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**Condensed Consolidated Interim Financial Statements
Three Months Ended July 31, 2020 and 2019
(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, 2020 and comparatives for the three months ended July 31, 2019 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, 2020 and 2019

(Expressed in Canadian Dollars, Unaudited)

	Note	2020	2019
Expenses			
Administration	7	\$ 15,000	\$ 15,000
Consulting	7	59,628	55,113
Exploration and evaluation	5 & 7	21,289	2,407
Investor relations	7	128,973	83,392
Office and general	7	7,240	4,845
Professional fees	7	139,874	22,633
Regulatory fees and taxes		19,167	17,155
Shareholders' communications		3,334	1,400
Transfer agent		2,253	2,048
		396,758	203,993
Foreign exchange gain		(5,710)	(5,198)
Other income		(8,171)	-
Share of loss in equity accounted investment	6	105,089	141,331
		91,208	136,133
Net Loss and Comprehensive Loss for the Period		\$ 487,966	\$ 340,126
Loss per share - basic and diluted		\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding		136,744,656	98,372,519

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, 2020	April 30, 2020
Current Assets			
Cash	\$	5,932,167	\$ 3,641,600
Taxes and other receivables		46,776	65,352
Prepays		122,150	56,854
		6,101,093	3,763,806
Non-Current Assets			
Mineral properties	5	359,716	318,685
Investment in associate	6	4,481,413	4,571,121
Prepays	6	1,350,000	-
		6,191,129	4,889,806
	\$	12,292,222	\$ 8,653,612
Current Liabilities			
Accounts payable and accrued liabilities	\$	420,988	\$ 276,638
Due to related parties	7	61,449	60,358
		482,437	336,996
Equity			
Share capital	8	47,275,062	43,171,344
Share-based payments reserve		2,592,649	2,625,232
Warrants reserve		64,500	154,500
Other reserve		9,270	9,270
Deficit		(38,131,696)	(37,643,730)
		11,809,785	8,316,616
	\$	12,292,222	\$ 8,653,612

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

Three Months Ended July 31, 2020 and 2019

(Expressed in Canadian Dollars, Unaudited)

	Share Capital		Share-based					
	Number	Amount	Payments	Warrants	Other	Deficit	Total	
	of Shares		Reserve	Reserve	Reserve			
Balance as at April 30, 2019	96,463,948	\$ 37,645,662	\$ 1,700,564	\$ 931,156	\$ 9,270	\$ (35,587,226)	\$ 4,699,426	
Issued								
Exercise of warrants	3,860,000	329,800	-	-	-	-	329,800	
Subscriptions received	-	132,500	-	-	-	-	132,500	
Share issue costs	-	(750)	-	-	-	-	(750)	
Fair value of warrants exercised	-	86,900	-	(86,900)	-	-	-	
Net loss	-	-	-	-	-	(340,126)	(340,126)	
Balance as at July 31, 2019	100,323,948	\$ 38,194,112	1,700,564	844,256	9,270	\$ (35,927,352)	\$ 4,820,850	
Balance as at April 30, 2020								
Balance as at April 30, 2020	132,418,743	\$ 43,171,344	2,625,232	154,500	9,270	\$ (37,643,730)	\$ 8,316,616	
Issued								
Exercise of warrants	9,710,000	1,527,500	-	-	-	-	1,527,500	
Exercise of options	668,500	54,035	-	-	-	-	54,035	
Subscription Receipts received	-	2,399,600	-	-	-	-	2,399,600	
Fair value of warrants exercised	-	90,000	-	(90,000)	-	-	-	
Fair value of options exercised	-	32,583	(32,583)	-	-	-	-	
Net loss	-	-	-	-	-	(487,966)	(487,966)	
Balance as at July 31, 2020	142,797,243	\$ 47,275,062	\$ 2,592,649	\$ 64,500	\$ 9,270	\$ (38,131,696)	\$ 11,809,785	

