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Condensed Consolidated Interim Financial Statements
Three Months Ended July 31, 2015 and 2014
(Expressed in Canadian Dollars)
(Unaudited)

Index	Page
Notice of No Auditor Review	2
Condensed Consolidated Interim Financial Statements	
Condensed Consolidated Interim Statements of Comprehensive Loss	3
Condensed Consolidated Interim Statements of Financial Position	4
Condensed Consolidated Interim Statements of Changes in Equity	5
Condensed Consolidated Interim Statements of Cash Flows	6
Notes to the Condensed Consolidated Interim Financial Statements	7-14

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements of the Company for the three months ended July 31, 2015 and comparatives for the three months ended July 31, 2014 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
(Expressed in Canadian Dollars, Unaudited)

	Note		Three Months Ended July 31, 2015		2014
Expenses					
Administration		$	15,000	$	-
Consulting			41,278		31,080
Exploration and evaluation, net of recoveries	5(d)		359,122		95,267
Independent directors' fees			-		2,250
Investor relations			17,210		17,770
Office and general			6,413		2,374
Professional fees			43,239		19,380
Regulatory fees and taxes			6,044		43
Share-based payments	7(d)		47,140		-
Shareholders' communications			3,276		1,118
Transfer agent			1,513		1,296
Travel and promotion			3,481		398
			543,716		**170,976**
Foreign exchange (gain) loss			(20,126)		5,477
Loan interest accretion			-		599
Mineral property impairment	5		17,213		-
Realized gain on sale of marketable securities			-		(4,975)
			(2,913)		**1,101**
Net Loss for the Period		**$**	**540,803**	**$**	**172,077**
Other Comprehensive Loss					
Reclassification adjustment for realized gain on sale of marketable securities included in net loss			-		4,975
Unrealized loss (gain) on marketable securities, net of taxes			-		25
Net Loss and Comprehensive Loss for the Period		**$**	**540,803**	**$**	**177,077**
Attributable to:					
Southern Silver Exploration Corp. equity holders			503,322		177,077
Non-controlling interests	9		37,481		-
		$	**540,803**	**$**	**177,077**
Loss per share attributable to Southern Silver Exploration Corp. equity holders - basic and diluted		$	0.01	$	0.01
Weighted average number of common shares outstanding			48,505,175		16,997,906

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, 2015	April 30, 2015
Current Assets			
Cash		$ 2,063,447	$ 63,149
Taxes and other receivables		15,147	24,192
Prepaids		70,488	23,803
		2,149,082	**111,144**
Non-Current Assets			
Reclamation bonds		42,649	41,073
Mineral properties	5	2,067,008	2,055,487
		2,109,657	**2,096,560**
		$ 4,258,739	**$ 2,207,704**
Current Liabilities			
Accounts payable and accrued liabilities		$ 539,385	$ 430,256
Due to related parties	6	39,957	144,440
		579,342	**574,696**
Equity			
Share capital	7	31,519,497	30,655,145
Share-based payments reserve		608,654	580,265
Warrants reserve		900,000	800,000
Other reserve	9	985,020	9,270
Deficit		(30,896,243)	(30,411,672)
Equity attributable to shareholders		**3,116,928**	**1,633,008**
Non-controlling interest	9	**562,469**	**-**
		3,679,397	**1,633,008**
		$ 4,258,739	**$ 2,207,704**

Approved on behalf of the Board

	"Lawrence Page"	*"Eugene Spiering"*
	Lawrence Page, Q.C.	**Eugene Spiering**

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 Comprehensive Loss
(Expressed in Canadian Dollars, Unaudited)

