



**Condensed Consolidated Interim Financial Statements
Three Months Ended July 31, 2026 and 2025
(Expressed in Canadian Dollars)
(Unaudited)**

Notice of no Auditor Review of Condensed Consolidated 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 interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim 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 a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Comprehensive Loss

Three Months Ended July 31, 2026 and 2025

(Expressed in Canadian Dollars, Unaudited)

	Note	Three months ended	
		July 31, 2026	July 31, 2025
		\$	\$
Administration	7	15,000	15,000
Consulting	7	168,691	150,952
Exploration and evaluation	6 & 7	1,141,360	553,819
Investor relations and corporate development	7	73,204	58,940
Office and general	7	34,033	14,719
Professional fees	7	120,954	196,231
Regulatory fees and taxes		13,285	17,245
Shareholders' communication		2,525	1,415
Transfer agent		11,689	10,006
		1,580,741	1,018,327
Foreign exchange		15,178	6,010
Interest and other income		(20,964)	(15,032)
Loss and comprehensive loss for the period		1,574,955	1,009,305
Loss per share - basic and diluted	8	-	-
Weighted average number of shares outstanding - basic and diluted	8	412,102,746	332,134,664

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)

	Note	July 31, 2026	April 30, 2026
		\$	\$
Assets			
Current			
Cash and cash equivalents	5	5,590,072	4,550,396
Other receivables		24,668	52,138
Prepaid expenses		244,821	146,513
		5,859,561	4,749,047
Non-current			
Reclamation bonds		247,234	239,390
Mineral properties	6	48,747,233	48,628,547
		48,994,467	48,867,937
		54,854,028	53,616,984
Liabilities			
Current			
Accounts payable and accrued liabilities		539,133	463,726
Due to related parties	7	63,795	59,003
		602,928	522,729
Shareholders' Equity			
Share capital	8	114,332,611	111,196,545
Share-based payments reserve	8	7,945,062	8,349,328
Other reserve		9,270	9,270
Deficit		(68,035,843)	(66,460,888)
		54,251,100	53,094,255
		54,854,028	53,616,984

Nature of Operations and Going Concern (Note 1)**Approved on behalf of the Board**"Lawrence Page"**Lawrence Page, K.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 Shareholders' Equity

Three Months Ended July 31, 2026 and 2025

(Expressed in Canadian Dollars, Unaudited)

	Share capital	Share capital	Share-based payments reserve	Other reserve	Deficit	Total
	Number	\$	\$		\$	\$
Balance, April 30, 2025	330,323,070	89,743,156	6,980,730	9,270	(58,744,734)	37,988,422
Issued						
Private Placement	55,555,557	13,333,333	1,666,667	-	-	15,000,000
Share issue costs	-	(1,566,479)	375,349	-	-	(1,191,130)
Fair value of options expired	-	-	(68,925)	-	68,925	-
Net loss	-	-	-	-	(1,009,305)	(1,009,305)
Balance, July 31, 2025	385,878,627	101,510,010	8,953,821	9,270	(59,685,114)	50,787,987
Balance, April 30, 2026	408,592,797	111,196,545	8,349,328	9,270	(66,460,888)	53,094,255
Issued						
Private Placement	4,000,181	2,200,100	-	-	-	2,200,100
Exercise of stock options	2,160,000	689,600	-	-	-	689,600
Exercise of warrants	5,280	1,584	-	-	-	1,584
Share issue costs	-	(216,588)	57,104	-	-	(159,484)
Fair value of options exercised	-	460,702	(460,702)	-	-	-
Fair value of warrants exercised	-	668	(668)	-	-	-
Net loss	-	-	-	-	(1,574,955)	(1,574,955)
Balance, July 31, 2026	414,758,258	114,332,611	7,945,062	9,270	(68,035,843)	54,251,100

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
Three Months Ended July 31, 2026 and 2025
(Expressed in Canadian Dollars, Unaudited)

