1100 – 1199 West Hastings Street,
Vancouver, BC, V6E 3T5
Tel: 604-684-9384 Fax: 604-688-4670
www.southernsilverexploration.com

Consolidated Financial Statements
Years Ended April 30, 2019 and 2018
(Expressed in Canadian Dollars)

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Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SOUTHERN SILVER EXPLORATION CORP.

Opinion

We have audited the accompanying consolidated financial statements of Southern Silver Exploration Corp. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2019 and 2018 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at April 30, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis of Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent from the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $2,498,560 during the year ended April 30, 2019 and, as of that date, the Company had an accumulated deficit of $35,587,226. As stated in Note 1, these events and conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Vancouver
1700 – 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley
305 – 9440 202 St
Langley, BC V1M 4A6
T: 604 282 3600
F: 604 357 1376

Nanaimo
201 – 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

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We obtained the Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report

Vancouver
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to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Hervé Leong-Chung.

Smythe LLP

Vancouver, British Columbia
August 22, 2019

Smythe LLP | smythecpa.com

Vancouver
1700 – 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley
305 – 9440 202 St
Langley, BC V1M 4A6
T: 604 282 3600
F: 604 357 1376

Nanaimo
201 – 1825 Bowen Rd
Nanaimo, BC V9S 1H1
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Southern Silver Exploration Corp.
(An Exploration Stage Company)
Consolidated Statements of Comprehensive Loss
Years Ended April 30, 2019 and 2018
(Expressed in Canadian Dollars)

	Note	2019	2018
Expenses			
Administration	9	$ 60,000	$ 60,000
Consulting	9	235,253	216,013
Exploration and evaluation	7 & 9	46,833	391,562
Investor relations	9	411,227	578,945
Office and general	9	22,577	45,773
Professional fees	9	90,267	136,368
Regulatory fees and taxes		32,785	38,562
Share-based payments	10	129,018	825,406
Shareholders' communications		8,098	14,397
Transfer agent		12,770	10,839
Travel and promotion		6,944	21,431
		1,055,772	**2,339,296**
Foreign exchange loss		7,996	36,601
Other income		(4,824)	(9,406)
Share of loss in equity accounted investment	8	1,439,616	1,032,231
		1,442,788	**1,059,426**
Net Loss and Comprehensive Loss for the Year		**$ 2,498,560**	**$ 3,398,722**
Loss per share - basic and diluted		$ 0.03	$ 0.04
Weighted average number of common shares outstanding		96,643,948	94,581,281

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

Southern Silver Exploration Corp.
(An Exploration Stage Company)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Note		April 30, 2019		April 30, 2018
Current Assets					
Cash		$	376,439	$	2,060,490
Taxes and other receivables			92,101		189,683
Prepaids			7,342		51,982
			475,882		**2,302,155**
Non-Current Assets					
Reclamation bond	6		-		38,338
Mineral properties	7		218,447		126,166
Investment in associate	8		4,315,120		5,028,583
			4,533,567		**5,193,087**
		$	**5,009,449**	**$**	**7,495,242**
Current Liabilities					
Accounts payable and accrued liabilities		$	279,359	$	385,992
Due to related parties	9		30,664		74,329
			310,023		**460,321**
Equity					
Share capital	10		37,645,662		37,611,615
Share-based payments reserve			1,700,564		1,578,156
Warrants reserve			931,156		931,156
Other reserve			9,270		9,270
Deficit			(35,587,226)		(33,095,276)
			4,699,426		**7,034,921**
		$	**5,009,449**	**$**	**7,495,242**

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 consolidated financial statements

Southern Silver Exploration Corp.
(An Exploration Stage Company)
Consolidated Statements of Changes in Equity
Years Ended April 30, 2019 and 2018
(Expressed in Canadian Dollars)