	Share Capital		Share-based					Equity	Non-	
	Number of Shares	Amount	Payments Reserve	Warrants Reserve	Other Reserve	AOCL	Deficit	Attributable to Shareholders	Controlling Interest	Total
Balance as at April 30, 2014	**16,997,436**	**$ 29,551,475**	**$ 891,522**	**$ 66,270**	**$ -**	**$ 5,000**	**$ (29,667,696)**	**$ 846,571**	**$ -**	**$ 846,571**
Fair value of options and warrants expired	-	-	(3,512)	-	-	-	3,512	-	-	-
Other comprehensive loss	-	-	-	-	-	(5,000)	-	(5,000)	-	(5,000)
Net loss	-	-	-	-	-	-	(172,077)	(172,077)	-	(172,077)
Balance as at July 31, 2014	**16,997,436**	**29,551,475**	**888,010**	**66,270**	**-**	**-**	**(29,836,261)**	**669,494**	**-**	**669,494**
Balance as at April 30, 2015	**44,483,436**	**$ 30,655,145**	**$ 580,265**	**$ 800,000**	**$ 9,270**	**$ -**	**$ (30,411,672)**	**$ 1,633,008**	**$ -**	**$ 1,633,008**
Issued										
Private placements	10,000,000	900,000	-	100,000	-	-	-	1,000,000	-	1,000,000
Subsidiary earn-in	-	-	-	-	-	-	-	-	599,950	599,950
Received on account of earn-in	-	-	-	-	975,750	-	-	975,750	-	975,750
Share issue costs	-	(35,648)	-	-	-	-	-	(35,648)	-	(35,648)
Share-based payments	-	-	47,140	-	-	-	-	47,140	-	47,140
Fair value of options and warrants expired	-	-	(18,751)	-	-	-	18,751	-	-	-
Net loss	-	-	-	-	-	-	(503,322)	(503,322)	(37,481)	(540,803)
Balance as at July 31, 2015	**54,483,436**	**$ 31,519,497**	**$ 608,654**	**$ 900,000**	**$ 985,020**	**$ -**	**$ (30,896,243)**	**$ 3,116,928**	**$ 562,469**	**$ 3,679,397**

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, 2015 and 2014
(Expressed in Canadian Dollars, Unaudited)

	2015	2014
Operating Activities		
Net loss	$ (540,803)	$ (172,077)
Items not involving cash:		
Interest accretion	-	599
Mineral property impairment	17,213	-
Share-based payments	47,140	-
Realized gain on sale of marketable securities	-	(4,975)
Unrealized foreign exchange loss	103,778	1,100
	(372,672)	(175,353)
Changes in non-cash working capital		
Taxes and other receivables	9,045	129,802
Prepaids	(46,685)	11,159
Accounts payable and accrued liabilities	109,129	(91,838)
Due to related parties	(104,483)	15,821
	(32,994)	64,944
Cash Used in Operating Activities	(405,666)	(110,409)
Investing Activities		
Mineral property (acquisition) recovery	(28,734)	27,715
Proceeds on sale of marketable securities	-	15,975
Cash (Used in) Provided by Investing Activities	(28,734)	43,690
Financing Activities		
Proceeds from issuance of shares, net	1,564,302	-
Proceeds received on account of earn-in	975,750	-
Cash Provided by Financing Activities	2,540,052	-
Foreign Exchange Effect on Cash	(105,354)	(362)
Increase (Decrease) in Cash During the Period	2,000,298	(67,081)
Cash, Beginning of Period	63,149	121,247
Cash, End of Period	$ 2,063,447	$ 54,166

Supplemental cash flow information (Note 10)

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

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, 2015 the Company had working capital of $1,569,740 (April 30, 2015 - working capital deficiency of $463,552). The Company incurred a net loss of $540,803 for the three months ended July 31, 2015 (2014 - $172,077) and had an accumulated deficit of $30,896,243 as at April 30, 2015 (April 30, 2015 - $30,411,672).

The Company has relied mainly upon the issuance of share capital to finance its activities. The Company will be required to rely on current earn-in agreements and / or issue share capital 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 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.

