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

Financial Statements
As at and for the Period from Incorporation on September 17, 2021 to December 31, 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Nevada Vanadium Mining Corp. (formerly 1324825 B.C. Ltd.)

Opinion

We have audited the accompanying financial statements of Nevada Vanadium Mining Corp. (the "Company") (formerly 1324825 B.C. Ltd.), which comprise the statement of financial position as at December 31, 2021, and the statement of loss and comprehensive loss, changes in deficiency, and cash flows for the period from incorporation on September 17, 2021 to December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that, as of that date, the Company has no operations and is reliant on Silver Elephant Mining Corp. ("ELEF") for all funding. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Dylan Connelly.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 29, 2022

Nevada Vanadium Mining Corp. (formerly 1324825 B.C. LTD.)
Statement of Financial Position
(Expressed in Canadian Dollars)

	Notes		As At December 31, 2021
Assets			
Due from related party		$	10
Total assets		$	10
Liabilities and Equity			
Current Liabilities			
Accounts payable and accrued liabilities	8	$	104,862
Total liabilities			104,862
Equity			
Share capital	7	$	10
Deficit			(104,862)
Total equity		$	(104,852)
Total liabilities and equity			10

Description of Business and Nature of Operations (Note 1)
Subsequent Events (Note 12)

Approved on behalf of the Board of Directors:

"John Lee"

John Lee, Director

"Greg Hall"

Greg Hall, Director

Vancouver, British Columbia

April 29, 2022

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

Nevada Vanadium Mining Corp. (formerly 1324825 B.C. LTD.)
Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes		Period from Incorporation on September 17, 2021 to December 31, 2021
Management fees	8	$	99,862
Professional fees			5,000
Loss and Comprehensive Loss for Period		**$**	**(104,862)**

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

Nevada Vanadium Mining Corp. (formerly 1324825 B.C. LTD.)
Statement of Changes in Deficiency
(Expressed in Canadian Dollars)

	Number of Shares Issued and Outstanding	Share Capital	Deficit	Total
Balance, Incorporation on September 17, 2021	**-**	$ -	$ -	$ -
Shares issued on Incorporation, note 7	100	10	-	10
Loss for Period		-	(104,862)	(104,862)
Balance, December 31, 2021	**100**	**$ 10**	**$ (104,862)**	**$ (104,852)**

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

Nevada Vanadium Mining Corp. (formerly 1324825 B.C. LTD.)
Statement of Cash Flows
(Expressed in Canadian Dollars)

	Notes		Period from Incorporation on September 17, 2021 to December 31, 2021
Operating Activities			
Net loss for period		$	(104,862)
Changes to working capital items			
Due from related party			(10)
Accounts payable and accrued liabilities	8		104,862
Cash Used in Operating Activities			(10)
Financing Activities			
Share subscription	7		10
Cash Provided by Financing Activities			10
Net increase in cash			-
Cash - beginning of period			-
Cash - end of period		**$**	-

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" 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"). The Company is a wholly owned subsidiary of ELEF. The Company maintains its registered and records office at Suite 1610 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

Following the completion of the proposed transaction described in Note 2, the Company will be an exploration stage enterprise in the mineral resource industry focused on the Gibellini Vanadium project.

To date, the Company has no operations and is reliant on ELEF for all funding. These conditions may cast significant doubt upon the Company's ability to continue as a going concern.

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

2. ARRANGEMENT AND TRANSFER OF ASSETS

As at December 31, 2021 ELEF was in the process of completing a strategic reorganization of the business through a statutory plan or arrangement (the **"Arrangement**") under the Business Corporations Act (British Columbia) dated November 8, 2021 pursuant to which it shall:

i. complete a consolidation of the outstanding share capital of ELEF whereby each 10 pre-consolidation ELEF share shall be exchanged for one post-consolidation ELEF share (completed – Note 12);
ii. transfer certain royalties presently held by ELEF in certain projects into RoyaltyCo (completed – Note 12);
iii. spin-out its Minago Nickel project mineral property assets ("Minago") into NickelCo (completed – Note 12);
iv. and spin-out its Nevada based Gibellini Vanadium project mineral property assets into VanadiumCo (completed – Note 12) (collectively, the "SpinCos" or "SpinCo").

ELEF will transfer assets, as described above, to each SpinCo in consideration for the following:

- NickelCo will purchase the Minago Project assets from ELEF in exchange for the issuance of 50,000,000 NickelCo shares and the assumption of certain liabilities related to the underlying assets;
- RoyaltyCo will purchase the royalties from ELEF in exchange for the issuance of 1,785,430 RoyaltyCo shares;
- VanadiumCo will purchase the Gibellini Project assets from ELEF in exchange for the issuance of 50,000,000 VanadiumCo shares and the assumption of certain liabilities related to the underlying assets;
- RoyaltyCo will purchase certain of the outstanding shares of both VanadiumCo and NickelCo in exchange for the issuance of RoyaltyCo shares.