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, 2020 and 2019

(Expressed in Canadian Dollars, Unaudited)

	2020	2019
Operating Activities		
Net loss	\$ (487,966)	\$ (340,126)
Items not involving cash:		
Share of loss in equity investment	105,089	141,331
Unrealized foreign exchange loss (gain)	(5,026)	671
	(387,903)	(198,124)
Changes in non-cash working capital		
Taxes and other receivables	5,296	(22,474)
Prepays	(65,296)	(17,533)
Accounts payable and accrued liabilities	144,350	(4,687)
Due to related parties	1,091	22,045
	85,441	(22,649)
Cash Used in Operating Activities	(302,462)	(220,773)
Investing Activities		
Mineral property acquisition	(41,031)	(13,285)
Deposit for acquisition	(1,350,000)	-
Cash Used in Investing Activities	(1,391,031)	(13,285)
Financing Activities		
Proceeds from share issuance, net	1,594,815	329,050
Subscriptions received	2,399,600	132,500
Advances to associate, net	(15,381)	(132,470)
Cash Provided by Financing Activities	3,979,034	329,080
Foreign Exchange Effect on Cash	5,026	(671)
Increase in Cash During the Period	2,290,567	94,351
Cash, Beginning of Period	3,641,600	376,439
Cash, End of Period	\$ 5,932,167	\$ 470,790

Supplemental cash flow information (Note 9)

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, 2020 and 2019

(Expressed in Canadian Dollars, Unaudited)

1. Nature of Operations and Going Concern

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 were 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. As at July 31, 2020, the Company had working capital of \$5,618,656 (April 30, 2020 - \$3,426,810). The Company incurred a net loss of \$487,966 for the three months ended July 31, 2020 (2019 - \$340,126) and had an accumulated deficit of \$38,131,696 as at July 31, 2020 (April 30, 2020 - \$37,643,730).

The Company has relied mainly upon the issuance of share capital and mineral property earn-in agreements to finance its activities. The Company will be required to rely on such funding to finance future exploration and administrative activities. There can be no assurance that further financing will be available to the Company and, therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern. These consolidated 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.

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 consolidates entities controlled and equity accounts entities partially-owned by the Company as follows:

Entity	Country of Incorporation	Principal Activity
Southern Silver Holdings Limited ("SSHL")	British Virgin Islands	Holding company - 40% 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

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Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2020 and 2019

(Expressed in Canadian Dollars, Unaudited)

2. Basis of Preparation and Consolidation, continued

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 do not include all of the information required for complete annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended April 30, 2020.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on September 29, 2020.

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, reclamation bonds and other receivables 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 other receivables, accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short period to maturity.

5. Mineral Properties

Mineral property acquisition costs as at July 31, 2020 were:

	Oro	Total
	\$	\$
Balance as at April 30, 2019	218,447	218,447
Additions, net	100,238	100,238
Balance as at April 30, 2020	318,685	318,685
Additions, net	41,031	41,031
Balance as at July 31, 2020	359,716	359,716

(a) 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.

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Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2020 and 2019

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5. Mineral Properties, continued

(a) Oro - New Mexico, USA, continued

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 from May 1, 2020 (paid) to May 1, 2024; 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.

(b) El Sol - Durango, Mexico

During April 2020, the Company entered into an agreement to purchase the El Sol mineral claim located in Durango, Mexico. The claim is 63 hectares and is situated contiguous with Cerro Las Minitas. Payments, excluding applicable local taxes of 16%, are due as:

- (i) US\$100,000 on August 3, 2020 (paid subsequent to period end);
- (ii) US\$100,000 on August 3, 2021 and;
- (iii) US\$100,000 on February 3, 2022.

