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**Condensed Consolidated Interim Financial Statements  
Nine Months Ended January 31, 2023 and 2022  
(Expressed in Canadian Dollars)  
(Unaudited)**

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## **NOTICE OF NO AUDITOR REVIEW**

The accompanying unaudited condensed consolidated interim financial statements of the Company for the nine months ended January 31, 2023 and comparatives for the nine months ended January 31, 2022 were prepared by management and have not been reviewed or audited by the Company's auditors.

**Southern Silver Exploration Corp.**

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Comprehensive Loss

Nine Months Ended January 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

		Three Months Ended		Nine Months Ended	
	Note	January 31,		January 31,	
		2023	2022	2023	2022
<b>Expenses</b>					
Administration	6	\$ 15,000	\$ 15,000	\$ 35,000	\$ 45,000
Consulting	6	79,115	95,178	271,644	246,214
Exploration and evaluation	5 & 6	730,544	1,099,527	4,331,010	3,681,145
Investor relations	6	150,830	132,471	436,085	328,772
Office and general	6	20,812	12,597	61,278	35,865
Professional fees	6	146,734	51,764	296,717	193,568
Regulatory fees and taxes		3,676	29,963	27,642	61,886
Share-based payments	7	-	63,616	98,730	2,246,032
Shareholders' communications		-	2,538	17,036	18,255
Transfer agent		3,377	2,210	25,529	26,511
		<b>1,150,088</b>	<b>1,504,864</b>	<b>5,600,671</b>	<b>6,883,248</b>
<b>Foreign exchange loss</b>		15,045	(6,684)	49,228	172,017
<b>Other income</b>		(51,170)	(21,407)	(118,378)	(41,572)
		<b>(36,125)</b>	<b>(28,091)</b>	<b>(69,150)</b>	<b>130,445</b>
<b>Net Loss and Comprehensive Loss for the Period</b>		<b>\$ 1,113,963</b>	<b>\$ 1,476,773</b>	<b>\$ 5,531,521</b>	<b>\$ 7,013,693</b>
Loss per share		\$ 0.00	\$ 0.01	\$ 0.02	\$ 0.02
Weighted average number of common shares outstanding		291,546,757	291,534,893	291,546,757	281,213,297

*The accompanying notes form an integral part of these condensed consolidated interim financial statements*

**Southern Silver Exploration Corp.**

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars, Unaudited)

As at	Note	January 31, 2023	April 30, 2022
<b>Current Assets</b>			
Cash and cash equivalents		\$ 5,450,183	\$ 11,301,783
Taxes and other receivables		17,489	32,603
Prepays		102,826	254,044
		<b>5,570,498</b>	<b>11,588,430</b>
<b>Non-Current Assets</b>			
Reclamation bonds		142,191	136,945
Mineral properties	5	34,174,911	33,969,391
		<b>34,317,102</b>	<b>34,106,336</b>
		<b>\$ 39,887,600</b>	<b>\$ 45,694,766</b>
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		\$ 350,929	\$ 714,804
Due to related parties	6	21,525	32,025
		<b>372,454</b>	<b>746,829</b>
<b>Equity</b>			
Share capital	7	82,225,073	82,225,073
Share-based payments reserve		8,905,890	9,523,137
Other reserve		9,270	9,270
Deficit		(51,625,087)	(46,809,543)
		<b>39,515,146</b>	<b>44,947,937</b>
		<b>\$ 39,887,600</b>	<b>\$ 45,694,766</b>

Approved on behalf of the Board

"Lawrence Page"

Lawrence Page, Q.C.

"Gina Jones"

Gina Jones

*The accompanying notes form an integral part of these condensed consolidated interim financial statements*