2. ARRANGEMENT AND TRANSFER OF ASSETS (cont'd…)

Upon completion of the Arrangement:

i. the authorized share capital of ELEF shall be reorganized and its articles amended by the creation of an unlimited number of Class A Shares;
ii. and each ELEF shareholder will exchange each post-Consolidation ELEF share to receive: one share of each of NickelCo and VanadiumCo; two shares of RoyaltyCo; and one Class A share of ELEF

Holders of outstanding ELEF warrants and options after the Record Date will be entitled to receive, upon exercise of each such warrant and option at the same original exercise price and in accordance with the terms of such warrant and option, one share of each of NickelCo and VanadiumCo.; two shares of the RoyaltyCo (collectively, the "Reserved Shares"); and one Class A share of ELEF.

On December 22, 2021, the Company received shareholder approval of the Arrangement. On January 12, 2022, the Company received BC Supreme Court approval of the Arrangement. On January 14, 2022, the Company received regulatory approval and completed the Arrangement.

3. BASIS OF PRESENTATION

Statement of compliance and basis of preparation

These Annual Financial Statements have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting year ended December 31, 2021.

These Annual 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 Annual Financial Statements have been prepared using the accrual basis of accounting except for cash flow information. These Annual Financial Statements are presented in Canadian Dollars, except where otherwise noted.

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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 Annual Financial Statements.

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

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.

6. CHANGES IN ACCOUNTING POLICIES

Future Accounting Pronouncements

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Deferral of Effective Date. In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date.

These amendments:

- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On July 15, 2020, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2023 and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its financial statements.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

As at December 31, 2021, the Company had 100 common shares issued and outstanding.

8. RELATED PARTY TRANSACTIONS

The Company has entered into a Mutual Management Service Agreement (the "Agreement") with ELEF, which commenced December 1, 2021, pursuant to which ELEF will provide office space, furnishings and equipment, communications facilities, and personnel necessary for the Company to fulfill their basic day-to-day head office and executive responsibilities in a pro-rata cost-recovery basis. As at December 31, 2021, the balance due to ELEF for monthly services fees under the Agreement was $99,862 and is included in accounts payable and accrued liabilities.

9. INCOME TAXES

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

		2021		2020
Income (loss) for the year	$	(104,862)	$	-
Expected income tax (recovery)	$	(28,000)	$	-
Change in unrecognized deductible temporary differences		28,000		-
Total income tax expense (recovery)	**$**	**-**	**$**	**-**
Current income tax	**$**	**-**	**$**	**-**
Deferred income tax	**$**	**-**	**$**	**-**

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:

	2021	Expiry Date Range	2020	Expiry Date Range
Temporary Differences				
Non-capital losses available for future periods	105,000	2042	-	

Tax attributes are subject to review, and potential adjustment, by tax authorities.

10. 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.

11. 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;

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.

Categories of financial instruments

The Company considers that the carrying amount of all its financial liabilities measured at amortized cost approximates their fair value due to their short term nature of these instruments.

There are no financial instruments recorded at fair value through profit or loss (FVTPL) on the statements of financial position. The Company does not offset financial assets with financial liabilities. There were no transfers between Level 1, 2 and 3 for the year ended December 31, 2021.

The Company's financial liabilities are categorized as follows:

	December 31, 2021	
	Carrying value	Fair value
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	$ 104,862	$ 104,862

11. FINANCIAL INSTRUMENTS (cont'd…)

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. As at December 31, 2021, the Company had no financial assets and is not exposed to any credit risk.

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 December 31, 2021, the Company had $Nil in cash and had accounts payable and accrued liabilities of $104,862, 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 no 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. As at December 31, 2021, the Company had no financial instruments denominated in foreign currencies and is not exposed to any currency risk.

12. SUBSEQUENT EVENTS

The following events occurred subsequent to December 31, 2021:

- On January 14, 2022, Silver Elephant Mining Corp. completed the Arrangement. Pursuant to the Arrangement, the common shares of ELEF were consolidated on a 10:1 basis and each holder of common shares of ELEF 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 NickelCo; (iii) one common share of VanadiumCo and (iv) two common shares of RoyaltyCo.

- On January 14, 2022, pursuant to the Arrangement, the Company issued 50,000,000 shares in consideration for certain mineral property assets in the Gibellini Vanadium project.

- On February 22, 2022, the Company announced a non-brokered private placement of up to 10,000,000 units of the Company (the "Units") at a price of $0.40. Each Unit will consist of one common share of the Company and one share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one common share at an exercise price of $0.50 for a term of three years.