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) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the three months ended July 31, 2020 and 2019 were:

	Oro		El Sol		Total	
	\$	\$	\$	\$	\$	\$
	2020	2019	2020	2019	2020	2019
Assays and geochemistry	-	-	2,553	-	2,553	-
Camp, utilities and supplies	-	-	2,068	-	2,068	-
Geological and geophysics	-	-	4,926	-	4,926	-
Project supervision	2,435	2,407	6,297	-	8,732	2,407
Other	-	-	3,010	-	3,010	-
	2,435	2,407	18,854	-	21,289	2,407

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Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2020 and 2019

(Expressed in Canadian Dollars, Unaudited)

6. Investment in Associate

Pursuant to an earn-in agreement completed in November 2016, Electrum Global Holdings L.P. ("Electrum") owns 60% of SSSL with the Company owning the remaining 40%. MPS, a wholly-owned subsidiary of SSSL, holds title to the Cerro Las Minitas property which consists of twenty five mineral concessions located in Durango, Mexico. Following the earn-in period, each SSSL shareholder proportionately participates in all exploration and associated costs related to the development of Cerro Las Minitas in accordance with their respective participating interest or have their participating interest diluted in accordance with an applicable dilution formula. If a participating interest is diluted to less than 10%, that interest will be surrendered in exchange for a 2% NSR.

As the Company retained a 40% interest and is able to exert significant influence, SSSL is considered to be an associate as at July 31, 2020 and April 30, 2020. The interest is accounted for as an investment in an associate using the equity method as:

	July 31, 2020	April 30, 2020
Balance as at May 1,	\$ 4,571,121	\$ 4,315,120
Advances to associate	15,381	634,927
Share of net loss	(105,089)	(378,926)
	\$ 4,481,413	\$ 4,571,121

Summarized financial information for SSSL and MPS after inter-company eliminations is:

	July 31, 2020	April 30, 2020
Current assets (USD)	\$ 162,479	\$ 361,339
Non-current assets (USD)	\$ 2,222,737	\$ 2,222,737
Current liabilities (USD)	\$ 36,787	\$ 44,710
Non-current liabilities (USD)	\$ 11,373,724	\$ 11,372,570
Net loss (USD)	\$ 192,090	\$ 711,995

On September 15, 2020, the Company closed the transaction with Electrum to acquire Electrum's 60% interest in SSSL. As consideration for the acquisition, the Company must pay Electrum an aggregate US\$15,000,000 in a combination of cash and common shares, of which US\$5,000,000 and 2,336,590 common shares (valued at US\$1,006,403 which, together with a credit of \$1,350,000 deposit paid, represents a US\$2,000,000 share equivalent payment) were paid subsequent to the period end. The remaining consideration must be paid on or before:

- March 15, 2021: US\$2,000,000 in cash and US\$2,000,000 * in shares based on the greater of the prior 20-day volume weighted average trading price ("VWAP") and the Discounted Market Price ("DMP") of the shares;

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Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2020 and 2019

(Expressed in Canadian Dollars, Unaudited)

6. Investment in Associate, continued

- September 15, 2021: US\$2,000,000 in cash and US\$2,000,000 * in shares based on the greater of the prior 20-day VWAP and the DMP of the shares.

* The Company has the option to pay all cash in lieu of shares.

To secure the above remaining payments, the Company has agreed to pledge to Electrum the shares representing Electrum's 60% interest in SSSL.

With respect to Cerro Las Minitas, 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% 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.

7. 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, the Company was charged as:

- \$15,000 (2019 - \$15,000) for office space and general administration services;
- \$9,075 (2019 - \$9,075) for professional services;
- \$8,628 (2019 - \$4,113) for consulting services;
- \$41,435 (2019 - \$48,070) for investor relations services;
- \$2,503 (2019 - \$158) for geological services;
- \$23,678 (2019 - \$39,167) for geological and professional services (charged to investment in associate); and
- \$1,003 (2019 - \$340) for the mark-up on out-of-pocket expenses.

Amounts payable as at July 31, 2020 were \$42,024 (April 30, 2020 - \$31,077).