	Share Capital		Share-based				
	Number of Shares	Amount	Payments Reserve	Warrants Reserve	Other Reserve	Deficit	Total
Balance as at April 30, 2017	**87,174,448**	**$ 34,258,500**	**$ 836,198**	**$ 931,156**	**$ 9,270**	**$ (29,762,438)**	**$ 6,272,686**
Issued							
Private placements	8,797,000	3,518,800	-	-	-	-	3,518,800
Exercise of options	492,500	40,160	-	-	-	-	40,160
Share issue costs	-	(257,215)	33,806	-	-	-	(223,409)
Share-based payments	-	-	825,406	-	-	-	825,406
Fair value of options exercised	-	51,370	(51,370)	-	-	-	-
Fair value of options expired	-	-	(65,884)	-	-	65,884	-
Net loss	-	-	-	-	-	(3,398,722)	(3,398,722)
Balance as at April 30, 2018	**96,463,948**	**$ 37,611,615**	**$ 1,578,156**	**$ 931,156**	**$ 9,270**	**$ (33,095,276)**	**$ 7,034,921**
Balance as at April 30, 2018	**96,463,948**	**$ 37,611,615**	**$ 1,578,156**	**$ 931,156**	**$ 9,270**	**$ (33,095,276)**	**$ 7,034,921**
Issued							
For services	100,000	20,000	-	-	-	-	20,000
Exercise of warrants	100,000	15,000	-	-	-	-	15,000
Share issue costs	-	(953)	-	-	-	-	(953)
Share-based payments	-	-	129,018	-	-	-	129,018
Fair value of options expired	-	-	(6,610)	-	-	6,610	-
Net loss	-	-	-	-	-	(2,498,560)	(2,498,560)
Balance as at April 30, 2019	**96,663,948**	**$ 37,645,662**	**$ 1,700,564**	**$ 931,156**	**$ 9,270**	**$ (35,587,226)**	**$ 4,699,426**

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

Southern Silver Exploration Corp.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
Years Ended April 30, 2019 and 2018
(Expressed in Canadian Dollars)

	2019	2018
Operating Activities		
Net loss	$ (2,498,560)	$ (3,398,722)
Items not involving cash:		
Share of loss in equity investment	1,439,616	1,032,231
Share-based payments	129,018	825,406
Shares issued for services	20,000	-
Unrealized foreign exchange (gain) loss	(3,915)	61,358
	(913,841)	(1,479,727)
Changes in non-cash working capital		
Taxes and other receivables	97,582	(160,155)
Prepaids	44,640	7,999
Accounts payable and accrued liabilities	(106,633)	110,159
Due to related parties	(43,665)	(2,445)
	(8,076)	(44,442)
Cash Used in Operating Activities	(921,917)	(1,524,169)
Investing Activities		
Mineral property acquisition	(92,281)	(66,413)
Reclamation bond	40,013	(8,299)
Cash Used in Investing Activities	(52,268)	(74,712)
Financing Activities		
Proceeds from share issuance, net	14,047	3,335,551
Advances to associate, net	(726,153)	(2,016,876)
Cash (Used in) Provided by Financing Activities	(712,106)	1,318,675
Foreign Exchange Effect on Cash	2,240	(60,330)
Decrease in Cash During the Year	(1,684,051)	(340,536)
Cash, Beginning of Year	2,060,490	2,401,026
Cash, End of Year	$ 376,439	$ 2,060,490

Supplemental cash flow information (Note 11)

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

(Expressed in Canadian Dollars)

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 consolidated 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 April 30, 2019 the Company had working capital of $165,859 (2018 - $1,841,834). The Company incurred a net loss of $2,498,560 for the year ended April 30, 2019 (2018 - $3,398,722) and had an accumulated deficit of $35,587,226 at April 30, 2019 (2018 - $33,095,276).

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 consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") 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

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 consolidated financial statements were approved and authorized for issue by the Board of Directors on August 22, 2019.

3. Summary of Significant Accounting Policies

(a) Significant Accounting Estimates and Judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and judgments that affect amounts reported in the consolidated 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 consolidated financial statements of changes in such estimates in future reporting periods could be significant. Significant estimates and areas where judgment is applied that have significant effect on the amount recognized in the consolidated financial statements include:

Control

Management consolidates all subsidiaries and entities which it is determined that the Company controls. Control is evaluated on the ability of the Company to direct the activities of the subsidiary or entity to derive variable returns and management uses judgment in determining whether control exists. Judgment is exercised in the evaluation of the variable returns and in determining the extent to which the Company has the ability to exercise its power to generate variable returns.

