

Storm Exploration Inc.

Condensed Interim Consolidated Financial Statements

Nine Months ended December 31, 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 | December 31, 2023 | March 31, 2023 |
|--|----------------------|-------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 24,817 | \$ 255,784 |
| Sales taxes recoverable | 12,811 | 47,372 |
| Prepaid expenses | 36,631 | 151,340 |
| Total current assets | 74,259 | 454,496 |
| Total assets | \$ 74,259 | \$ 454,496 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 801,355 | \$ 214,994 |
| Flow-through premium liability (note 4) | - | 16,444 |
| Instalment debt | - | 55,368 |
| Total current liabilities | 801,355 | 286,806 |
| Equity | | |
| Share capital (note 5) | 17,008,865 | 17,001,246 |
| Contributed surplus | 2,457,940 | 2,457,940 |
| Deficit | (20,193,901) | (19,291,496) |
| Total equity | (727,096) | 167,690 |
| Total liabilities and equity | \$ 74,259 | \$ 454,496 |

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 nine months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

| | Three Months | | Nine Months | |
|---|---------------------|---------------------|---------------------|-----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Expenses | | | | |
| Care and maintenance | \$ 9,917 | \$ 6,939 | \$ 30,785 | \$ 23,545 |
| Exploration and evaluation (<i>note 3</i>) | 132,911 | 287,649 | 239,578 | 1,318,072 |
| Management and consulting fees | 71,250 | 72,250 | 213,750 | 274,050 |
| Marketing and corporate development | 60,933 | 112,411 | 277,497 | 344,775 |
| Office and general | 17,069 | 17,905 | 45,180 | 47,568 |
| Professional fees | 10,833 | 1,278 | 57,649 | 49,445 |
| Regulatory and shareholder services | 2,503 | 2,627 | 15,363 | 16,619 |
| Share-based payments (<i>note 5</i>) | - | - | - | 330,500 |
| Travel | 27,452 | 51,229 | 39,297 | 94,884 |
| Loss before other items | (332,868) | (552,288) | (919,099) | (2,499,458) |
| Other items | | | | |
| Foreign exchange loss (gain) | 1,293 | 7,663 | 1,368 | (677) |
| Gain on settlement of debt | - | (147,016) | - | (147,016) |
| Interest income | - | (3,374) | (1,618) | (10,438) |
| Premium on flow-through shares (<i>note 4</i>) | (9,582) | (15,286) | (16,444) | (53,638) |
| Net loss and comprehensive loss | \$ (324,579) | \$ (394,275) | \$ (902,405) | \$ (2,287,689) |
| Loss per share - basic and diluted | \$ (0.01) | \$ (0.01) | \$ (0.02) | \$ (0.07) |
| Weighted average number of common shares outstanding | 41,632,685 | 31,065,391 | 41,625,932 | 30,800,970 |

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 nine months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

| | Share Capital | | Contributed Surplus | Deficit | Total Equity |
|---|---------------------|----------------------|------------------------|------------------------|---------------------|
| | Number of Shares | Amount | | | |
| Balance, March 31, 2022 | 30,209,912 | \$ 15,366,638 | \$ 1,764,440 | \$ (15,615,306) | \$ 1,515,772 |
| 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 | - | - | - | (2,287,689) | (2,287,689) |
| Balance, December 31, 2022 | 31,065,391 | \$ 15,722,939 | \$ 2,094,940 | \$ (17,902,995) | \$ (85,116) |
| Balance, March 31, 2023 | 41,585,066 | \$ 17,001,246 | \$ 2,457,940 | \$ (19,291,496) | \$ 167,690 |
| Shares issued for option payment (<i>notes 3 & 5</i>) | 47,619 | 7,619 | - | - | 7,619 |
| Comprehensive loss | - | - | - | (902,405) | (902,405) |
| Balance, December 31, 2023 | 41,632,685 | \$ 17,008,865 | \$ 2,457,940 | \$ (20,193,901) | \$ (727,096) |

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

Storm Exploration Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

| | 2023 | 2022 |
|--|------------------|--------------------|
| Cash flow used in operating activities | | |
| Loss for the period | \$ (902,405) | \$ (2,287,689) |
| Items not affecting cash: | | |
| Gain on settlement of debt | - | (147,016) |
| Premium on flow-through shares | (16,444) | (53,638) |
| Share-based payments (<i>note 5</i>) | 7,619 | 689,801 |
| | (911,230) | (1,798,542) |
| Non-cash working capital items (<i>note 6</i>) | 735,631 | (158,746) |
| | (175,599) | (1,957,288) |
| Cash flow used in financing activities | | |
| Repayment of instalment debt | (55,368) | - |
| Share issuance costs | - | (3,000) |
| | (55,368) | (3,000) |
| Decrease in cash | (230,967) | (1,960,288) |
| Cash, beginning of year | 255,784 | 2,309,295 |
| Cash, end of period | \$ 24,817 | \$ 349,007 |

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

Storm Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

1. Nature of the Company and Continuance of Operations

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 December 31, 2023, the Company had a working capital deficit of \$727,096. The Company has incurred negative cash flows from operations, recorded a loss of \$902,405 for the nine months ended December 31, 2023, and has an accumulated deficit of \$20,193,901 as at December 31, 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

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 February 23, 2024.