(b) Fees in the amount of \$39,000 (2019 - \$39,000) were charged by a company controlled by a director and officer of the Company. Amounts payable as at July 31, 2020 were \$13,650 (April 30, 2020 - \$13,650).

(c) Fees in the amount of \$27,280 (2019 - \$20,800) were charged by a law firm controlled by a director and officer of the Company and included in professional fees, share issue costs, mineral property expenditures or charged to investment in associate. Amounts payable as at July 31, 2020 were \$nil (April 30, 2020 - \$9,856).

(d) Fees in the amount of \$7,500 (2019 - \$7,500) were charged by an officer of the Company for consulting services. Amounts payable as at July 31, 2020 were \$2,625 (April 30, 2020 - \$2,625).

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(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2020 and 2019

(Expressed in Canadian Dollars, Unaudited)

7. Related Party Balances and Transactions, continued

(e) Fees in the amount of \$9,000 (2019 - \$9,000) were charged by an officer of the Company for consulting services and included in consulting fees, mineral property expenditures or charged to investment in associate. Amounts payable as at July 31, 2020 were \$3,150 (April 30, 2020 - \$3,150).

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), (d), and (e) above, was:

	2020	2019
Short-term benefits	\$ 55,500	\$ 58,500
Total	\$ 55,500	\$ 58,500

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 last business day of the period end, the payment would be \$468,000.

8. 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, 2020 were:

Exercise Price	Expiry Date	Balance April 30, 2020	Exercised	Balance July 31, 2020
\$0.15	June 26, 2020	9,000,000	9,000,000	-
\$0.08	March 4, 2021	6,000,000	-	6,000,000
\$0.08	April 8, 2021	450,000	-	450,000
\$0.15	May 19, 2021	7,852,500	-	7,852,500
\$0.55	June 13, 2022	6,372,500	-	6,372,500
\$0.55	August 31, 2020	1,750	-	1,750
\$0.55	August 31, 2022	1,170,000	-	1,170,000
\$0.55	September 29, 2022	1,254,500	710,000	544,500
\$0.25	August 13, 2024	16,199,175	-	16,199,175
\$0.25	September 4, 2024	5,694,850	-	5,694,850
		53,995,275	9,710,000	44,285,275
Weighted average exercise price		\$0.25	\$0.16	\$0.27
Weighted average remaining life in years		2.13		2.55

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Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2020 and 2019

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8. Share Capital, continued

(c) Stock Options

Stock options outstanding and exercisable as at July 31, 2020 were:

Exercise Price	Expiry Date	Balance		
		April 30, 2020	Exercised	Balance July 31, 2020
\$0.08	July 29, 2020	650,000	650,000	-
\$0.08	September 28, 2020	190,000	-	190,000
\$0.11	April 22, 2021	1,168,500	18,500	1,150,000
\$0.30	June 3, 2021	1,625,000	-	1,625,000
\$0.34	October 2, 2022	2,750,000	-	2,750,000
\$0.34	February 1, 2023	150,000	-	150,000
\$0.17	September 27, 2023	800,000	-	800,000
\$0.27	October 1, 2024	3,250,000	-	3,250,000
\$0.20	December 20, 2024	100,000	-	100,000
\$0.12	April 3, 2025	1,800,000	-	1,800,000
\$0.12	April 3, 2023	666,666	-	666,666
		13,150,166	668,500	12,481,666
Weighted average exercise price		\$0.23	\$0.08	\$0.24
Weighted average remaining life in years		2.94		2.83

(d) Compensation Options

Compensation options outstanding and exercisable as at July 31, 2020 were:

Exercise Price	Expiry Date	Balance	
		April 30, 2020	Balance July 31, 2020
\$0.40	August 31, 2020	105,100	105,100
		105,100	105,100
Weighted average exercise price		\$0.40	\$0.40
Weighted average remaining life in years		0.34	0.08

9. Supplemental Cash Flow Information

	2020		2019	
Cash items				
Interest received	\$	8,171	\$	-
Non-cash items				
Financing and Investing Activities				
Option exercise proceeds received from prior period exercise	\$	13,280	\$	-

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Notes to the Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian Dollars, Unaudited)

10. Segmented Information

The Company conducts its business as a single operating segment, being the acquisition and exploration of mineral properties. As at July 31, 2020 the Company's non-current assets were located in the British Virgin Islands (\$4,481,413) and in the United States of America (\$359,716).