2. Basis of Preparation

These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standards 34: *Interim Financial Reporting* using historical cost, except for cash flow information and financial instruments measured at fair value, and include the financial results of the Company and of the entities controlled by the Company: Southern Silver Holdings Ltd. and Southern Silver Projects Ltd., both incorporated in the British Virgin Islands, Minera Plata del Sur S.A de C.V. and Exploraciones Magistral S.A de C.V., both incorporated in Mexico, and Southern Silver Exploration (US) Corp., incorporated in the United States. All inter-company transactions and balances have been eliminated upon consolidation.

The Company's functional and presentation currency is the Canadian dollar.

(Expressed in Canadian Dollars, Unaudited)

2. Basis of Preparation, continued

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, 2015.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on September 28, 2015.

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 of the results for the interim periods presented.

4. Financial Instruments

The Company's financial instruments include cash, reclamation bonds, accounts payable and accrued liabilities and amounts due to related parties.

The carrying values of accounts payable and accrued liabilities and amounts due to related parties approximate their fair values due to the short period to maturity. Reclamation bonds are non-interest-bearing, have no maturity date and their carrying values approximate fair value.

5. Mineral Properties

Mineral property acquisition costs as at July 31, 2015 were as follows:

	Mexico		USA	
	Cerro Las Minitas $	**Minas de Ameca $**	**Oro $**	**Total $**
Balance as at April 30, 2014	1,378,892	-	-	1,378,892
Additions, net	676,595	-	34,679	711,274
Impairments	-	-	(34,679)	(34,679)
Balance as at April 30, 2015	2,055,487	-	-	2,055,487
Additions, net	11,521	-	17,213	28,734
Impairments	-	-	(17,213)	(17,213)
Balance as at July 31, 2015	**2,067,008**	**-**	**-**	**2,067,008**

5. Mineral Properties, continued

Terms of the agreements for the above properties are described below:

(a) Cerro Las Minitas - Mexico

The property consists of 18 mineral concessions located in Durango, Mexico.

Pursuant to an agreement dated May 14, 2015, Electrum Global Holdings L.P. has the right to earn an indirect 60% interest in the property by funding exploration and development expenditures of US $5,000,000 over a maximum four year period through the acquisition of common shares of Southern Silver Holdings Ltd (Note 9).

Pursuant to agreements dated July 7 and July 8, 2015, the Company can acquire certain equipment and one additional mineral concession. Remaining payments are due as follows (plus applicable local taxes):

(i) US $60,000 on signing (paid subsequent to period end);
(ii) US $40,000 on December 30, 2015; and
(iii) US $100,000 on June 30, 2016 (on condition of optionor providing registered title to the concession).

(b) Minas de Ameca - Mexico

On October 18, 2006, the Company acquired the El Magistral mineral claim in the Ameca region in the State of Jalisco, Mexico located about 80 kilometres west of Guadalajara. The claim is subject to a 1% NSR payable to the Mexican government.

The project previously comprised the El Magistral, Magistral I and San Luis claims. The Company returned Magistral I, which was in default, to the vendors and is continuing efforts to option the remaining claims to a third party. The Company considered these factors to be indicators of impairment and previously recorded an impairment provision against all capitalized costs relating to these claims.

(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 unpatented mining claims are 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, the Company can earn a 100% interest in six unpatented lode mining claims also located in the Eureka Mining District, Grant County, New Mexico.

(Expressed in Canadian Dollars, Unaudited)

5. Mineral Properties, continued

(c) Oro - New Mexico, USA, continued

Remaining lease payments are due as follows:

(i) US $6,000 annually on May 1, 2016 and May 1, 2017;
(ii) US $30,000 annually from May 1, 2018 to May 1, 2024; and
(iii) 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.

The Company continues to assess its planned course of action with respect to the property and has determined this to be an indicator of impairment. Accordingly, an impairment provision was recorded against all capitalized costs relating to these claims.