Storm Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended December 31, 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:

| | |
|-----------------------------------|---------------------|
| Balance, March 31, 2023 | \$ 5,128,021 |
| Expenditures | 186,659 |
| Balance, December 31, 2023 | \$ 5,314,680 |

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 Company is acquiring the Miminiska and Keezhik properties under the terms of an option agreement with Landore Resources Canada Inc. dated May 5, 2021 with subsequent amendments.

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

| Payment Date | Cash | Cash or Shares |
|--|--------------------|-----------------------|
| 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 |
| May 24, 2024 (see subsequent events note) | \$262,500 | \$525,000 |
| November 24, 2024 (see subsequent events note) | \$525,000 | \$787,500 |
| Total | \$1,662,500 | \$2,462,500 |

Gold Standard Project

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

| | |
|-----------------------------------|-------------------|
| Balance, March 31, 2023 | \$ 460,592 |
| Expenditures | 52,919 |
| Balance, December 31, 2023 | \$ 513,511 |

Storm Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. Exploration and Evaluation Expenses - continued

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

| Payment Date | Cash | Convertible Cash |
|---------------------------------------|-----------------|------------------|
| On signing of the LOI (paid) | \$5,000 | Nil |
| May 20, 2022 (paid) | \$10,000 | \$15,000 |
| 12 month payment: May 10, 2023 (paid) | \$20,000 | \$20,000 |
| 24 month payment: May 10, 2024 | \$25,000 | \$25,000 |
| Total | \$60,000 | \$60,000 |

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.

The Gold Standard property lies within the traditional territory of the Naicatchewenin and Nigigoonsiminikaaning First Nations. The Company has agreements in place with both groups. On July 12, 2023 and November 6, 2023, the Company signed Memorandums Of Understanding (“MOUs”) with the Naicatchewenin First Nation and the Nigigoonsiminikaaning First Nation concerning the Gold Standard Project. The MOUs establish a framework for ongoing consultation with both First Nations and provide the communities with an opportunity to participate in the project through employment, training, and business development. Under the terms of the MOUs, the Company will contribute to community funds for each First Nations an amount that is proportional to its exploration expenditures, and over four years in one case will issue common shares of Storm having a value of \$175,000, commencing with \$25,000 in common shares upon TSX-V acceptance and in the other case will issue 1,300,000 common shares of Storm, commencing with 100,000 common shares upon TSX-V acceptance.

Storm Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. Exploration and Evaluation Expenses - continued

North Kimberly Diamond Project

The tenements comprising the North Kimberly Diamond Project were surrendered effective December 12, 2023.

4. Deferred Premium Liability

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 \$209,958 and \$16,444 deferred premium liability was recognized as income in the consolidated statements of comprehensive loss. The Company has completed its spending obligations under flow-through share offerings.

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 | (290,000) | 1.16 |
| Outstanding, December 31, 2023 | 3,818,750 | \$ 0.43 |

Storm Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

5. Share Capital - continued

As at December 31, 2023, the following options were outstanding and exercisable:

| Expiry Date | Remaining Contractual Life (in years) | Number of Options | Exercise Price |
|--------------------|--|--------------------------|-----------------------|
| July 30, 2025 | 1.6 | 556,250 | 0.40 |
| September 30, 2025 | 1.8 | 150,000 | 0.40 |
| July 9, 2026 | 2.5 | 625,000 | 0.60 |
| July 28, 2026 | 2.6 | 25,000 | 0.60 |
| May 2, 2027 | 3.3 | 612,500 | 0.80 |
| March 29, 2028 | 4.2 | 1,850,000 | 0.25 |
| | | 3,818,750 | |

During the period the Company recognized \$nil (2022 - \$330,500) in share-based payments. As of December 31, 2023, all options issued under the Plan were fully vested.

Warrants

The continuity of share purchase warrants is as follows:

| | Number of Warrants | Weighted Average Exercise Price |
|---------------------------------------|---------------------------|--|
| Outstanding, March 31, 2023 | 10,206,071 | \$ 0.44 |
| Expired | (198,825) | 0.60 |
| Outstanding, December 31, 2023 | 10,007,246 | \$ 0.36 |

As at December 31, 2023, the following warrants were outstanding and exercisable:

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

Storm Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

5. Share Capital - continued

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.

6. Additional Cash Flow Information

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

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|----------------------|
| Sales taxes recoverable | \$ 34,561 | \$ 222,112 |
| Prepaid expenses | 114,709 | 53,407 |
| Accounts payable and accrued liabilities | 586,361 | (532,363) |
| Instalment debt | - | 98,098 |
| | \$ 735,631 | \$ (158,746) |

7. Subsequent Events

Subsequent to the period end, the Company and Landore amended the Option Agreement to acquire a 100% interest in the Miminiska and Keezhik Properties. The amendment modified the schedule of remaining option payments extending the payment dates for the final two instalments by six months to May 24, 2024 and November 24, 2024. The final two payments were increased by 5% however, the increase can be reduced to 2.5% if payment is made at least two months prior to the revised due date.

The amendment also added a requirement that the Company make a good faith payment of \$50,000 to Landore upon completion of \$1,500,000 of financings in aggregate, to be applied to the May 24, 2024 option payment.

The Company continues to work with the EFN in completing the remaining steps in the band's Community Consultation and Engagement Protocol and in finalizing an MOU.