Determination of fair value of the remaining interest of the investment in associate on the date the Company lost control

The Company determined the fair value of the remaining interest in its investment in SSHL on the date that it lost control. The determination of when an investment is impaired requires significant judgment. In making this judgment, the Company evaluates, amongst other things, the duration and extent to which the fair value of the investment is less than its original cost at each reporting period.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

3. Summary of Significant Accounting Policies, continued

(a) Significant Accounting Estimates and Judgments, continued

Impairment of long-lived assets

The carrying value of mineral property acquisition costs is reviewed each reporting period to determine whether there is any indication of impairment. The determination of the impairment involves the application of a number of significant judgments and estimates to certain variables including metal price trends, plans for properties, and the results of exploration and evaluation to date.

Determination of, and provision for, reclamation and remediation obligations

The Company assesses its provision for asset retirement obligations on an annual basis or when new material information becomes available. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation.

Deferred taxes

The Company recognizes a deferred tax asset to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. In addition, changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model at the date of grant and are expensed to net loss over each award’s vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Mexican Value Added Tax

The recoverability of taxes receivable related to value added tax incurred in Mexico is dependent on various factors such as local policy, historical collectability and the general economic environment. Management uses all relevant facts to determine if the taxes receivable are recoverable.

3. Summary of Significant Accounting Policies, continued

(b) Mineral Properties

All expenditures related to the acquisition of mineral properties are capitalized on a property-by-property basis, net of recoveries which are recorded when receivable, until these mineral properties are placed into commercial production, sold or abandoned. If commercial production is achieved from a mineral property, the related mineral properties are tested for impairment and reclassified to mineral property in production.

If a mineral property is sold or abandoned, the related capitalized costs will be expensed to profit or loss in that period.

All expenditures related to the exploration and evaluation of mineral properties, net of recoveries which are recorded when receivable, are expensed to net loss in the period in which they are incurred.

From time to time, the Company may acquire or dispose of all or part of its mineral property interests under the terms of property option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, option payments are recognized when paid or received. If recoveries are received and exceed the capitalized expenditures, the excess is reflected in profit or loss.

All capitalized mineral property costs are reviewed at each reporting date, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the carrying value, provision is made for the impairment in value. The amounts capitalized for mineral properties represent costs incurred to date less write-downs, and are not intended to reflect present or future values.

The Company recognizes an estimate of the liability associated with statutory, contractual, constructive or legal obligations associated with site closure and property retirement costs in the period in which the liability is incurred if a reasonable estimate of fair value can be made. The estimated fair value or present value of future cash flows is capitalized to the related mining acquisition assets with a corresponding increase in the rehabilitation provision in the period incurred. The capitalized amount will be depreciated on a unit-of-production basis over the estimated life of the ore reserve.

The amount of the provision will be increased each reporting period due to the passage of time and the amount of accretion is charged to profit or loss. The provision can also increase or decrease due to changes in regulatory requirements, discount rates, and assumptions regarding the amount and timing of future rehabilitation expenditures. Any changes are recorded directly to the related mining assets with a corresponding change to the rehabilitation provision. Actual rehabilitation expenditures incurred are charged against the rehabilitation provision to the extent of the liability recorded.

3. Summary of Significant Accounting Policies, continued

(c) Investment in associate

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated using the equity method of accounting. Under the equity method, investments in associates are initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income (loss) of the associate.

When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

(d) 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.

(e) Share-based Payments

Share-based payments for employees are measured at fair value of the instruments issued on the date of grant and amortized over the vesting period. Share-based payments for non-employees are measured at either the fair value of the goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded on the date the goods or services are received. The fair value of stock options is charged to profit or loss using the graded vesting method, with the offset credit to share-based payment reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related fair value previously recorded is transferred from share-based payment reserve to share capital. Upon expiry, related fair value previously recorded is transferred from share-based payment reserve to deficit.

3. Summary of Significant Accounting Policies, continued

(f) Related Party Transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

(g) Reclamation Bonds

Reclamation bonds are recorded at amortized cost and held by government agencies or in trust.

(h) Foreign Currency Translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

(i) Monetary assets and liabilities, at the rate of exchange in effect as at the reporting date;
(ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
(iii) Revenues and expenses (excluding amortization, which is translated at the same rate as the related asset), at the exchange rates in effect on the date of the transaction.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss.

(i) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax basis.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the enactment date.

Deferred tax assets also result from unused tax losses carried forward, resource related tax pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. Summary of Significant Accounting Policies, continued

(j) Loss per Share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options, warrants and similar instruments that would be anti-dilutive.

(k) Financial Instruments

Effective May 1, 2018, the Company adopted IFRS 9 – *Financial Instruments* using the modified retrospective approach. There was no restatement of comparative information.