	July 31, 2026	July 31, 2025
	\$	\$
Operating activities		
Net Loss	(1,574,955)	(1,009,305)
<i>Items not involving cash</i>		
Unrealized foreign exchange	2,643	(1,276)
<i>Changes in non-cash working capital</i>		
Other receivables	27,470	(22,606)
Prepaid expenses	(98,308)	9,922
Accounts payable and accrued liabilities	75,407	141,577
Due to related parties	4,792	21,047
Cash used in operating activities	(1,562,951)	(860,641)
Investing activity		
Mineral property acquisition costs, net	(118,686)	(48,811)
Cash used in investing activity	(118,686)	(48,811)
Financing activities		
Shares issued for cash	2,891,284	15,000,000
Share issuance costs	(159,484)	(1,191,130)
Cash provided by financing activities	2,731,800	13,808,870
Foreign exchange effect on cash	(10,487)	525
Change in cash during the period	1,039,676	12,899,943
Cash, beginning of period	4,550,396	3,458,479
Cash, end of period	5,590,072	16,358,422
Cash and cash equivalents consist of:		
Cash	2,934,076	14,423,112
Cash equivalents	2,655,996	1,935,310

Supplemental Cash Flow Information – Note 10

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

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.

These condensed consolidated interim financial statements are prepared on a going concern basis, which contemplates that the Company will continue operating for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. During the three months ended July 31, 2026, the Company incurred a net loss of \$1,574,955 (2025 - \$1,009,305) and, as of that date, had an accumulated deficit of \$68,035,843 (April 30, 2026 - \$66,460,888).

As at July 31, 2026, the Company does not have sufficient working capital to meet its administrative overheads and continue its exploration programs. The Company has relied mainly upon the issuance of share capital and short-term debt to finance its activities. Future capital requirements will depend on many factors including the Company’s ability to execute its business plan. In order to finance future activities, the Company will be required to raise further financing which may include issuing further share capital through private placements and the exercise of options and warrants or obtaining short-term debt. While the Company has been successful in the past in raising financing to fund its operations, there can be no assurance that such financing will be available to the Company or on favourable terms to the Company. These matters create material uncertainties which may cast significant doubt over the Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements do not include the adjustments to assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The economic uncertainties around persistent inflationary pressure, geopolitical and other global factors 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. As at July 31, 2026, the Company has not been significantly impacted directly by these matters.

2. Basis of Preparation and Consolidation

Statement of Compliance and Basis of Measurement

These condensed consolidated interim financial statements were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements, including IAS 34 - *Interim Financial Reporting*, using historical cost and the accrual basis, except for cash flow information and financial instruments measured at fair value.

2. Basis of Preparation and Consolidation, continued

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and subsidiary entities over which the Company has control. Control exists when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through the power over the entity. Subsidiary entities are fully consolidated from the date on which control is transferred to the Company and deconsolidated from the date that control ceases. Intercompany transactions, balances, income, and expenses on transactions between the Company's entities are eliminated upon consolidation.

The condensed consolidated interim financial statements of the Company include the following entities controlled by the Company:

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 SSLH
Southern Silver Projects Limited ("SSPL")	British Virgin Islands	Holding company - 100% owned by the Company
Southern Silver Exploration Corp. (US) ("SSV US")	United States of America	Mineral exploration - 100% owned by the Company
Exploraciones Minasol S.A de C.V. ("EMIN")	Mexico	Mineral exploration - 100% owned by the Company
Nazas Exploration Corp. ("NEC")*	Canada	Mineral exploration - 100% owned by the Company
Minera Reyterra S.A de C.V. ("MRT")	Mexico	Mineral exploration - 100% owned by NEC

* On May 11, 2026, NEC changed its name from Oropлата Resources Inc.

The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on September 25, 2026.

3. Summary of Material Accounting Policies

The same material 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 IFRS Accounting Standards of the results for the interim periods presented.

New Accounting Standards Adopted

In May 2024, the IASB issued certain amendments to IFRS 7, Financial Instruments: disclosures and IFRS 9, Financial Instruments. The Company considers the amendments relating to the classification and measurement of financial instruments to be the amendments applicable to its financial statements. Under those amendments, an entity shall recognise a financial asset or financial liability on the date on which it becomes party to the contractual provisions of the instrument. A financial asset is derecognized on the date on which the contractual rights to the cash flows expire or the asset is transferred. Unless an entity elects to apply a permitted derecognition exemption, a financial liability is derecognized on the settlement date, which is the date on which the liability is extinguished because the obligation specified in the contract is discharged, cancelled, or expires or the liability otherwise qualifies for derecognition.

