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**Condensed Consolidated Interim Financial Statements
Three Months Ended July 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 three months ended July 31, 2023 and comparatives for the three months ended July 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

Three Months Ended July 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

	Note	2023	2022
Expenses			
Administration	6	\$ 15,000	\$ 15,000
Consulting	6	64,380	86,236
Exploration and evaluation	5 & 6	584,360	1,909,783
Investor relations	6	96,031	132,976
Office and general	6	9,414	16,925
Professional fees	6	97,810	47,201
Regulatory fees and taxes		14,899	15,804
Share-based payments	7	-	88,781
Shareholders' communications		2,481	3,629
Transfer agent		14,893	5,418
		899,268	2,321,753
Foreign exchange loss		6,139	11,455
Other income		(50,306)	(34,815)
		(44,167)	(23,360)
Net Loss and Comprehensive Loss for the Period		\$ 855,101	\$ 2,298,393
Loss per share		\$ 0.00	\$ 0.01
Weighted average number of common shares outstanding		291,546,747	291,546,747

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	July 31, 2023	April 30, 2023
Current Assets			
Cash and cash equivalents	\$	3,616,181	\$ 4,670,767
Taxes and other receivables		17,349	24,233
Prepays		179,334	146,346
		3,812,864	4,841,346
Non-Current Assets			
Reclamation bonds		140,389	145,582
Mineral properties	5	34,276,900	34,220,574
		34,417,289	34,366,156
	\$	38,230,153	\$ 39,207,502
Current Liabilities			
Accounts payable and accrued liabilities	\$	324,677	\$ 442,911
Due to related parties	6	40,140	44,154
		364,817	487,065
Equity			
Share capital	7	82,225,073	82,225,073
Share-based payments reserve		8,109,880	8,514,546
Other reserve		9,270	9,270
Deficit		(52,478,887)	(52,028,452)
		37,865,336	38,720,437
	\$	38,230,153	\$ 39,207,502

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 Equity

Three Months Ended July 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

	Share Capital Number of Shares	Share Capital Amount	Share-based Payments Reserve	Other Reserve	Deficit	Total
Balance as at April 30, 2022	291,546,757	\$ 82,225,073	\$ 9,523,137	\$ 9,270	\$ (46,809,543)	\$ 44,947,937
Share-based payments	-	-	88,781	-	-	88,781
Net loss	-	-	-	-	(2,298,393)	(2,298,393)
Balance as at July 31, 2022	291,546,757	\$ 82,225,073	\$ 9,611,918	\$ 9,270	\$ (49,107,936)	42,738,325
Balance as at April 30, 2023	291,546,757	\$ 82,225,073	\$ 8,514,546	\$ 9,270	\$ (52,028,452)	\$ 38,720,437
Fair value of warrants expired	-	-	(151,333)	-	151,333	-
Fair value of compensation options expired	-	-	(253,333)	-	253,333	-
Net loss	-	-	-	-	(855,101)	(855,101)
Balance as at July 31, 2023	291,546,757	\$ 82,225,073	\$ 8,109,880	\$ 9,270	\$ (52,478,887)	37,865,336

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, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

	2023	2022
Operating Activities		
Net loss	\$ (855,101)	\$ (2,298,393)
Items not involving cash:		
Share-based payments	-	88,781
Unrealized foreign exchange loss (gain)	1,952	622
	(853,149)	(2,208,990)
Changes in non-cash working capital		
Taxes and other receivables	6,884	1,809
Prepays	(32,988)	71,195
Accounts payable and accrued liabilities	(118,234)	(178,179)
Due to related parties	(4,014)	(10,500)
	(148,352)	(115,675)
Cash Used in Operating Activities	(1,001,501)	(2,324,665)
Investing Activities		
Mineral property acquisition	(56,326)	(38,754)
Cash Used in Investing Activities	(56,326)	(38,754)
Foreign Exchange Effect on Cash	3,241	(259)
Decrease in Cash and Cash Equivalents During the Period	(1,054,586)	(2,363,678)
Cash and Cash Equivalents, Beginning of Period	4,670,767	11,301,783
Cash and Cash Equivalents, End of Period	\$ 3,616,181	\$ 8,938,105
Cash and cash equivalents consist of:		
Cash	\$ 684,998	\$ 2,938,105
Cash equivalents	\$ 2,931,183	\$ 6,000,000

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

Three Months Ended July 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

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 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. However, as at July 31, 2023, the Company has not been significantly impacted by these matters.