IFRS 9 provides three different measurement categories for non-derivative financial assets – subsequently measured at amortized cost, fair value through profit or loss or fair value through other comprehensive income – while all non-derivative financial liabilities are classified as subsequently measured at amortized cost.

The category into which a financial asset is placed and the resultant accounting treatment is largely dependent on the nature of the business of the entity holding the financial asset. All financial instruments are initially recognized at fair value.

Financial assets

The Company initially recognizes financial assets on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company classifies all of its financial assets as subsequently measured at amortized cost. All financial assets that do not meet the criteria to be recognized as subsequently measured at amortized cost or subsequently measured at fair value through other comprehensive income are classified as fair value through profit or loss.

Financial liabilities

The Company measures all of its financial liabilities as subsequently measured at amortized cost. Financial liabilities are recognized initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost.

3. Summary of Significant Accounting Policies, continued

(k) Financial Instruments, continued

Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method.

Fair value

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Impairment of financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

4. Financial Instruments

Upon adoption of IFRS 9 there were no changes to the measurement of the Company's financial instruments which 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. Reclamation bonds are non-interest-bearing, have no maturity date and carrying values approximate fair value.

The Company's financial instruments are exposed to certain financial risks, including interest rate risk, liquidity risk, currency risk, credit risk and other price risk. The Company's exposure to these risks and its methods of managing the risks are summarized as follows:

(i) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to material interest rate risk.

4. Financial Instruments, continued

(ii) 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 April 30, 2019, all of the Company's financial liabilities are either due immediately or have contractual maturities of less than 90 days.

(iii) 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 other receivables which mainly consist of amounts recoverable from acting as project operator for exploration at the Cerro Las Minitas property.

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, or commercial paper issuers R1/A2/P2 or higher. All investments must be less than one year in duration. The Company's maximum exposure to credit risk with respect to other receivables is $76,427 (2018 - $159,431). However, the Company does not expect the counterparty to fail to meet its obligations.

(iv) Currency Risk

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). The Company does not manage currency risks through hedging or other currency management tools. As at April 30, 2019, cash totalling $44,531 (2018 - $89,413) was held in US dollars, other receivables totalling $6,761 (2018 - $50,957) were held in US dollars and accounts payable and accrued liabilities totalling $217,675 (2018 - $290,934) were payable in US dollars and $15,473 (2018 - $14,768) in Mexican Pesos. Based on forecast exchange rate movements for the next twelve months, assuming all other variables remain constant, the Company considers its financial performance and cash flows would not be materially affected by a weakening or strengthening of the US dollar or Mexican peso.

(v) Other Price Risk

Other price risk is the risk that the 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.

(Expressed in Canadian Dollars)

5. Capital Management

The Company's capital includes components of equity. The Company's objectives in managing its capital are to maintain the ability to continue as a going concern and to continue to explore the Company's mineral properties for the benefit of its stakeholders. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place setting out the expenditures required to meet its strategic goals. The Company compares actual expenses to budget on all exploration projects and overhead to manage costs, commitments and exploration activities.

As the Company is in the exploration stage, its operations have been substantially funded by the issuance of equity instruments and mineral property earn-in agreements. The Company will continue to rely on such funding depending upon market and economic conditions at the time. There have been no changes in the Company's approach to capital management during the year ended April 30, 2019.

6. Reclamation Bonds

The Company is required to post non-interest-bearing reclamation bonds against any potential land restoration costs that may be incurred in the future. The funds are held in trust and may be released after required reclamation is satisfactorily completed. As at April 30, 2019, amounts on deposit were $nil (2018 - $38,338 (US $29,912)) with respect to its Oro property.

7. Mineral Properties

Mineral property acquisition costs as at April 30, 2019 were as follows:

	Oro **$**	**Total** **$**
Balance as at April 30, 2017	59,753	59,753
Additions, net	66,413	66,413
Balance as at April 30, 2018	126,166	126,166
Additions, net	92,281	92,281
Balance as at April 30, 2019	**218,447**	**218,447**

(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.

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.