## Southern Silver Exploration Corp.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Changes in Equity

Nine Months Ended January 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

	Share Capital		Share-based		Other Reserve	Deficit	Total
	Number of Shares	Amount	Payments Reserve				
<b>Balance as at April 30, 2021</b>	<b>248,034,504</b>	<b>\$ 66,408,385</b>	<b>\$ 7,225,459</b>	<b>\$ 9,270</b>	<b>\$ (37,818,928)</b>	<b>\$ 35,824,186</b>	
Issued							
Private placements	24,000,000	12,000,000	-	-	-	12,000,000	
Exercise of warrants	10,037,500	2,258,150	-	-	-	2,258,150	
Exercise of options	1,340,000	376,300	-	-	-	376,300	
Exercise of compensation options	35,875	7,175	-	-	-	7,175	
Asset acquisition	7,971,878	2,529,200	-	-	-	2,529,200	
Finders' units	127,000	57,150	9,576	-	-	66,726	
Share issue costs	-	(1,631,671)	395,090	-	-	(1,236,581)	
Fair value of warrants exercised	-	33,386	(33,386)	-	-	-	
Fair value of options exercised	-	306,893	(306,893)	-	-	-	
Fair value of compensation options exercised	-	12,741	(12,741)	-	-	-	
Share-based payments	-	-	2,246,032	-	-	2,246,032	
Net loss	-	-	-	-	(7,013,693)	(7,013,693)	
<b>Balance as at January 31, 2022</b>	<b>291,546,757</b>	<b>\$ 82,357,709</b>	<b>\$ 9,523,137</b>	<b>\$ 9,270</b>	<b>\$ (44,832,621)</b>	<b>\$ 47,057,495</b>	
<b>Balance as at April 30, 2022</b>	<b>291,546,757</b>	<b>\$ 82,225,073</b>	<b>\$ 9,523,137</b>	<b>\$ 9,270</b>	<b>\$ (46,809,543)</b>	<b>\$ 44,947,937</b>	
Fair value of options expired	-	-	(715,977)	-	715,977	-	
Share-based payments	-	-	98,730	-	-	98,730	
Net loss	-	-	-	-	(5,531,521)	(5,531,521)	
<b>Balance as at January 31, 2023</b>	<b>291,546,757</b>	<b>\$ 82,225,073</b>	<b>\$ 8,905,890</b>	<b>\$ 9,270</b>	<b>\$ (51,625,087)</b>	<b>39,515,146</b>	

*The accompanying notes form an integral part of these condensed consolidated interim financial statements*

**Southern Silver Exploration Corp.**

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Cash Flows

Nine Months Ended January 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

	2023	2022
<b>Operating Activities</b>		
Net loss	\$ (5,531,521)	\$ (7,013,693)
<b>Items not involving cash:</b>		
Share-based payments	98,730	2,246,032
Unrealized foreign exchange loss (gain)	(12,484)	156,369
	(5,445,275)	(4,611,292)
<b>Changes in non-cash working capital</b>		
Taxes and other receivables	15,114	(4,028)
Prepays	151,218	(192,125)
Accounts payable and accrued liabilities	(363,875)	(720)
Due to related parties	(10,500)	(12,022)
	(208,043)	(208,895)
<b>Cash Used in Operating Activities</b>	<b>(5,653,318)</b>	<b>(4,820,187)</b>
<b>Investing Activities</b>		
Mineral property acquisition	(205,520)	(329,188)
Reclamation bonds	-	(134,917)
Asset acquisition	-	(2,533,200)
<b>Cash Used in Investing Activities</b>	<b>(205,520)</b>	<b>(2,997,305)</b>
<b>Financing Activities</b>		
Proceeds from share issuance, net	-	13,471,770
<b>Cash Provided by Financing Activities</b>	<b>-</b>	<b>13,471,770</b>
<b>Foreign Exchange Effect on Cash</b>	<b>7,238</b>	<b>(8,072)</b>
<b>(Decrease) Increase in Cash and Cash Equivalents During the Period</b>	<b>(5,851,600)</b>	<b>5,646,206</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>11,301,783</b>	<b>7,759,447</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 5,450,183</b>	<b>\$ 13,405,653</b>
<b>Cash and cash equivalents consist of:</b>		
<b>Cash</b>	<b>\$ 916,484</b>	<b>\$ 13,405,653</b>
<b>Cash equivalents</b>	<b>\$ 4,533,699</b>	<b>\$ -</b>

Supplemental cash flow information (Note 8)

*The accompanying notes form an integral part of these condensed consolidated interim financial statements*

# Southern Silver Exploration Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended January 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

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## 1. Nature of Operations

Southern Silver Exploration Corp. (the "Company") is an exploration stage company incorporated under the laws of British Columbia, Canada. The Company's principal business activities include the acquisition, exploration, and development of natural resource properties for enhancement of value and disposition pursuant to sales agreements or development by way of third-party option and/or joint venture agreements. The Company's registered office is 1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, and establish future profitable operations, or realize proceeds from their sale. The carrying value of the Company's mineral properties does not reflect present or future value.

The economic uncertainties around persistent inflation pressure, geopolitical events and the lingering COVID-19 pandemic have the potential to slow growth in the global economy. Future developments in these challenging areas could impact on the Company's results and financial condition and the full extent of that impact remains unknown.