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 September 26, 2023.

Southern Silver Exploration Corp.

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Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

3. Summary of Significant Accounting Policies

With the exception of below, 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.

Share Capital

Proceeds from the issue of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants. Share issue costs are netted against share proceeds prorated to common shares and share purchase warrants. In the event of modification of warrants issued as part of private placement units, no re-measurement adjustment is recognized within equity.

4. Financial Instruments

The Company's financial instruments include: cash and cash equivalents, other receivables and reclamation bond 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 July 31, 2023 were:

	Cerro Las				
	Minitas	El Sol	Oro	Hermanas	Total
	\$	\$	\$	\$	\$
Balance as at April 30, 2022	32,974,699	384,610	551,740	58,342	33,969,391
Additions, net	47,104	-	166,007	38,072	251,183
Balance as at April 30, 2023	33,021,803	384,610	717,747	96,414	34,220,574
Additions, net	-	-	56,326	-	56,326
Balance as at July 31, 2023	33,021,803	384,610	774,073	96,414	34,276,900

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Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

5. Mineral Properties, continued

(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.

(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 (2023 - paid); 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.

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Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

5. Mineral Properties, continued

(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, east of the Oro property. Remaining Annual Minimum Royalty ("AMR") payments are due as:

- (i) US \$20,000 on October 15, 2023;
- (ii) US \$25,000 on October 15, 2024;
- (iii) US \$30,000 on October 15, 2025;
- (iv) US \$35,000 on October 15, 2026; and
- (v) 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 totaling US \$10,000,000, the NSR is reduced to 1%.

(e) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the three months ended July 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	5,057	83,121	-	-	26,719	29,328	-	23	31,776	112,472
Camp, utilities and supplies	63,799	65,951	-	-	-	4,632	-	-	63,799	70,583
Claim taxes	116,654	82,058	-	746	-	-	-	-	116,654	82,804
Drilling	-	474,656	-	-	-	687,155	-	-	-	1,161,811
Geological and geophysics	183,672	107,279	-	-	19,490	77,347	7,742	579	210,904	185,205
Project supervision	118,002	139,275	100	675	12,890	6,163	179	-	131,171	146,113
Travel	2,316	4,234	-	-	5,569	44,214	2,628	-	10,513	48,448
IVA	17,658	97,711	-	-	-	-	-	-	17,658	97,711
Other	1,792	2,318	-	-	-	2,318	93	-	1,885	4,636
	508,950	1,056,603	100	1,421	64,668	851,157	10,642	602	584,360	1,909,783

Southern Silver Exploration Corp.

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Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

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 an officer of the Company, effective April 1, 2023, the Company was charged as follows:

- \$15,000 (2022 - \$nil) for office space and general administration services;
- \$5,913 (2022 - \$nil) for professional services;
- \$4,500 (2022 - \$nil) for Chief Financial Officer services;
- \$2,880 (2022 - \$nil) for consulting services;
- \$29,190 (2022 - \$nil) for corporate development services;
- \$24,265 (2022 - \$nil) for geological services; and
- \$2,003 (2022 - \$nil) for the mark-up on out-of-pocket expenses.

Amounts payable as at July 31, 2023 were \$20,255 (April 30, 2023 - \$22,768).

(b) Consultancy fees in the amount of \$39,000 (2022 - \$39,000) were charged by a company controlled by a director and officer of the Company. Amounts payable as at July 31, 2023 were \$13,650 (April 30, 2023 - \$13,650).

(c) Legal fees in the amount of \$2,420 (2022 - \$3,019) were charged by a company controlled by an officer of the Company and included in professional fees, share issue costs, or mineral property expenditures. Amounts payable as at July 31, 2023 were \$986 (April 30, 2023 - \$2,486).

(d) Consultancy fees in the amount of \$nil (2022 - \$7,500) were charged by an officer of the Company for consulting services.

(e) Consultancy fees in the amount of \$15,000 (2022 - \$15,000) 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 July 31, 2023 were \$5,250 (April 30, 2023 - \$5,250).

(f) Consultancy fees in the amount of \$15,000 (2022 - \$15,000) were charged by a director of the Company for consulting services.

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 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 (a), (b), (d), (e) and (f) above, was:

	2023	2022
Short-term benefits	\$ 73,500	\$ 76,500
Total	\$ 73,500	\$ 76,500

Southern Silver Exploration Corp.