(Expressed in Canadian Dollars)

7. Mineral Properties, continued

(a) Oro - New Mexico, USA, continued

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 follows:

(i) US $30,000 on or before May 1, 2018 (paid);
(ii) US $10,000 on or before May 1, 2019 (paid on May 1, 2019);
(iii) US $20,000 on or before November 30, 2019;
(iv) US $30,000 annually from May 1, 2020 to May 1, 2024; and
(v) 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) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the years ended April 30, 2019 and 2018 were as follows:

	Oro		**Total**	
	$	**$**	**$**	**$**
	2019	**2018**	**2019**	**2018**
Assays and geochemistry	151	20,263	151	20,263
Camp, utilities and supplies	2,591	2,276	2,591	2,276
Drilling	-	103,683	-	103,683
Geological and geophysics	27,314	227,322	27,314	227,322
Land fees	-	7,539	-	7,539
Project supervision	16,777	29,216	16,777	29,216
	46,833	**390,299**	46,833	390,299
General exploration - other			-	1,263
			46,833	**391,562**

(c) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

7. Mineral Properties, continued

(c) Environmental, continued

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

(d) Title to Mineral Properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mineral properties.

The Company has investigated title to its mineral property interests in accordance with industry standards for the current stage of exploration of such properties and, to the best of its knowledge, title to its properties are in good standing; however, these procedures do not guarantee the Company's title.

Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(e) Realization of Assets

Realization of the Company's investment in mineral properties is dependent upon the establishment of legal ownership, the obtaining of permits, the satisfaction of governmental requirements, the attainment of successful production from the properties, or from the proceeds of their disposal.

The attainment of commercial production is in turn dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interest, and upon future profitable production.

8. Investment in Associate

Pursuant to an earn-in agreement completed in November 2016, Electrum Global Holdings L.P. ("Electrum") owns 60% of SSHL with the Company owning the remaining 40%.

MPS, a wholly-owned subsidiary of SSHL, holds title to the Cerro Las Minitas property which consists of twenty five mineral concessions located in Durango, Mexico.

(Expressed in Canadian Dollars)

8. Investment in Associate, continued

Following the earn-in period, each SSHL shareholder is to proportionately participate 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, SSHL is considered to be an associate as at April 30, 2019 and 2018. The interest is accounted for as an investment in an associate using the equity method as follows:

		April 30, 2019		April 30, 2018
Balance as at May 1,	$	5,028,583	$	4,043,938
Advances to associate, net		726,153		2,016,876
Share of net loss		(1,439,616)		(1,032,231)
	$	**4,315,120**	$	**5,028,583**

With respect to Cerro Las Minitas, the Company will be expected to contribute at its participating interest to the following:

- 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.

Summarized financial information for SSHL and MPS after inter-company eliminations is as follows:

		April 30, 2019		April 30, 2018
Current assets (USD)	$	63,569	$	1,362,972
Non-current assets (USD)	$	2,202,737	$	2,215,617
Current liabilities (USD)	$	165,135	$	44,733
Non-current liabilities (USD)	$	11,417,380	$	11,482,726
Net loss (USD)	$	2,742,339	$	2,003,652

9. 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 follows:

- $60,000 (2018 - $60,000) for office space and general administration services;
- $36,300 (2018 - $39,600) for professional services;
- $11,253 (2018 - $23,713) for consulting services;
- $202,628 (2018 - $197,448) for investor relations services;
- $7,778 (2018 - $30,748) for geological services;
- $212,422 (2018 - $147,119) for geological and professional services (charged to investment in associate); and
- $2,539 (2018 - $5,772) for the mark-up on out-of-pocket expenses.

Amounts payable as at April 30, 2019 were $11,239 (2018 - $44,227).

(b) Fees in the amount of $nil (2018 - $46,800) were charged by a director and officer of the Company for consulting services. Effective October 1, 2017 such fees of $156,000 (2018 - $91,000) were charged by a company controlled by a director and officer of the Company. Amounts payable as at April 30, 2019 were $13,650 (2018 - $13,650).

(c) Fees in the amount of $20,800 (2018 - $77,350) 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 April 30, 2019 were $nil (2018 - $8,982).

(d) Fees in the amount of $30,000 (2018 - $30,000) were charged by an officer of the Company for consulting services. Amounts payable as at April 30, 2019 were $2,625 (2018 - $2,625).

(e) Fees in the amount of $36,000 (2018 - $39,000) 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 April 30, 2019 were $3,150 (2018 - $3,150).

(f) Fees in the amount of $nil (2018 - $1,500) were charged by a director of the Company for consulting services (charged to investment in associate). Amounts payable as at April 30, 2019 were $nil (2018 - $1,695).

