

**Storm Exploration Inc.**

**Condensed Interim Consolidated Financial Statements**

**Three Months ended June 30, 2023 and 2022**

**(Expressed in Canadian Dollars)**

### Notice of No Auditor Review of Interim Financial Statements

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

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed an audit or review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada.

## Storm Exploration Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at	June 30, 2023	March 31, 2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 44,077	\$ 255,784
Sales taxes recoverable	56,140	47,372
Prepaid expenses	72,055	151,340
<b>Total current assets</b>	<b>172,272</b>	<b>454,496</b>
<b>Total assets</b>	<b>\$ 172,272</b>	<b>\$ 454,496</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 327,622	\$ 214,994
Flow-through premium liability (note 4)	13,644	16,444
Instalment debt	6,807	55,368
<b>Total current liabilities</b>	<b>348,073</b>	<b>286,806</b>
<b>Equity</b>		
Share capital (note 5)	17,008,865	17,001,246
Contributed surplus	2,457,940	2,457,940
Deficit	(19,642,606)	(19,291,496)
<b>Total equity</b>	<b>(175,801)</b>	<b>167,690</b>
<b>Total liabilities and equity</b>	<b>\$ 172,272</b>	<b>\$ 454,496</b>

Nature of the Company and continuance of operations (note 1)

Subsequent events (note 7)

**On behalf of the Board of Directors:**

"Bruce Counts"

Director

"Lon Shaver"

Director

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

## Storm Exploration Inc.

Condensed Interim Consolidated Statements of Comprehensive Loss

For the three months ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

	2023	2022
<b>Expenses</b>		
Care and maintenance	\$ 12,077	\$ 12,728
Exploration and evaluation ( <i>note 3</i> )	59,891	983,945
Management and consulting fees	71,250	113,524
Marketing and corporate development	160,732	159,259
Office and general	14,847	16,904
Professional fees	25,000	17,167
Regulatory and shareholder services	8,373	10,025
Share-based payments ( <i>note 5</i> )	-	330,500
Travel	2,165	29,226
<b>Loss before other items</b>	<b>(354,335)</b>	<b>(1,673,278)</b>
<b>Other items</b>		
Foreign exchange loss (gain)	158	(8,679)
Interest income	(583)	(2,108)
Premium on flow-through shares ( <i>note 4</i> )	(2,800)	(25,218)
<b>Net Loss and comprehensive loss</b>	<b>\$ (351,110)</b>	<b>\$ (1,637,273)</b>
<b>Loss per share - basic and diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.05)</b>
<b>Weighted average number of common shares outstanding</b>	<b>41,612,277</b>	<b>30,266,317</b>

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

## Storm Exploration Inc.

Condensed Interim Consolidated Statements of Changes in Equity

For the three months ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus	Deficit	Total Equity
	Number of Shares	Amount			
<b>Balance, March 31, 2022</b>	<b>30,209,912</b>	<b>\$ 15,366,638</b>	<b>\$ 1,764,440</b>	<b>\$ (15,615,306)</b>	<b>\$ 1,515,772</b>
Shares issued for option payment	855,479	359,301	-	-	359,301
Share issuance costs	-	(3,000)	-	-	(3,000)
Share-based payments	-	-	330,500	-	330,500
Comprehensive loss	-	-	-	(1,637,273)	(1,637,273)
<b>Balance, June 30, 2022</b>	<b>31,065,391</b>	<b>\$ 15,722,939</b>	<b>\$ 2,094,940</b>	<b>\$ (17,252,579)</b>	<b>\$ 565,300</b>
<b>Balance, March 31, 2023</b>	<b>41,585,066</b>	<b>\$ 17,001,246</b>	<b>\$ 2,457,940</b>	<b>\$ (19,291,496)</b>	<b>\$ 167,690</b>
Shares issued for option payment ( <i>notes 3 &amp; 5</i> )	47,619	7,619	-	-	7,619
Comprehensive loss	-	-	-	(351,110)	(351,110)
<b>Balance, June 30, 2023</b>	<b>41,632,685</b>	<b>\$ 17,008,865</b>	<b>\$ 2,457,940</b>	<b>\$ (19,642,606)</b>	<b>\$ (175,801)</b>

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

## Storm Exploration Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the three months ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

	2023	2022
<b>Cash flow used in operating activities</b>		
Loss for the period	\$ (351,110)	\$ (1,637,273)
Items not affecting cash:		
Share-based payments ( <i>note 5</i> )	7,619	689,801
Premium on flow-through shares	(2,800)	(25,218)
	(346,291)	(972,690)
Non-cash working capital items ( <i>note 6</i> )	183,145	(447,848)
	(163,146)	(1,420,538)
<b>Cash flow used in financing activities</b>		
Repayment of instalment debt	(48,561)	-
Share issuance costs	-	(3,000)
	(48,561)	(3,000)
<b>Decrease in cash</b>	(211,707)	(1,423,538)
<b>Cash, beginning of year</b>	255,784	2,309,295
<b>Cash, end of period</b>	\$ 44,077	\$ 885,757

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

## **Storm Exploration Inc.**

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

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### **1. Nature of the Company and Continuance of Operations**

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Storm Exploration Inc. (“Storm” or the “Company”) was incorporated on February 25, 1986 in Alberta, Canada. In April 2014, it was continued from the jurisdiction of Alberta to British Columbia, Canada. On October 8, 2022 the Company changed its name to Storm Exploration Inc. from Lithoquest Resources Inc.

