") under the Business Corporations Act (British Columbia) pursuant to which certain assets of ELEF were spun-out to the Company.

Pursuant to the Arrangement, the common shares of Silver Elephant Mining Corp. were consolidated on a 10:1 basis and each holder of common shares received in exchange for every 10 pre-Consolidation common shares held: (i) one post Consolidation common share of Silver Elephant Mining Corp.; (ii) one common share of Flying Nickel Mining Corp.; (iii) one common share of Nevada Vanadium Mining Corp., and (iv) two common shares of Battery Metals Royalties Corp.

Assets		
Mineral property		20,041,895
Liabilities		
Trade and other payables		(41,895)
Fair value of net assets contributed	$	20,000,000

Pursuant to the Arrangement, the Company issued 50,000,000 common shares in consideration for the net assets received which resulted in an increase of share capital amounting to $20,000,000 (Note 9). The fair value of the shares issued was based on the concurrent private placement unit price.

3. BASIS OF PRESENTATION

Statement of compliance and basis of preparation

These Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended December 31, 2021 ("Annual Financial Statements"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended December 31, 2021. These unaudited interim condensed financial statements follow the same accounting policies and methods of application as the Annual Financial Statements.

These Interim Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair values. These Interim Financial Statements are presented in Canadian Dollars, except where otherwise noted.

These Interim Financial Statements were approved and authorized for issue by the Audit Committee on May 26, 2022.

Basis of consolidation

The Interim Financial Statements comprise the financial statements of the Company and its wholly owned subsidiaries as at March 31, 2022. Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases. Effects of transactions between subsidiaries are eliminated on consolidation.

The Company's significant subsidiaries at March 31, 2022 are presented in the following table:

Subsidiary	Location	Ownership interest	Project owned
Nevada Vanadium LLC	Nevada, USA	100%	Gibellini
VC Exploration (US) Inc.	Nevada, USA	100%	Gibellini

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of a company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The Company bases its estimates and assumptions on current and various other factors that it believes to be reasonable under the circumstances. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows. The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

(a) Fair value measurement

The Company measures financial instruments at fair value at each reporting date. The fair values of financial instruments measured at amortized cost are disclosed in Note 11. Also, from time to time, the fair values of non-financial assets and liabilities are required to be determined, e.g., when the entity acquires a business, completes

an asset acquisition or where an entity measures the recoverable amount of an asset or cash-generating unit at fair value less costs of disposal. 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 of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Changes in estimates and assumptions about these inputs could affect the reported fair value.

(b) Contingencies

The assessment of contingencies involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against the Company and that may result in regulatory or government actions that may negatively impact the Company's business or operations, the Company and its legal counsel evaluate the perceived merits of the legal proceeding or unasserted claim or action as well as the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to recognize as a contingent liability or when assessing the impact on the carrying value of the Company's assets. Contingent assets are not recognized in the Interim Financial Statements.

(c) Impairment (recovery) assessment of deferred exploration interests

The Company considers both external and internal sources of information in assessing whether there are any indications that mineral property interests are impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of mineral property interest. Internal sources of information the Company considers include the manner in which mineral properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

(d) Depreciation

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation, depletion and amortization and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

(e) Going concern determination

The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment based on past experience and other assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to Note 1 for further information.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Net assets acquired under the plan of arrangement

Assets and liabilities acquired under the plan of arrangement have been assessed individually to determine their fair value under current market conditions. Fair value is measured with reference to the fair value of the equity issued as consideration. The Company believes that the valuation assumptions reflect a reasonable estimate of the fair value of each account or asset.

b) Leases

At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. We assess whether the contract involves the use of an identified asset, whether we have the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if we have the right to direct the use of the asset. At inception or on assessment of a contract that contains a lease component, we allocate the consideration in the contract to each lease component on the basis of their relative stand-alone prices. As a lessee, we recognize a right-of-use asset, which is included in property, plant and equipment, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability

A lease liability is 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 if that rate cannot be readily determined, our incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if we are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, and extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit (loss). We have elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit (loss) on a straight-line basis over the lease term.

The Company does not currently have any leases that satisfy the conditions under IFRS 16 – leases to record a right-of-use asset and corresponding lease liability. As at March 31, 2022, the Company has capitalized an amount of $2,383 related to short-term leases to mineral properties.

c) Financial instruments

Classification

Financial assets are classified at initial recognition as either: measured at amortized cost, FVTPL or fair value through other comprehensive income ("FVOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL.