3. Summary of Material Accounting Policies, continued

Under the liability derecognition exemption, an entity will derecognise a financial liability on the settlement date, when settling a financial liability (or part of a financial liability) in cash using an electronic payment system, an entity is permitted to deem the financial liability (or part of it) to be discharged before the settlement date if, and only if, the entity has initiated a payment instruction that resulted in:

- (i) the entity having no practical ability to withdraw, stop or cancel the payment instruction;
- (ii) the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- (iii) the settlement risk associated with the electronic payment system being insignificant.

These amendments to IFRS 7 and IFRS 9 were effective for the Company as of May 1, 2026 and were applied retrospectively. The adoption of this new standard had no material impact on these condensed consolidated interim financial statements.

Future Accounting Standards

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements (“IFRS 18”) to replace IAS 1 – Presentation of Financial Statements. This standard focuses on updates to the statement of profit or loss, including: (a) the structure of the statement of profit or loss; (b) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and (c) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. It will be effective for the Company for the annual period beginning May 1, 2027, and will be required to be applied retrospectively. The Company is currently assessing the effect of this new standard on its consolidated financial statements.

Apart from the IFRS 7, 9 and 18 amendments noted above, other new standards or amendments to existing standards issued but which have not yet been applied by the Company based on the effective date are not currently expected to have a material impact on the Company’s condensed consolidated interim financial statements.

4. Significant Accounting Estimates and Judgments

The preparation of condensed consolidated interim financial statements in conformity with IFRS Accounting Standards requires management to make estimates and judgments that affect amounts reported in the condensed consolidated interim financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and subject to measurement uncertainty. The effect on the condensed consolidated interim financial statements of changes in such estimates in future reporting periods could be significant.

Areas of significant judgement and estimates for the three months ended July 31, 2026 in the application of IFRS Accounting Standards that have a significant effect on these condensed consolidated interim financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Note 4 of the Company’s audited annual consolidated financial statements for the year ended April 30, 2026.

5. 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. Financial Instruments, continued

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, and market risks, which comprises interest rate risk, currency risk, and other price risk.

The Company's exposure to the other risks and its methods of managing these risks are summarized as follows:

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to managing its cash and cash equivalents. The Company's risk management policies require significant cash deposits, or any short-term investments, be invested with Canadian chartered banks rated BBB or better. All investments must be less than one year in duration. The maximum exposure to credit risk is the carrying value of the Company's cash and cash equivalents.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations, anticipated investing, and financing activities and through management of its capital structure. As at July 31, 2026, all financial liabilities are either due immediately or have contractual maturities of less than 90 days and, as of that date, the Company had working capital of \$5,256,633 (April 30, 2026 - \$4,226,318).

Interest Rate Risk

Interest rate risk is the risk that future cash flows or fair values will fluctuate as a result of changes in market interest rates. The Company has limited exposure at July 31, 2026 to interest rate risk. Cash equivalents consist of \$51,779 (April 30, 2026 - \$51,501) in a High Interest Saving Account which earns variable rates of interest and \$2,604,217 (April 30, 2026 - \$2,583,580) in a GIC with a fixed rate of interest of 3.275%, which was fully redeemable on December 8, 2025, and matured on September 8, 2026.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk to the extent expenditures incurred, funds received, and balances maintained by the Company are denominated in currencies other than the Canadian dollar (primarily US dollars and Mexican pesos). Although significant portions of exploration costs, and certain other overhead, are incurred in US dollars or other foreign currencies, the Company does not manage currency risks through hedging or other currency management tools. Therefore, the Company is exposed to currency risk to the extent of a strengthening or weakening of the Canadian dollar against other foreign currencies.

At July 31, 2026, the Company had net assets of \$506,325 (April 30, 2026 - \$263,482) (Canadian dollar equivalent) exposed to changes in foreign exchange rates. Based on this exposure as at July 31, 2026, a 5% change (April 30, 2026 - 5%) in exchange rates could give rise to a change in foreign exchange of approximately \$25,000 (April 30, 2026 - \$13,000).