## 2. Basis of Preparation and Consolidation

These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting* on a historical cost basis, except for cash flow information and financial instruments measured at fair value. The financial statements of the Company consolidate entities controlled by the Company as follows:

Entity	Country of Incorporation	Principal Activity
Southern Silver Holdings Limited ("SSHL")	British Virgin Islands	Holding company - 100% owned by the Company
Minera Plata del Sur S.A de C.V. ("MPS")	Mexico	Mineral exploration - 100% owned by SSHL
Southern Silver Projects Limited ("SSPL")	British Virgin Islands	Holding company - 100% owned by the Company
Exploraciones Magistral S.A de C.V.	Mexico	Mineral exploration - 100% owned by SSPL
Southern Silver Exploration Corp. (US)	United States of America	Mineral exploration - 100% owned by the Company
Exploraciones Minasol S.A de C.V.	Mexico	Mineral exploration - 100% owned by the Company

All inter-company transactions and balances have been eliminated upon consolidation. The Company's functional and presentation currency is the Canadian dollar.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on March 21, 2023.

## Southern Silver Exploration Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended January 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

### 3. Summary of Significant Accounting Policies

The same accounting policies are used in the preparation of these condensed consolidated interim financial statements as for the most recent audited annual consolidated financial statements and reflect all the adjustments necessary for fair presentation in accordance with International Financial Reporting Standards of the results for the interim periods presented.

### 4. Financial Instruments

The Company's financial instruments include: cash and cash equivalents, other receivables and reclamation bonds which are classified as financial assets at amortized cost, and accounts payable and accrued liabilities and due to related parties, which are classified as financial liabilities at amortized cost. The carrying values of all of these instruments approximate their fair values due to the short period to maturity.

### 5. Mineral Properties

Mineral property acquisition costs as at January 31, 2023 were:

	Cerro Las Minitas	El Sol	Oro	Hermanas	Total
	\$	\$	\$	\$	\$
Balance as at April 30, 2021	32,936,837	132,200	425,452	58,342	33,552,831
Additions, net	37,862	252,410	126,288	-	416,560
Balance as at April 30, 2022	32,974,699	384,610	551,740	58,342	33,969,391
Additions, net	19,982	-	147,466	38,072	205,520
<b>Balance as at January 31, 2023</b>	<b>32,994,681</b>	<b>384,610</b>	<b>699,206</b>	<b>96,414</b>	<b>34,174,911</b>

#### (a) Cerro Las Minitas - Durango, Mexico

The property consists of a fully-owned interest in twenty-five mineral concessions located in Durango, Mexico. The Company has future and possible obligations as follows:

- On April 20, 2017, two contiguous concessions were acquired by staking. One of these claims is subject to a finder's fee whereby minimum periodic payments are due on a semi-annual basis accelerating from US \$5,000 to US \$25,000 over a ninety-six-month period and a 1% Net Smelter Royalty ("NSR") with such periodic payments being credited to NSR payments. Subsequent to payment of US \$5,000,000 in NSR payments the royalty is reduced to 0.5%.
- One additional concession may be acquired if the underlying owner can deliver registered title and by making a payment, excluding applicable local taxes, of US \$200,000.



## **Southern Silver Exploration Corp.**

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended January 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

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### **5. Mineral Properties, continued**

#### **(b) El Sol - Durango, Mexico**

The property consists of a fully-owned interest in certain mineral claims located in Durango, Mexico. The claims total 63 hectares and are situated contiguous with Cerro Las Minitas. The property is subject to a 2% NSR payable to the optionor who has granted the Company an option to purchase the NSR at any time for US\$1,000,000.

#### **(c) Oro - New Mexico, USA**

The property consists of certain unpatented mining claims in the Eureka Mining District, Grant County, New Mexico, eight patented lode mining claims, which are adjacent to these claims, and surface rights to a contiguous property. The property is subject to a 2% NSR payable to the optionors whom have granted the Company an option to purchase the NSR at any time in 0.5% increments at US \$500,000 for each increment.

Pursuant to a lease with option to purchase agreement dated May 1, 2011, as amended, the Company can earn a 100% interest in six unpatented lode mining claims also located in the Eureka Mining District, Grant County, New Mexico. Remaining lease payments are due as:

- (i) US \$30,000 annually until May 1, 2024 (paid in full to date); and
- (ii) US \$60,000 annually from May 1, 2025 to May 1, 2031.