(g) Fees in the amount of $12,090 (2018 - $nil) were charged by a director of the Company for consulting services (charged to investment in associate). Amounts payable as at April 30, 2019 were $nil (2018 - $nil).

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.

(Expressed in Canadian Dollars)

9. Related Party Balances and Transactions, continued

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), (e), (f) and (g) above, was as follows:

		2019		2018
Short-term benefits	$	234,090	$	208,300
Share-based payments		81,370		584,471
Total	$	315,460	$	792,771

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 year-end, the estimated payment would be $468,000.

10. Share Capital

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

(a) Equity Financings

Year ended April 30, 2018

On June 13, 2017, the Company closed the first tranche of a non-brokered and brokered private placement and issued 6,372,500 units for gross proceeds of $2,549,000. On August 31, 2017, the Company closed the second tranche of this private placement and issued 1,170,000 units for gross proceeds of $468,000. On September 29, 2017, the Company closed the final tranche of this private placement and issued 1,254,500 units for gross proceeds of $501,800. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable to purchase one additional common share for a period of three years at an exercise price of $0.55 per share.

On August 31, 2017, the Company also issued 105,600 finders’ compensation options exercisable to purchase one common share for a period of three years at an exercise price of $0.40 per share and 1,750 finders’ share purchase warrants exercisable to purchase one common share for a period of three years at an exercise price of $0.55 per share. The compensation options were fair valued at $33,279 and the warrants were fair valued at $527 both using the Black-Scholes option pricing model (Note 10(e)).

(b) Shares for Services

On May 29, 2018, 100,000 common shares were issued as part of a consulting agreement at a fair value of $0.20 per share.

(Expressed in Canadian Dollars)

10. Share Capital, continued

(c) Compensation Options

Compensation options outstanding and exercisable as at April 30, 2019 and April 30, 2018 were as follows:

Exercise Price	Expiry Date	Balance April 30, 2018	Balance April 30, 2019
$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		2.34	1.34

Exercise Price	Expiry Date	Balance April 30, 2017	Granted	Exercised	Balance April 30, 2018
$0.40	August 31, 2020	-	105,600	500	105,100
		-	**105,600**	**500**	**105,100**
Weighted average exercise price		-	$0.40	$0.40	$0.40
Weighted average remaining life in years		-			2.34

(d) Share Purchase Warrants

Share purchase warrants outstanding as at April 30, 2019 were as follows:

Exercise Price	Expiry Date	Balance April 30, 2018	Exercised	Balance April 30, 2019
$0.08	March 4, 2020	1,259,295	-	1,259,295
$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	9,000,000	-	9,000,000
$0.08	March 4, 2021	6,000,000	-	6,000,000
$0.08	April 8, 2021	2,300,000	-	2,300,000
$0.15	May 19, 2021	9,062,500	100,000	8,962,500
$0.55	June 13, 2020	6,372,500	-	6,372,500
$0.55	August 31, 2020	1,171,750	-	1,171,750
$0.55	September 29, 2020	1,254,500	-	1,254,500
		54,115,138	**100,000**	**54,015,138**
Weighted average exercise price		$0.18	$0.15	$0.18
Weighted average remaining life in years		2.32		1.31

(Expressed in Canadian Dollars)

10. Share Capital, continued

(d) Share Purchase Warrants, continued

Share purchase warrants outstanding as at April 30, 2018 were as follows:

Exercise Price	Expiry Date	Balance April 30, 2017	Issued	Balance April 30, 2018
$0.08	March 4, 2020	1,259,295	-	1,259,295
$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	9,000,000	-	9,000,000
$0.08	March 4, 2021	6,000,000	-	6,000,000
$0.08	April 8, 2021	2,300,000	-	2,300,000
$0.15	May 19, 2021	9,062,500	-	9,062,500
$0.55	June 13, 2020	-	6,372,500	6,372,500
$0.55	August 31, 2020	-	1,171,750	1,171,750
$0.55	September 29, 2020	-	1,254,500	1,254,500
		45,316,388	**8,798,750**	**54,115,138**
Weighted average exercise price		$0.11	$0.55	$0.18
Weighted average remaining life in years		3.34		2.32

(e) Stock Options

The Company has a rolling stock option plan (the "Plan") that allows for the reservation of common shares issuable under the Plan to a maximum of 10% of the number of issued and outstanding common shares of the Company at any given time.