5. Financial Instruments, continued

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

6. Mineral Properties

Mineral property acquisition costs as at July 31, 2026 were:

	<i>Mexico</i>			<i>USA</i>		
	Cerro Las Minitas	El Sol	Nazas	Oro	Hermanas	Total
	\$	\$	\$	\$	\$	\$
Balance, April 30, 2026	46,876,496	384,610	64,814	1,038,960	263,667	48,628,547
Additions	34,908	-	-	83,778	-	118,686
Balance, July 31, 2026	46,911,404	384,610	64,814	1,122,738	263,667	48,747,233

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:

- (i) 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. The royalty will be reduced to 0.5% subsequent to payment of US\$5,000,000 in NSR payments.
- (ii) 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.

On September 11, 2025, the Company entered into a Promise of Assignment of Rights Agreement (the "Promise Agreement") with a third party, for the option to acquire the Puro Corazon mining claim, located contiguous to the Cerro Las Minitas concessions, in consideration for a payment of US\$1,000,000 (paid). Pursuant to the Promise Agreement, the Company subsequently entered, on December 18, 2025, into an Assignment of Rights Agreement ("Assignment Agreement") to acquire the Puro Corazon claim through a series of cash payments to be made over a forty-month period with the first cash payment being US\$9,000,000 (paid) and four additional cash payments of US\$5,000,000 each payable on the first, second, third and fourth anniversaries of the Assignment Agreement.

El Sol - Durango, Mexico

The property consists of a fully owned interest in certain mineral claims located in Durango, Mexico. The claims total sixty-three 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.

6. Mineral Properties, continued

Nazas - Durango, Mexico

Pursuant to a letter agreement dated January 31, 2025, as amended, and subsequent formal option completed on December 12, 2025, the Company has the right to purchase a 100% interest in five claims located on the eastern flank of the Sierra Madre Occidental Mountain range in north-central Durango State, Mexico subsequent to the following:

Pre-production payments:

- (i) US\$15,000 on January 31, 2025 (paid);
- (ii) US\$15,000 (plus applicable Mexican tax) on signing the formal assignment (paid);
- (iii) US\$15,000 (plus applicable Mexican tax) on January 31, 2026 (paid);
- (iv) US\$20,000 (plus applicable Mexican tax) on July 31, 2026 (paid subsequent to period end);
- (v) US\$20,000 (plus applicable Mexican tax) on January 31, 2027;
- (vi) US\$20,000 (plus applicable Mexican tax) on July 31, 2027; and
- (vii) US\$25,000 (plus applicable Mexican tax) on January 31, 2028.

Reimbursement of concession right taxes:

- (i) US\$25,000 on January 31, 2025 (paid).

Completion of a minimum of 8,000 metres of drilling as follows:

- (i) 2,500 metres by January 31, 2027;
- (ii) 2,500 metres by January 31, 2028; and
- (iii) 3,000 metres by January 31, 2029.

Pre-production payments of US\$25,000 (plus applicable Mexican tax) will continue to be due each six months following January 31, 2028. The property is subject to a 2% NSR on the current claims, 1% NSR on any new claims acquired within an area of influence, and a 0.5% NSR on any third party owned lands acquired within the area of influence. The NSRs will be reduced by half upon cumulative pre-production payments and NSR payments totalling US\$10,000,000 (plus applicable Mexican tax).

In conjunction with the property acquisition agreement, the Company has agreed to enter into a consulting agreement with the vendors pursuant to which the vendors will provide technical advisory services with respect to Nazas as well as the Company's other Mexican properties in exchange for 100,000 common shares of the Company. The consulting agreement has not yet been finalized and is subject to TSX Venture Exchange acceptance.

Oro - New Mexico, USA

The property consists of certain unpatented mining claims in the Eureka Mining District, Grant County, New Mexico, patented lode mining claims, which are adjacent to these claims, and patented surface rights to a contiguous property. The property is subject to a 2% NSR payable to the optionors who 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. The Company has paid all required lease payments as of July 31, 2026. Remaining lease payments are US\$60,000 annually from May 1, 2027 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.