Measurement

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in the consolidated statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in the consolidated statement of income (loss) and comprehensive income (loss) in the period in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's credit risk will be recognized in OCI. Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost, contract assets and debt instruments carried at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Please refer to Note 11 for relevant fair value measurement disclosures.

d) Mineral properties

Mineral property assets consist of exploration and evaluation costs. Costs directly related to the exploration and evaluation of resource properties are capitalized to mineral properties once the legal rights to explore the resource properties are acquired or obtained. These costs include acquisition of rights to explore, license and application fees, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Mineral properties are reviewed at least annually for indicators of impairment and are tested for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balances of the payments received are recorded as a gain on option or disposition of mineral property.

(i) Title to mineral properties

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title, nor has the Company insured title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(ii) Realization of mineral property assets

The investment in and expenditures on mineral property interests comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, and the attainment of successful production from properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into profitable producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

(iii) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental issues related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

e) 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.

Depreciation of equipment is recorded on a declining-balance basis at the following annual rates:

Furniture and equipment	20%
Mining equipment	20%
Vehicles	30%

(d) Foreign currency translation

Transactions in currencies other than the functional currency are recorded at the prevailing exchange rates on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the prevailing exchange rates at the date of the consolidated statement of financial position. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses arising from this translation are included in the determination of net gain or loss for the year.

(e) Unit offerings

Proceeds received on the issuance of units, consisting of common shares and 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.

(Expressed in Canadian Dollars) (Unaudited)

6. EQUIPMENT

	Furniture & Equipment	Vehicles	Professional Equipment	Total
Carrying amount at December 31, 2021	$ -	$ -	$ -	$ -
Cost				
Balance, December 31, 2021	$ -	$ -	$ -	$ -
Additions	933	53,217	11,340	65,490
Balance, March 31, 2022	$ 933	$ 53,217	$ 11,340	$ 65,490
Accumulated depreciation				
Balance, December 31, 2021	$ -	$ -	$ -	$ -
Depreciation for period	47	2,660	567	3,274
Balance, March 31, 2022	$ 47	$ 2,660	$ 567	$ 3,274
Carrying amount at March 31, 2022	$ 886	$ 50,557	$ 10,773	$ 62,216

7. MINERAL PROPERTIES

		Gibellini Project
Balance, December 31, 2021	**$**	**-**
Additions:		
Acquisition cost	$	20,041,895
Geological and consulting		239,656
Balance, December 31, 2020	**$**	**20,281,551**

Gibellini Project, Nevada, United States

On January 14, 2022, the Company issued 50,000,000 common shares in consideration for Gibellini Vanadium project mineral property assets and the assumption of certain liabilities related to the underlying assets. The fair value of Gibellini Project of $20,000,000 located in Nevada, USA pursuant to the Arrangement (Note 2). The Gibellini Project consists of a total of 587 unpatented lode mining claims that includes: the Gibellini group of 40 claims, the VC Exploration group of 105 claims, the Bisoni group of 201 claims and the Company group of 241 claims.

Gibellini Group

The Gibellini group of claims were acquired on June 22, 2017, by Silver Elephant 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”), Silver Elephant 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 Silver Elephant's option.

On April 19, 2018, the Gibellini MLA was amended to grant Silver Elephant 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 Silver Elephant in exchange for US$1,000,000, which will be deemed an Advance Royalty Payment (the "Transfer Payment"). A credit of US$99,027 in favour of the Company towards the Transfer Payment was paid upon the execution of the amendment, with a remaining balance of US$900,973 on the Transfer Payment due and payable by the Company to the Gibellini Lessor upon completion of transfer of the Transferred Claims from the Gibellini Lessor to Silver Elephant. The Advance Royalty Payment obligation and Production Royalty Payments will not be affected, reduced or relieved by the transfer of title.

On February 10, 2022, the Gibellini MLA was amended by assigning of the Lessee's interest by Silver Elephant to Nevada Vanadium Mining Corp.

The Bisoni Group

On September 18, 2020, Silver Elephant 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, Silver Elephant 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 a pound for 30 consecutive days, Silver Elephant 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.

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, the Company 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").

On October 22, 2018, Silver Elephant entered into a royalty agreement (the "Royalty Agreement") with the Former Louie Hill Lessors that replaced, on substantially similar terms, the Louie Hill MLA. The Royalty Agreement provides for the Company to pay the following royalties to the Former Louie Hill Lessors as an advance royalty: (i) US$75,000 upon the Company achieving Commercial Production (as defined in the Royalty Agreement) at the Gibellini Project; (ii) US$50,000 upon the Company 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/lb 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/lb 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.

(Expressed in Canadian Dollars) (Unaudited)

Further, the Company 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. The Company 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 the Company 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 the Company, its subsidiaries, or any of their permitted successors or assigns holds a valid and enforceable mining concession over the area.

8. ACCOUNTS PAYABLE

Accounts payable and accrued liabilities of the Company consist of amounts outstanding for trade and other purchases relating to development and exploration, along with administrative activities. The usual credit period taken for trade purchases is between 30 to 90 days.