The Company is engaged in the acquisition and exploration of mineral properties. The Company’s head office is at 1480 - 885 W. Georgia Street, Vancouver, BC V6C 3E8.

The Company has not generated significant revenues or cash flows from operations and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. As at June 30, 2023, the Company had a working capital deficit of \$175,801. The Company has incurred negative cash flows from operations, recorded a loss of \$351,110 for the three months ended June 30, 2023, and has an accumulated deficit of \$19,642,606 as at June 30, 2023.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

### **2. Basis of Presentation**

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These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended March 31, 2023, prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s consolidated financial statements for the year ended March 31, 2023, unless otherwise stated.

These financial statements were authorized for issue by the Board of Directors of the Company on August 28, 2023.

## Storm Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements  
Three months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

### 3. Exploration and Evaluation Expenses

#### The Miminiska-Fort Hope Greenstone Belt Projects

The following is a summary of accumulated exploration and evaluation expenses:

<b>Balance, March 31, 2023</b>	<b>\$ 5,128,021</b>
Expenditures	32,272
<b>Balance, June 30, 2023</b>	<b>\$ 5,160,293</b>

The Miminiska-Fort Hope Greenstone Belt Projects are three district scale gold properties; Miminiska, Keezhik and Attwood, which cover more than 41,000 ha within the traditional territory of the Eabametoong First Nation in northwestern Ontario.

The transaction was accepted by the TSX Venture Exchange (the “TSX-V”) on June 24, 2021.

Table 1 -Option Payments for 100% interest in Miminiska and Keezhik properties

<b>Payment Date</b>	<b>Cash</b>	<b>Cash or Shares</b>
On signing of the Option Agreement (paid)	\$25,000	-
July 4, 2021 (paid)	\$100,000	-
6-month payment: December 24, 2021 (paid)	\$250,000	\$400,000
12-month payment: June 24, 2022 (paid)	\$250,000	\$500,000
19-month payment: January 24, 2023 (paid)	\$250,000	\$250,000
25-month payment: July 24, 2023 (subsequently extended - see note 7)	\$250,000	\$500,000
31-month payment: January 24, 2024 (subsequently extended - see note 7)	\$500,000	\$750,000
<b>Total</b>	<b>\$1,625,000</b>	<b>\$2,400,000</b>

#### Gold Standard Project

The following is a summary of accumulated exploration and evaluation expenses:

<b>Balance, March 31, 2023</b>	<b>\$ 460,592</b>
Option payment	27,619
<b>Balance, June 30, 2023</b>	<b>\$ 488,211</b>



## Storm Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements  
Three months ended June 30, 2023 and 2022  
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### 3. Exploration and Evaluation Expenses - continued

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#### Gold Standard Project - continued

On April 21, 2022, the Company entered into an Option Agreement with Messrs. Allan Onchulenko and Peter Gehrels (the “Vendors”) to acquire a 100% interest in the 615 ha Gold Standard property (the “Property”) located in northwest Ontario, for a purchase price of \$120,000 payable in a combination of cash and the Company’s common shares. The Company has also staked an additional 252 mineral claims surrounding the Property, bringing the total project area to 5,953 ha.

Under the terms of the Option Agreement, the Company will earn a 100% interest in the Property by making the scheduled payments defined in Table 2 to the Vendors. A convertible cash payment can either be made in cash or common shares of the Company, at the Company’s election. The Vendors will retain a 2% Net Smelter Royalty (“NSR”) on the original 615 ha Property and any claims acquired by the Company within a two-kilometre radius of the perimeter of the Property. The Company can buy back 1% of the NSR by paying the Vendors \$750,000 at any time.

The transaction was accepted by the TSX-V on May 10, 2022 (the “Effective Date”).

Table 2 - Option Payments for 100% interest in Gold Standard property

<b>Payment Date</b>	<b>Cash</b>	<b>Convertible Cash</b>
On signing of the LOI (paid)	\$5,000	Nil
10 days after the Effective Date (paid)	\$10,000	\$15,000
12 months after the Effective Date (paid)	\$20,000	\$20,000
24 months after the Effective Date	\$25,000	\$25,000
<b>Total</b>	<b>\$60,000</b>	<b>\$60,000</b>

On May 9, 2023, the Company paid the 12-month option payment due under the terms of the Option Agreement for the Gold Standard property by paying \$20,000 cash and issuing 47,619 common shares at a deemed price of \$0.42 per share to Messrs. Allan Onchulenko and Peter Gehrels. The shares were recorded at the fair market value at the time of issuance of \$0.16 per share.