Southern Silver Exploration Corp.
(An Exploration Stage Company)
Notes to the Condensed Consolidated Interim Statements
Three Months Ended July 31, 2026 and 2025
(Expressed in Canadian Dollars, Unaudited)

6. Mineral Properties, continued

Hermanas – New Mexico, USA

Pursuant to an option agreement dated December 7, 2021, the Company has the right to purchase eighty-three lode claims in Luna County, New Mexico, east of the Oro property. Upon payment of Annual Minimum Royalty (“AMR”) payments, commencing at US\$15,000 on October 15, 2022 and increasing by US\$5,000 per annum until October 15, 2027, the Company will have earned a full interest in the property. The Company has paid all required AMR payments as of July 31, 2026. Remaining AMR payments are due as US\$35,000 on October 15, 2026 and US\$40,000 on October 15, 2027.

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. The NSR will be reduced to 1% upon completion of cumulative AMR and NSR payments totaling US\$10,000,000.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the three months ended July 31, 2026, and 2025 were:

	Cerro Las Minitas		El Sol		Nazas		Oro		Hermanas		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assays and analysis	11,577	56,091	-	-	-	-	-	-	-	-	11,577	56,091
Camp and supplies	115,522	48,759	-	-	-	-	-	-	-	-	115,522	48,759
Claim taxes	123,012	117,158	-	1,024	40,603	69,475	-	-	-	-	163,615	187,657
Drilling	338,904	-	1,159	-	-	-	-	-	-	-	340,063	-
Geological services	102,384	22,940	-	-	-	19,659	838	2,464	838	1,027	104,060	46,090
Project supervision	302,464	149,860	-	298	10,270	19,083	3,750	4,386	-	-	316,484	173,627
Travel	3,451	3,668	2,250	-	-	-	141	131	-	-	5,842	3,799
IVA	78,119	19,048	-	-	-	4,335	-	-	-	-	78,119	23,383
Other	-	-	327	-	-	-	-	-	-	-	327	-
	1,075,433	417,524	3,736	1,322	50,873	112,552	4,729	6,981	838	1,027	1,135,609	539,406
General											5,751	14,413
											1,141,360	553,819

7. Related Party Balances and Transactions

Except as disclosed elsewhere, the Company entered into the following related party transactions during the three months ended July 31, 2026, and 2025:

(a) Pursuant to a service agreement between the Company and Manex Resource Group Inc., a company indirectly controlled by Killian Ruby, an officer of the Company, the Company was charged as follows:

- \$15,000 (2025 - \$15,000) for office space and general administration services;
- \$nil (2025 - \$4,480) for professional services;
- \$nil (2025 - \$2,500) for Chief Financial Officer services;
- \$1,738 (2025 - \$10,436) for consulting services;
- \$35,156 (2025 - \$24,090) for corporate development services;
- \$30,962 (2025 - \$22,331) for geological services; and
- \$600 (2025 - \$981) for the mark-up on out-of-pocket expenses.

Amounts payable as at July 31, 2026 were \$22,160 (April 30, 2026 - \$20,665).

7. Related Party Balances and Transactions, continued

(b) Pursuant to a service agreement between the Company and Malaspina Consultants Inc., a company controlled by Killian Ruby, an officer of the Company, the Company was charged as follows:

- \$17,669 (2025 - \$18,306) for professional services;
- \$7,500 (2025 - \$5,000) for Chief Financial Officer services;
- \$165 (2025 - \$100) for software charges; and
- \$nil (2025 - \$80) for storage charges.

Amounts payable as at July 31, 2026 were \$10,035 (April 30, 2026 - \$9,184).

(c) Consultancy fees in the amount of \$39,000 (2025 - \$39,000) were charged by Advocate Services Limited, a company controlled by Lawrence Page, a director and officer of the Company.

(d) Consultancy fees in the amount of \$15,000 (2025 - \$15,000) were charged by Rob Macdonald, an officer of the Company, and were included in consulting fees or mineral property expenditures as applicable.