	March 31, 2022	December 31, 2021
Accounts payable	$ 515,293	$ 104,862

9. SHARE CAPITAL

a) Authorized share capital

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value.

b) Issued share capital

On January 14, 2022, pursuant to the Arrangement, the Company issued 50,000,000 million common shares for acquisition of Gibellini property valued at $20,000,000.

On February 22, 2022, the Company announced a non-brokered private placement (the "Offering") of up to 10,000,000 of the units of the Company ("Units") at a price per Unit of $0.40 for aggregate gross proceeds of up to $4,000,000.

Each Unit consists of one common share in the capital of the Company (a "Share") and one Share purchase warrant (a "Warrant"). Each Warrant shall entitle the holder thereof to purchase one additional Share at a price of $0.50 at any time on or before the 36-month anniversary of the date of issuance of the Warrants. The Company has engaged Canaccord Genuity Corp. to act as its financial advisor for the offering and may compensate persons who act as finders in connection with the Offering. The Offering proceeds are expected to be used for the Company's mineral project development, application for stock exchange listing, and for general working capital purposes.

(Expressed in Canadian Dollars) (Unaudited)

As at March 31, 2022, gross proceeds received amounted to $1,193,000 for 2,982,500 units to be issued.

As at March 31, 2022, the Company had 50,000,000 common shares issued and outstanding.

10. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2022, 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 executive and non-executive directors. Key management personnel compensation is comprised of:

		Three Months Ended March 31,		
Related parties		2022		2021
Consulting and management fees	$	41,166	$	-
Salaries and benefits		61,755		-
	$	102,922	$	-

The Company has entered into a Mutual Management Service Agreement (the "Agreement") with Silver Elephant Mining Corp., pursuant to which the Companies will provide each other with general, technical and administrative services, as reasonably requested. The Due from related party balance as at March 31, 2022 represents the amount receivable from Silver Elephant of $906,003.

11. CAPITAL MANAGEMENT

The Company manages its capital structure, being its share capital, and makes adjustments to it based on the funds available to the Company in order to support future development activities. The Board of Directors does not establish quantitative returns on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

In order to further development activities, the Company will raise additional funds, as required. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS

a) Fair Value

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;

(Expressed in Canadian Dollars) (Unaudited)

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 to Level 3 inputs. The following table sets forth the Company's financial assets and financial liabilities measured at fair value by level within the fair value hierarchy.

	Level 1	Level 2	Level 3
Financial assets			
Cash, December 31, 2021	$ -	$ -	$ -
Cash, March 31, 2022	$ 6,686	$ -	$ -

Categories of financial instruments

The Company considers that the carrying amount of all its financial assets and financial liabilities measured at amortized cost approximates their fair value due to their short term nature. Restricted cash approximates fair value due to the nature of the instrument. 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, 2022.

The Company's financial assets and financial liabilities are categorized as follows:

	March 31, 2022	December 31, 2021
Financial assets:		
Fair value through profit or loss		
Cash	$ 6,686	$ -
Amortized cost		
Due from related party	906,003	10
	$ 912,689	$ 10
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 515,293	$ 104,862
	$ 515,293	$ 104,862

b) Financial risk management

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk primarily associated to and receivables. The carrying amount of financial assets included on the statements of financial position represents the maximum credit exposure.

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, 2022, the Company had $6,686 in cash and had accounts payable and accrued liabilities of $515,293, which have contractual maturities of 90 days or less.

Market Risk

The significant market risks to which the Company is exposed are interest rate risk and currency risk.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently has very limited cash and therefore is exposed to minimal interest rate risk.

(ii) Currency Risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has exploration project in USA and undertakes transaction in US dollars. 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, into its functional and reporting currency, the Canadian dollar. Based on the above, net exposures as at March 31, 2022, with other variables unchanged, a 10% strengthening (weakening) of the US dollar against the Canadian dollar would impact net loss with other variables unchanged by $51,000. The Company currently does not use any foreign exchange contracts to hedge this currency risk.

13. SUBSEQUENT EVENTS

The following events occurred subsequent to March 31, 2022:

- On May 20, 2022, the Company closed the first tranche of the Offering through the issuance of 3,032,500 common shares at a price of $0.40 per unit for aggregate gross proceeds from the first tranche of $1,213,000.

- In relation with the Offering, the Company issued 3,032,500 common share warrants at an exercise price of $0.50 per warrant and expiry date of May 20,2025.

- On April 6, 2022, the Company acquired Fish Creek Ranch property located in Eureka County, Nevada USA for an aggregate purchase price of USD 4,200,000. The Company paid USD 1,200,000 in cash and arranged a USD 3,000,000 loan with Cache Valley Bank. The loan a has five-year term, due April 6, 2027, and bears simple interest at 5.5% per annum payable annually. 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 the water supply.