11. Events After the Reporting Period

Other than disclosed elsewhere, the following occurred subsequent to July 31, 2020:

- On August 15, 2020, the Company closed a brokered private placement of 50,000,000 Subscription Receipts of the Company (each, a "Subscription Receipt") at a price of \$0.20 per Subscription Receipt for gross proceeds of \$10,000,000. On September 11, 2020, each Subscription Receipt was exchanged, for no additional consideration, into one unit of the Company. Each unit consists of one common share and one-half of one share purchase warrant, with each full warrant exercisable to purchase one additional common share at a price of \$0.25 during the first year, increasing to \$0.30 in year two and \$0.35 in year three.
- On August 15, 2020, the Company closed a non-brokered private placement of 19,047,620 Subscription Receipts (the "Additional Subscription Receipts") at a price of \$0.21 per Additional Subscription Receipt for gross proceeds of \$4,000,000. On September 11, 2020, each Additional Subscription Receipt was exchanged, for no additional consideration, into one unit of the Company. Each unit consists of one common share and one-half of one share purchase warrant, with each full warrant exercisable to purchase one additional common share at a price of \$0.28 during the first year, increasing to \$0.33 in year two and \$0.38 in year three.
- In connection with the brokered private placement, the Company issued 1,560,400 compensation options ("Compensation Options") and 1,189,600 corporate finance options (the "Corporate Finance Options"). Each Compensation Option and Corporate Finance Option entitles the holder to purchase one common share at a price of \$0.20 for a period of three years.

The Company also issued 700,000 finder's units and 700,000 finder's warrants in connection with the brokered private placement and 504,000 finder's units and 504,000 finder's warrants in connection with the non-brokered private placement. Each unit and warrant has the same terms as contained in the respective private placements.

- On September 11, 2020, the Company closed a non-brokered private placement of 1,200,000 units at a price of \$0.38 per unit for gross proceeds of \$456,000. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable to purchase one additional common share at an exercise price of \$0.50 per share for a period of three years.
- During August and September 2020, 385,000 stock options were exercised with a weighted average exercise price of \$0.15 for gross proceeds of \$58,350, 27,650 compensation options were exercised with a weighted average exercise price of \$0.40 for gross proceeds of \$11,060 and 3,000,938 share purchase warrants were exercised with a weighted average exercise price of \$0.22 for gross proceeds of \$656,735.

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Three Months Ended July 31, 2020 and 2019

(Expressed in Canadian Dollars, Unaudited)

11. Events After the Reporting Period, continued

- On September 24, 2020, 9,500,000 fully-vested stock options were granted to directors, officers and consultants at an exercise price of \$0.51 per share for a period of five years.
- Beginning in late 2019, the outbreak of a novel strain of coronavirus (“COVID-19”) spread rapidly to many parts of the world. In March 2020, the World Health Organization declared the COVID-19 a pandemic. The pandemic resulted in measures to contain the virus including quarantines, travel restrictions, and the temporary closure of stores and facilities in most of the world. The negative economic impact of these measures together with the uncertainty of the situation led to significant volatility in equity markets.

While governmental initiatives to reduce the economic impact and more recent measures to reopen the economy may mitigate volatility, the impact on the Company will depend, to a large extent, on future developments and new information that may emerge regarding COVID-19; factors which are beyond the Company’s control. Given the extent of the crisis, it is difficult to estimate the duration of the situation, or its ultimate impact, on the Company.