(e) Consultancy fees in the amount of \$15,000 (2025 - \$15,000) were charged by QDBS Resources Inc., a company controlled by Russell Ball, a director of the Company. Amounts payable, including expense claims, as at July 31, 2026 were \$19,004 (April 30, 2026 - \$18,962).

(f) Consultancy fees in the amount of \$21,018 (US\$15,000) (2025 - \$nil) were charged by Ramon T. Davila Flores, a director of the Company. Amounts payable as at July 31, 2026 were \$7,010 (US\$5,000) (April 30, 2026 - \$6,787 (US\$5,000)).

(g) Corporate Development fees in the amount of \$4,500 (2025 - \$4,500) were charged by John Oness, an officer of the Company.

(h) Legal fees in the amount of \$11,680 (2025 - \$44,180) were charged by Page Law Corporation, a company controlled by Arie Page, an officer of the Company, and included in professional fees, share issue costs or mineral property expenditures as applicable. Amounts payable as at July 31, 2026 were \$4,197 (April 30, 2026 - \$2,061).

(i) Office rent of \$1,388 (US\$990) (2025 - \$1,372 (US\$990)) was charged by Bravada Gold Corporation, a company with common directors. Amounts payable as at July 31, 2026 were \$1,388 (US\$990) (April 30, 2026 - \$1,344 (US\$990)).

These transactions were in the normal course of operations. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment. The Company has no long-term employee or post-employment benefits. Key management personnel of the Company are identified in (a) to (g) above and compensation awarded was:

	July 31, 2026 \$	July 31, 2025 \$
Short-term benefits	102,018	89,380
	102,018	89,380

7. Related Party Balances and Transactions, continued

Two executive officers, Lawrence Page and Rob Macdonald, are entitled to termination benefits in the event of a change of control. Lawrence Page is entitled to thirty-six months' compensation and Rob Macdonald is entitled to twenty-four months' compensation. Assuming the triggering event took place for a change of control on the period-end date, the payments would have been \$468,000 and \$120,000, respectively.

8. Share Capital

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

Equity Issuances

Three Months Ended July 31, 2026

On June 15, 2026, the Company closed a non-brokered private placement by issuing 4,000,181 common shares at a price of \$0.55 per common share for gross proceeds of \$2,200,100.

In connection with the financing, the Company issued 240,010 finder warrants, with each finder warrant exercisable to purchase one common share for a period of three years at an exercise price of \$0.70 per common share with a fair value of \$57,104. The Company also incurred finders' fees and other issue costs of \$159,484.

Three Months Ended July 31, 2025

On July 29, 2025, the Company closed a bought deal private placement by issuing 55,555,557 units at a price of \$0.27 per unit for gross proceeds of \$15,000,000. Each unit consisted of one common share and one-half of one warrant. Each whole warrant entitles the holder thereof to purchase one common share for a period of three years at an exercise price of \$0.40 per common share. The Company allocated \$13,333,333 of the proceeds to common shares and \$1,666,667 to warrants by applying the residual method.

In connection with this financing, the Company issued 3,266,613 broker warrants, with each broker warrant exercisable to purchase one common share for a period of three years at an exercise price of \$0.27 per common share with a fair value of \$375,349. The Company also incurred finders' fees and other issue costs of \$1,191,130 associated with this financing.

Share Purchase Warrants

Share purchase warrants outstanding as at July 31, 2026 were:

	Number of warrants	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, April 30, 2026	56,573,566	\$0.44	1.62
Issued	240,010	\$0.70	
Exercised	(5,280)	\$0.30	
Expired	(11,877,500)	\$0.75	
Balance, July 31, 2026	44,930,796	\$0.36	1.77

Southern Silver Exploration Corp.
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Notes to the Condensed Consolidated Interim Statements
Three Months Ended July 31, 2026 and 2025
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8. Share Capital, continued