The Company can purchase the property at any time by paying any amounts remaining under the lease, subject to a 1% NSR payable to the optionors, which terminates when aggregate payments thereunder equal US \$500,000.

#### **(d) Hermanas - New Mexico, USA**

On December 7, 2021, the Company entered into an agreement to purchase 83 lode claims in Luna County, New Mexico, approximately 40km east of the Oro property. Remaining Annual Minimum Royalty ("AMR") payments are due as:

- (i) US\$15,000 on October 15, 2022; (paid)
- (ii) US\$20,000 on October 15, 2023;
- (iii) US\$25,000 on October 15, 2024;
- (iv) US\$30,000 on October 15, 2025;
- (v) US\$35,000 on October 15, 2026; and
- (vi) US\$40,000 on October 15, 2027.

Upon payment of the above, the Company will have earned a full interest in the property. A minimum AMR of US\$50,000 will continue to be due each year commencing October 15, 2028. The property is subject to a 2% NSR payable to the optionor. Upon cumulative AMR and NSR payments totalling US\$10,000,000, the NSR is reduced to 1%.

## Southern Silver Exploration Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended January 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

### 5. Mineral Properties, continued

#### (e) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the nine months ended January 31, 2023 and 2022 were:

	Cerro Las Minitas		El Sol		Oro		Hermanas		Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Assays and geochemistry	189,725	268,868	-	-	158,246	7,318	23	566	347,994	276,752
Camp, utilities and supplies	140,390	163,695	-	9,352	18,273	7,178	-	-	158,663	180,225
Claim taxes	179,646	146,764	1,655	1,410	-	-	-	-	181,301	148,174
Drilling	427,618	1,378,385	-	371,178	1,991,450	-	-	-	2,419,068	1,749,563
Geological and geophysics	342,875	265,844	-	14,700	205,477	86,916	-	31,664	548,352	399,124
Project supervision	382,291	472,228	675	24,130	23,694	16,052	7,246	421	413,906	512,831
Travel	4,234	-	-	86,312	119,580	-	313	-	124,127	86,312
IVA	126,512	285,954	-	-	-	-	-	-	126,512	285,954
Other	7,611	6,482	-	-	3,476	27,925	-	7,803	11,087	42,210
	1,800,902	2,988,220	2,330	507,082	2,520,196	145,389	7,582	40,454	4,331,010	3,681,145

### 6. Related Party Balances and Transactions

Except as disclosed elsewhere, the Company entered into the following related party transactions:

(a) Pursuant to a service agreement between the Company and a private company controlled by a director and officer of the Company, until October 31, 2021, the Company was charged as:

- \$nil (2021 - \$30,000) for office space and general administration services;
- \$nil (2021 - \$18,150) for professional services;
- \$nil (2021 - \$27,641) for consulting services;
- \$nil (2021 - \$75,720) for investor relations services;
- \$nil (2021 - \$68,185) for geological services; and
- \$nil (2021 - \$3,821) for the mark-up on out-of-pocket expenses.

(b) Consultancy fees in the amount of \$117,000 (2022 - \$117,000) were charged by a company controlled by a director and officer of the Company. Amounts payable as at January 31, 2023 were \$13,650 (April 30, 2022 - \$13,650).

(c) Legal fees in the amount of \$nil (2022 - \$54,180) were charged by a company controlled by a director and officer of the Company and included in professional fees, share issue costs or mineral property expenditures / acquisitions as applicable.

(d) Legal fees in the amount of \$14,499 (2021 - \$12,180) were charged by a company controlled by an officer of the Company and included in professional fees, share issue costs or mineral property expenditures.

## Southern Silver Exploration Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended January 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

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### 6. Related Party Balances and Transactions, continued

- (e) Consultancy fees in the amount of \$22,500 (2022 - \$22,500) were charged by an officer of the Company for consulting services. Amounts payable as at January 31, 2023 were \$2,625 (April 30, 2022 - \$2,625).
- (f) Consultancy fees in the amount of \$45,000 (2022 - \$43,000) were charged by an officer of the Company for consulting services and included in consulting fees or mineral property expenditures as applicable. Amounts payable as at January 31, 2023 were \$5,250 (April 30, 2022 - \$5,250).
- (g) Consultancy fees in the amount of \$45,000 (2022 - \$20,000) were charged by a director of the Company for consulting services. Amounts payable as at January 31, 2023 were \$nil (April 30, 2022 - \$10,500).