(d) Exploration and Evaluation Expenses

Exploration expenditures incurred for the three months ended July 31, 2015 and 2014 were as follows:

	Mexico		**USA**			
	Cerro Las Minitas		**Oro**		**Total**	
	$	**$**	**$**	**$**	**$**	**$**
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Assays and geochemistry	28,638	14,495	1,406	-	30,044	14,495
Camp, utilities and supplies	21,145	4,129	2,603	-	23,748	4,129
Drilling	105,846	64,172	-	-	105,846	64,172
Equipment and field supplies	3,862	10,016	-	-	3,862	10,016
Geological and geophysics	19,124	50,089	11,515	-	30,639	50,089
Land fees	12,301	62,157	-	307	12,301	62,464
Project supervision	114,008	24,025	-	-	114,008	24,025
Project support	449	2,364	4,382	-	4,831	2,364
Taxes	32,168	82,014	-	-	32,168	82,014
Recoveries	-	(220,800)	-	-	-	(220,800)
	337,541	**92,661**	**19,906**	**307**	357,447	92,968
General exploration - other					1,675	2,299
					359,122	**95,267**

(Expressed in Canadian Dollars, Unaudited)

6. Related Party Balances and Transactions

Except as disclosed elsewhere in these condensed consolidated interim financial statements, the Company entered into the following related party transactions:

(a) Pursuant to a revised service agreement between the Company and a private company controlled by a director and officer of the Company, the Company was charged as follows:

- $15,000 (2014 - $nil) for office space and general administration services;
- $6,000 (2014 - $nil) for professional services;
- $7,198 (2014 - $nil) for consulting services;
- $9,648 (2014 - $nil) for investor relations services;
- $34,558 (2014 - $nil) for mineral property geological consulting services; and
- $97 (2014 - $nil) for the mark-up on out-of-pocket expenses.

Amounts payable as at July 31, 2015 were $27,629 (April 30, 2015 - $55,298).

(b) Fees in the amount of $28,080 (2014 - $28,080) were charged by a director and officer of the Company for consulting services. Amounts payable as at July 31, 2015 were $9,828 (April 30, 2015 - $19,656).

(c) Fees in the amount of $25,047 (2014 - $nil) were charged by a law firm controlled by a director and officer of the Company and included in professional fees, share issue costs and mineral property expenditures. Amounts payable as at July 31, 2015 were $nil (April 30, 2015 - $67,486).

(d) Fees in the amount of $6,000 (2014 - $3,000) were charged by an officer of the Company for consulting services. Amounts payable as at July 31, 2015 were $2,500 (April 30, 2015 - $2,000).

(e) Fees of $nil (2014 - $2,250) were payable with respect to independent directors' fees. Such fees ceased to be payable effective November 1, 2014.

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 as follows:

		2015		**2014**
Short-term benefits	$	34,080	$	33,330
Share-based payments		36,534		-
Total	$	70,614	$	33,330

(Expressed in Canadian Dollars, Unaudited)

6. Related Party Balances and Transactions, continued

One executive officer is also entitled to termination benefits in the event of a change of control equal to one hundred percent of the compensation that would have been paid during the unexpired term of their agreement. The remaining balance payable under the agreement termination clause as at July 31, 2015 was $439,920.

7. Share Capital

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

(a) Equity Financings

Three months ended July 31, 2015

On June 26, 2015, the Company closed a non-brokered private placement by issuing 10,000,000 units at a price of $0.10 per unit for gross proceeds of $1,000,000. Each unit consisted of one common share and one common share purchase warrant, with each warrant exercisable to purchase one additional common share for a period of five years at an exercise price of $0.15 per share.

(b) Stock Options

On July 29, 2015, the Company granted 1,000,000 stock options to directors, officers and consultants exercisable for a period of five years at an exercise price of $0.08 per share.