Share Purchase Warrants, continued

Expiry date	Exercise price	Remaining life (years)	Warrants Outstanding
July 19, 2027	\$0.30	0.97	4,445,284
July 19, 2027	\$0.22	0.97	36,000
July 19, 2027	\$0.30	0.97	274,363
August 12, 2027 (Note 11)	\$0.30	1.03	2,239,750
August 12, 2027	\$0.30	1.03	36,000
August 29, 2027	\$0.30	1.08	480,750
August 29, 2027	\$0.30	1.08	28,761
February 24, 2028	\$0.28	1.57	7,397,167
February 24, 2028 (Note 11)	\$0.28	1.57	413,220
July 29, 2028	\$0.40	2.00	25,368,478
July 29, 2028	\$0.27	2.00	3,266,613
December 16, 2028	\$0.50	2.38	693,600
December 16, 2028	\$0.50	2.38	10,800
June 12, 2029	\$0.70	2.87	240,010
			44,930,796

The weighted average fair value of share purchase warrants exercised was \$0.13 (2025 - \$nil). The share price of share purchase warrants exercised was \$0.52 (2025 - \$nil).

Stock Options

Stock options outstanding and exercisable as at July 31, 2026 were:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, April 30, 2026	26,610,000	\$0.36	3.18
Exercised	(2,160,000)	\$0.32	
Balance, July 31, 2026	24,450,000	\$0.37	3.06

8. Share Capital, continued

Stock Options, continued

Expiry date	Exercise price	Remaining life (years)	Options Outstanding
August 13, 2026 (Note 11)	\$0.40	0.04	200,000
September 29, 2026 (Note 11)	\$0.31	0.16	4,900,000
September 29, 2026 (Note 11)	\$0.29	0.16	300,000
February 17, 2027	\$0.63	0.55	200,000
September 25, 2029	\$0.31	3.16	4,850,000
October 6, 2030 (Note 11)	\$0.41	4.19	13,000,000
October 23, 2030	\$0.36	4.23	1,000,000
			24,450,000

The weighted average fair value of stock options exercised was \$0.21 (2025 - \$nil) and stock options expired was \$nil (2025 - \$0.14). The weighted average share price of stock options exercised was \$0.53 (2025 - \$nil).

Fair Value Determination

The weighted average fair value of finders' warrants issued was \$0.24 (2025 - \$0.11). Fair values were estimated using the Black-Scholes option pricing model with the following weighted average assumptions whereby the expected volatility assumptions have been developed taking into consideration the historical volatility of the Company's share price:

	Finders' Warrants	
	2026	2025
Risk-free interest rate	2.86%	2.78%
Expected volatility	84.33%	75.67%
Expected life in years	3.00	3.00
Expected dividend yield	0.00%	0.00%

Diluted Loss per Share

Excluded from the calculation of diluted loss per share were 24,450,000 stock options and 44,930,796 share purchase warrants (2025 - 24,950,000 stock options and 87,743,813 share purchase warrants), that could potentially dilute basic earnings per share in the future but were not included as being antidilutive for each of the three-month periods ended July 31, 2026 and 2025.

9. Segmented Information

The Company conducts its business as a single operating segment, being the acquisition and exploration of mineral properties. As at July 31, 2026, the Company's non-current assets were located in Mexico as to \$47,360,828 (April 30, 2026 - \$47,325,920) and in the United States of America as to \$1,633,639 (April 30, 2026 - \$1,542,017).

10. Supplemental Cash Flow Information

	July 31, 2026	July 31, 2025
	\$	\$
<i>Cash:</i>		
Interest received	20,964	15,032
<i>Financing Activities:</i>		
Fair value of options exercised	460,702	-
Fair value of options expired	-	68,925
Fair value of warrants issued	57,104	375,349
Fair value of warrants exercised	668	-

11. Events After the Reporting Period

Other than disclosed elsewhere, the following events occurred subsequent to July 31, 2026:

- Between August and September 2026, 300,000 stock options exercisable at \$0.29 per common share, 4,280,000 stock options exercisable at \$0.31 per common share and 400,000 stock options exercisable at \$0.41 per common share were exercised for total gross proceeds of \$1,577,800.
- On August 13, 2026, 200,000 stock options exercisable at \$0.40 per common share expired unexercised.
- Between August and September 2026, 18,000 common share purchase warrants exercisable at \$0.28 per common share and 245,500 common share purchase warrants exercisable at \$0.30 per common share were exercised for gross proceeds of \$78,690.