These transactions were in the normal course of operations and were measured at the fair value of the services rendered. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

The key management personnel of the Company are the directors and officers of the Company. The Company has no long-term employee or post-employment benefits. Compensation awarded to key management, included in (b), (e), (f) and (g) above, was:

	2023	2022
Short-term benefits	\$ 229,500	\$ 202,500
Share-based payments	-	1,375,713
Total	\$ 229,500	\$ 1,578,213

One executive officer is entitled to termination benefits in the event of a change of control equal to thirty-six months compensation. Upon a change of control, and assuming the triggering event took place on the period-end date, the payment would have been \$468,000.

### 7. Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

#### (a) Equity Financings

*Nine months ended January 31, 2022*

On June 16, 2021, the Company closed a brokered private placement of 18,000,000 units at a price of \$0.50 per unit for gross proceeds of \$9,000,000. Each unit consists of one common share and one half of one share purchase warrant with each warrant exercisable to purchase one additional common share at an exercise price of \$0.75 per share for a period of two years.

## Southern Silver Exploration Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended January 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

### 7. Share Capital, continued

#### (a) Equity Financings, continued

The Company also issued 1,260,000 compensation options, whereby each option is exercisable for one unit at price of \$0.50 per unit. Each unit consists of one common share and one half of one share purchase warrant with each warrant exercisable to purchase one additional common share at an exercise price of \$0.75 per share for a period of two years. The Company also issued 360,000 finder's warrants, whereby each warrant is exercisable to purchase one common share at price of \$0.50 per share for a period of two years (Note 7(e)).

On June 21, 2021, the Company closed a non-brokered private placement of 6,000,000 units at a price of \$0.50 per unit for gross proceeds of \$3,000,000. Each unit consists of one common share and one half of one common share purchase warrant with each warrant exercisable to purchase one additional common share at a price of \$0.75 per share for a period of two years.

The Company also issued 127,000 finder's unit warrants and 240,000 finder's warrants whereby each unit and warrant have the same terms as contained in the private placement. The Company also issued 120,000 finder's warrants, whereby each warrant is exercisable to purchase one common share at price of \$0.50 per share for a period of two years (Note 7(e)).

#### (b) Stock Options

Stock options outstanding and exercisable as at January 31, 2023 were:

Exercise Price	Expiry Date	Balance			Balance
		April 30, 2022	Granted	Expired	January 31, 2023
\$0.34	October 2, 2022	2,450,000	-	2,450,000	-
\$0.34	February 1, 2023	150,000	-	-	150,000
\$0.17	September 27, 2023	520,000	-	-	520,000
\$0.27	October 1, 2024	2,950,000	-	-	2,950,000
\$0.20	December 20, 2024	100,000	-	-	100,000
\$0.12	April 3, 2025	1,500,000	-	-	1,500,000
\$0.51	September 24, 2025	9,500,000	-	-	9,500,000
\$0.58	October 19, 2025	100,000	-	-	100,000
\$0.50	February 11, 2026	200,000	-	-	200,000
\$0.40	August 13, 2026	200,000	-	-	200,000
\$0.31	September 29, 2026	10,050,000	-	-	10,050,000
\$0.48	November 5, 2023	100,000	-	-	100,000
\$0.29	December 6, 2024	300,000	-	-	300,000
\$0.335	May 5, 2024	-	150,000	-	150,000
\$0.255	May 24, 2025	-	500,000	-	500,000
\$0.17	September 1, 2023	-	200,000	-	200,000
		<b>28,120,000</b>	<b>850,000</b>	<b>2,450,000</b>	<b>26,520,000</b>
Weighted average exercise price		\$0.37	\$0.25	\$0.34	\$0.37
Weighted average remaining life in years		3.32			2.80

## Southern Silver Exploration Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended January 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

### 7. Share Capital, continued

#### (b) Stock Options, continued

On May 5, 2022, 150,000 fully-vested stock options were granted to a consultant at an exercise price of \$0.335 per share for a period of two years; on May 24, 2022, 500,000 fully-vested stock options were granted to a consultant at an exercise price of \$0.255 per share for a period of three years and on September 1, 2022, 200,000 fully-vested stock options were granted to an employee at an exercise price of \$0.17 per share for a period of one year.

The weighted average fair value of stock options exercised was \$nil (2022 - \$0.23) and expired was \$0.29 (2022 - \$nil).