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Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

6. Related Party Balances and Transactions, continued

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) Share Purchase Warrants

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

Exercise Price	Expiry Date	Balance		Balance July 31, 2023
		April 30, 2023	Expired	
\$0.50	June 16, 2023	360,000	360,000	-
\$0.75	June 21, 2023	303,500	303,500	-
\$0.50	June 21, 2023	120,000	120,000	-
\$0.35	August 14, 2023	850,000	-	850,000
\$0.38	August 14, 2023	756,000	-	756,000
\$0.25	August 13, 2024	9,337,500	-	9,337,500
\$0.25	August 13, 2024	187,762	-	187,762
\$0.25	September 4, 2024	4,400,000	-	4,400,000
\$0.25	September 4, 2024	47,600	-	47,600
\$0.35	* August 14, 2025	15,597,500	-	15,597,500
\$0.38	* August 14, 2025	8,502,977	-	8,502,977
\$0.50	* September 11, 2025	1,200,000	-	1,200,000
\$0.75	** June 16, 2026	9,000,000	-	9,000,000
\$0.75	** June 21, 2026	3,000,000	-	3,000,000
		53,662,839	783,500	52,879,339
Weighted average exercise price		\$0.43	\$0.60	\$0.42
Weighted average remaining life in years		0.52		1.91

* Expiry date extended two years during May 2023**

** Expiry date extended three years during May 2023**

*** The extended warrants are accounted for as equity instruments, accordingly no amounts were recorded as a result of extending their expiry dates.

The weighted average fair value of share purchase warrants expired was \$0.19 (2022 - \$nil).

Southern Silver Exploration Corp.

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Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

7. Share Capital, continued

(b) Stock Options

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

Exercise Price	Expiry Date	Balance April 30, 2023	Balance July 31, 2023
\$0.17	September 1, 2023	200,000	200,000
\$0.17	September 27, 2023	520,000	520,000
\$0.48	November 5, 2023	100,000	100,000
\$0.335	May 5, 2024	150,000	150,000
\$0.27	October 1, 2024	2,750,000	2,750,000
\$0.29	December 6, 2024	300,000	300,000
\$0.20	December 20, 2024	100,000	100,000
\$0.12	April 3, 2025	1,500,000	1,500,000
\$0.255	May 24, 2025	500,000	500,000
\$0.51	September 24, 2025	9,000,000	9,000,000
\$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	9,550,000	9,550,000
		25,170,000	25,170,000
Weighted average exercise price		\$0.36	\$0.36
Weighted average remaining life in years		2.57	2.32

(c) Compensation Options

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

Exercise Price	Expiry Date	Balance April 30, 2023	Expired	Balance July 31, 2023
\$0.50	June 16, 2023	1,260,000	1,260,000	-
\$0.20	August 14, 2023	2,130,418	-	2,130,418
		3,390,418	1,260,000	2,130,418
Weighted average exercise price		\$0.31	\$0.20	\$0.20
Weighted average remaining life in years		0.23		0.04

The weighted average fair value of compensation options expired was \$0.20 (2022 - \$nil).

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Three Months Ended July 31, 2023 and 2022

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7. Share Capital, continued

(d) Fair Value Determination

The weighted average fair value of stock options granted was \$nil (2022 - \$0.14). Fair values were estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2022
	Options
Risk-free interest rate	2.61%
Expected share price volatility	84.09%
Expected life (years)	2.77
Expected dividend yield	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			
Consultants	\$ -	\$ 88,781	
Total	\$ -	\$ 88,781	

8. Supplemental Cash Flow Information

	2023	2022	
Cash items			
Interest received	\$ 50,306	\$ 34,815	
Non-cash items			
Financing and Investing Activities			
Fair value of warrants expired	\$ 151,333	\$ -	
Fair value of compensation options expired	\$ 253,333	\$ -	

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, 2023, the Company's non-current assets were located in Mexico (\$33,406,413) and in the United States of America (\$1,010,876).

Southern Silver Exploration Corp.

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Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023 and 2022

(Expressed in Canadian Dollars, Unaudited)

10. Events After the Reporting Period

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

- On August 14, 2023, 850,000 share purchase warrants exercisable at \$0.35 per common share and 756,000 share purchase warrants exercisable at \$0.38 per common share expired unexercised.
- On August 14, 2023, 2,130,418 compensation options exercisable at \$0.20 per common share expired unexercised.
- On September 1, 2023, 200,000 stock options exercisable at \$0.17 per common share expired unexercised.