Stock options outstanding and exercisable as at July 31, 2015 were as follows:

Exercise Price	Grant Date Fair Value	Expiry Date	Balance April 30, 2015	Granted	Expired	Balance July 31, 2015
$1.70	$1.33	November 29, 2015	50,000	-	7,500	42,500
$0.08	$0.07	November 29, 2015	61,500	-	-	61,500
$1.70	$1.13	December 13, 2015	10,000	-	-	10,000
$1.00	$0.56	June 5, 2017	35,000	-	-	35,000
$1.00	$0.29	March 14, 2018	180,000	-	30,000	150,000
$0.08	$0.05	March 14, 2018	220,200	-	-	220,200
$0.50	$0.13	March 24, 2019	50,000	-	-	50,000
$0.08	$0.07	March 26, 2020	3,503,500	-	-	3,503,500
$0.08	$0.05	July 29, 2020	-	1,000,000	-	1,000,000
			4,110,200	**1,000,000**	**37,500**	**5,072,700**
Weighted average exercise price			$0.16	$0.08	$1.14	$0.13
Weighted average remaining life in years			4.55			4.45

(Expressed in Canadian Dollars, Unaudited)

7. Share Capital, continued

(c) Share Purchase Warrants

Share purchase warrants outstanding as at July 31, 2015 were as follows:

Exercise Price	Expiry Date	Balance April 30, 2015	Issued	Balance July 31, 2015
$1.00	January 31, 2016	845,200	-	845,200
$1.00	February 28, 2016	787,300	-	787,300
$0.50	September 13, 2016	703,015	-	703,015
$0.50	October 11, 2016	1,836,750	-	1,836,750
$0.08	March 4, 2020	2,335,407	-	2,335,407
$0.08	March 5, 2020	15,884,593	-	15,884,593
$0.08	March 11, 2020	1,810,000	-	1,810,000
$0.15	June 26, 2020	-	10,000,000	10,000,000
		24,202,265	**10,000,000**	**34,202,265**
Weighted average exercise price		$0.19	$0.15	$0.18
Weighted average remaining life in years		4.22		4.24

(d) Fair Value Determination

The fair value of stock options granted were calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2015
Risk-free interest rate	0.83%
Expected share price volatility	117.22%
Expected option/warrant life (years)	5.00
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 for the three months ended July 31, 2015 were included in the condensed consolidated interim financial statements as follows:

	2015
Consolidated Statements of Comprehensive Loss	
Directors and officers	$ 36,534
Consultants	10,606
Total	$ 47,140

(Expressed in Canadian Dollars, Unaudited)

8. Segmented Information

The Company conducts its business as a single operating segment, being the acquisition and exploration of mineral properties. As at July 31, 2015 and April 30, 2015 the Company's non-current assets were all located in Mexico.

9. Non-Controlling Interest

On May 14, 2015, the Company entered into an agreement with Electrum Global Holdings L.P. ("Electrum") for the right to earn an indirect 60% interest in the Cerro Las Minitas property, through the acquisition of common shares of Southern Silver Holdings Ltd. ("SSH"), by funding exploration and development expenditures of US $5,000,000 over a maximum four year period.

On closing, Electrum contributed US $500,000 and received a 10.71% interest in SSH, which will be forfeited if Electrum does not contribute an additional US $1,500,000 over the initial 18 month period of the option term (US $750,000 received as of July 31, 2015 and shown in Other Reserve). The initial US $2,000,000 will earn Electrum a 30% interest in SSH. Electrum will then have the right to earn an additional 20% by expending US $1,500,000 in the succeeding 30 months of the option term. A final 10% interest may be earned by expending an additional US $1,500,000 during this time period.

10. Supplemental Cash Flow Information

	2015	2014
Cash items		
Interest received	$ -	$ -
Income tax paid	$ -	$ -
Interest paid	$ -	$ -

11. Events After the Reporting Period

Other than events disclosed elsewhere in these condensed consolidated interim financial statements, no material events occurred subsequent to July 31, 2015.