#### (c) Share Purchase Warrants

Share purchase warrants outstanding as at January 31, 2023 were:

Exercise Price	Expiry Date	Balance		Balance January 31, 2023
		April 30, 2022	Expired	
\$0.55	June 13, 2022	6,372,500	6,372,500	-
\$0.55	August 31, 2022	1,170,000	1,170,000	-
\$0.55	September 29, 2022	1,254,500	1,254,500	-
\$0.25	August 13, 2024	9,525,262	-	9,525,262
\$0.25	September 4, 2024	4,447,600	-	4,447,600
\$0.35	* August 14, 2023	16,447,500	-	16,447,500
\$0.38	* August 14, 2023	9,258,977	-	9,258,977
\$0.50	September 11, 2023	1,200,000	-	1,200,000
\$0.75	June 16, 2023	9,000,000	-	9,000,000
\$0.50	June 16, 2023	360,000	-	360,000
\$0.75	June 21, 2023	3,303,500	-	3,303,500
\$0.50	June 21, 2023	120,000	-	120,000
		<b>62,459,839</b>	<b>8,797,000</b>	<b>53,662,839</b>
Weighted average exercise price		\$0.42	\$0.55	\$0.43
Weighted average remaining life in years		1.33		0.76

\* Exercise price is \$0.25 during the first year, increasing to \$0.30 in year two and \$0.35 in year three.

\*\* Exercise price is \$0.28 during the first year, increasing to \$0.33 in year two and \$0.38 in year three.

The weighted average fair value of share purchase warrants exercised was \$nil (2022 - \$0.33) and expired was \$nil (2022 - \$nil).

#### (d) Compensation Options

Compensation options outstanding and exercisable as at January 31, 2023 were:

## Southern Silver Exploration Corp.

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Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended January 31, 2023 and 2022

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### 7. Share Capital, continued

#### (d) Compensation Options, continued

Exercise Price	Expiry Date	Balance April 30, 2022	Balance January 31, 2023
\$0.20	August 14, 2023	2,130,418	2,130,418
\$0.50	June 16, 2023	1,260,000	1,260,000
		<b>3,390,418</b>	<b>3,390,418</b>
Weighted average exercise price		\$0.31	\$0.31
Weighted average remaining life in years		1.23	0.47

The weighted average fair value of compensation options exercised was \$nil (2022 - \$0.355).

#### (e) Fair Value Determination

The weighted average fair value of stock options granted was \$0.12 (2022 - \$0.21), compensation unit options granted was \$nil (2022 - \$0.20) and finders warrants issued was \$nil (2022 - \$0.19). Fair values were estimated using the Black-Scholes option pricing model and the Geske compound options pricing model with the following weighted average assumptions:

	2023	2022		
	Options	Options	Compensation Units	Finders' Warrants
Risk-free interest rate	2.85%	1.10%	0.36%	0.36%
Expected share price volatility	81.14%	83.13%	88.16%	88.16%
Expected life (years)	2.35	4.92	2.00	2.00
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

The expected volatility assumptions have been developed taking into consideration historical volatility of the Company's share price. The total calculated fair value of share-based payments recognized was as follows:

	2023	2022
Consolidated Statements of Comprehensive Loss		
Directors and officers	\$ -	\$ 1,375,713
Consultants	\$ 98,730	\$ 870,319
	98,730	2,246,032
Consolidated Statements of Changes in Equity		
Finders' warrants / units	-	404,666
Total	\$ 98,730	\$ 2,650,698

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### 8. Supplemental Cash Flow Information

	2023	2022
Cash items		
Interest received	\$ 118,290	\$ 41,541
Non-cash items		
Financing and Investing Activities		
Shares issued to extinguish liability	\$ -	\$ 2,529,200

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### 9. Segmented Information

The Company conducts its business as a single operating segment, being the acquisition and exploration of mineral properties. As at January 31, 2023, the Company's non-current assets were located in Mexico (\$33,379,291) and in the United States of America (\$937,811).

### 10. Events After the Reporting Period

Other than disclosed elsewhere, the following events occurred subsequent to January 31, 2023:

- On February 1, 2023, 150,000 stock options with an exercise price of \$0.34 per share, expired unexercised.
- On March 12, 2023, 200,000 stock options with an exercise price of \$0.27 per share originally expiring on October 1, 2024; 500,000 stock options with an exercise price of \$0.51 per share originally expiring on September 24, 2025; and 500,000 stock options with an exercise price of \$0.31 per share originally expiring on September 29, 2026 were cancelled.