#### North Kimberly Diamond Project

The North Kimberly Diamond Project remained on care and maintenance during the period.

### 4. Deferred Premium Liability

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The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is subsequently reduced and recorded in the consolidated statements of comprehensive loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred when it is the Company's intention to file the appropriate renunciation forms with the Canadian taxation authorities.

During the period, the Company incurred qualifying exploration expenditures totalling \$32,272 and \$2,800 deferred premium liability was recognized as income in the consolidated statements of comprehensive loss. The Company has an obligation to spend a further \$157,153 by December 31, 2023.

## Storm Exploration Inc.

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### 5. Share Capital

#### Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

#### Issued shares

On May 9, 2023, the Company issued 47,619 common shares at a deemed price of \$0.42 per share to Messrs. Allan Onchulenko and Peter Gehrels in connection with an option payment due under the Option Agreement for the Gold Standard property. The fair market value of the shares was \$0.16 per share for a total of \$7,619.

#### Stock Options

The continuity of share purchase options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, March 31, 2023	4,108,750	0.45
Expired	(50,000)	2.24
<b>Outstanding, June 30, 2023</b>	<b>4,058,750</b>	<b>\$ 0.43</b>

As at June 30, 2023, the following options were outstanding and exercisable:

Expiry Date	Remaining Contractual Life (in years)	Number of Options	Exercise Price
July 12, 2023	0.0	40,000	2.40
December 17, 2023	0.5	200,000	0.64
July 30, 2025	2.1	556,250	0.40
September 30, 2025	2.3	150,000	0.40
July 9, 2026	3.0	625,000	0.60
July 28, 2026	3.1	25,000	0.60
May 2, 2027	3.8	612,500	0.80
March 29, 2028	4.8	1,850,000	0.20
		<b>4,058,750</b>	

During the period the Company recognized \$nil (2022 - \$330,500) in share-based payments. As of June 30, 2023, all options issued under the Plan were fully vested.

## Storm Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements  
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### 5. Share Capital - continued

#### Warrants

The continuity of share purchase warrants is as follows:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
<b>Outstanding, March 31, 2023</b>	<b>10,206,071</b>	<b>\$ 0.44</b>
Expired	(198,825)	0.60
<b>Outstanding, June 30, 2023</b>	<b>10,007,246</b>	<b>\$ 0.36</b>

As at June 30, 2023, the following warrants were outstanding and exercisable:

<b>Expiry Date</b>	<b>Number of Warrants</b>	<b>Exercise Price</b>
March 21, 2024	<b>3,318,450</b>	<b>\$ 0.68</b>
January 24, 2025	<b>4,426,921</b>	<b>0.18</b>
June 30, 2025	<b>500,000</b>	<b>0.60</b>
June 30, 2025	<b>1,761,875</b>	<b>0.15</b>
	<b>10,007,246</b>	<b>\$ 0.36</b>

During the period, the Company amended a total of 2,261,875 outstanding share purchase warrants with an expiry date of June 30, 2023, such that the warrants' revised expiry date is June 30, 2025. Holders of 1,761,875 of those warrants agreed to have a revised exercise price of \$0.15 per common share and be subject to an acceleration clause. Holders of 500,000 of the warrants did not participate in the revised pricing and acceleration amendments and had only the expiry date amended. All other terms of the warrants will remain unchanged. A total of 198,825 finder warrants expired as scheduled on June 30, 2023 as these were not permitted to be extended under rules of the TSX-V.

## Storm Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

### 6. Additional Cash Flow Information

The net change in non-cash working capital consists of the following:

	<b>June 30, 2023</b>	June 30, 2022
Sales taxes recoverable	\$ (8,768)	\$ 29,534
Prepaid expenses	79,285	3,169
Accounts payable and accrued liabilities	112,628	(480,551)
	<b>\$ 183,145</b>	<b>\$ (447,848)</b>

### 7. Subsequent Events

On July 5, 2023 the Company announced that the Option Agreement with Landore Resources Canada Inc was amended to modify the payment due dates for the remaining payments by extending each by four months. The July 24, 2023 payment date was changed to November 24, 2023 and the January 24, 2024 payment due date was changed to May 24, 2024.

On July 12, 2023 the Company signed a Memorandum of Understanding (“MOU”) with the Naicatchewenin First Nation (the “NFN”) concerning the Company’s Gold Standard Project. The MOU establishes a framework for ongoing consultation with the NFN and provides the community with an opportunity to participate in the project through employment, training, and business development. Under the terms of the MOU, the Company will contribute to a community fund an amount that is proportional to its exploration expenditures, and over four years will issue common shares of Storm having a value of \$175,000, commencing with \$25,000 in common shares upon TSX-V acceptance.