The term of stock options granted under the Plan may not exceed ten years and the exercise price may not be less than the closing price of the Company's shares on the last business day immediately preceding the date of grant, less any permitted discount.

On an annual basis, the Plan requires approval by the Company's shareholders and submission for regulatory review and acceptance.

On September 27, 2018, the Company granted 800,000 fully-vested stock options to directors, officers and consultants exercisable for a period of five years at an exercise price of $0.17 per share.

(Expressed in Canadian Dollars)

10. Share Capital, continued

(e) Stock Options, continued

Stock options outstanding and exercisable as at April 30, 2019 and April 30, 2018 were as follows:

Exercise Price	Expiry Date	Balance April 30, 2018	Granted	Expired	Balance April 30, 2019
$0.50	March 24, 2019	50,000	-	50,000	-
$0.08	March 26, 2020	2,218,000	-	-	2,218,000
$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	-	-	1,168,500
$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
Options outstanding		**8,801,500**	**800,000**	**50,000**	**9,551,500**
Options exercisable		**8,651,500**			**9,551,500**
Weighted average exercise price, outstanding		$0.21	$0.17	$0.50	$0.21
Weighted average exercise price, exercisable		$0.21	$0.17	$0.50	$0.21
Weighted average remaining life in years, outstanding		3.14			2.34
Weighted average remaining life in years, exercisable		3.11			2.34

Exercise Price	Expiry Date	Balance April 30, 2017	Granted	Exercised	Expired	Balance April 30, 2018
$1.00	June 5, 2017	35,000	-	-	35,000	-
$1.00	March 14, 2018	150,000	-	-	150,000	-
$0.08	March 14, 2018	79,200	-	72,000	7,200	-
$0.50	March 24, 2019	50,000	-	-	-	50,000
$0.08	March 26, 2020	2,518,000	-	300,000	-	2,218,000
$0.08	July 29, 2020	750,000	-	100,000	-	650,000
$0.08	September 28, 2020	190,000	-	-	-	190,000
$0.11	April 22, 2021	1,188,500	-	20,000	-	1,168,500
$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
Options outstanding		**6,585,700**	**2,900,000**	**492,000**	**192,200**	**8,801,500**
Options exercisable		**6,566,950**				**8,651,500**
Weighted average exercise price, outstanding		$0.17	$0.34	$0.08	$0.97	$0.21
Weighted average exercise price, exercisable		$0.17	$0.34	$0.08	$0.97	$0.21
Weighted average remaining life in years, outstanding		3.35				3.14
Weighted average remaining life in years, exercisable		3.34				3.11

(Expressed in Canadian Dollars)

10. Share Capital, continued

(f) Fair Value Determination

The weighted average fair value of stock options granted was $0.14 (2018 - $0.29), compensation options granted was $nil (2018 - $0.32) and finders warrants issued was $nil (2018 - $0.30). Fair values were estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2019	2018		
	Options	Options	Compensation Options	Warrants
Risk-free interest rate	2.32%	1.80%	1.35%	1.35%
Expected share price volatility	111.05%	129.53%	142.72%	142.72%
Expected life (years)	5.00	5.00	3.00	3.00
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

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

	2019	2018
Consolidated Statements of Comprehensive Loss		
Directors and officers	$ 81,370	$ 584,471
Consultants	47,648	240,935
	129,018	825,406
Consolidated Statements of Changes in Equity		
Compensation Options / Finders' warrants	-	33,806
Total	$ 129,018	$ 859,212

11. Supplemental Cash Flow Information

	2019	2018
Cash items		
Interest received	$ 4,761	$ 9,349
Income tax paid	$ -	$ -
Interest paid	$ -	$ -

(Expressed in Canadian Dollars)

12. Segmented Information

The Company conducts its business as a single operating segment, being the acquisition and exploration of mineral properties. As at April 30, 2019 the Company's non-current assets were located in the British Virgin Islands ($4,315,120) and in the United States of America ($218,447).

13. Income Tax

A reconciliation of the income tax charge computed at statutory rates to the reported loss before taxes is as follows:

	2019	2018
Income tax benefit at statutory rate of 27% (2018 - 26.33%)	$ 674,611	$ 894,998
Permanent differences	(426,001)	(498,522)
Temporary differences	47,757	45,800
Change in timing differences	(54,188)	12,173
Foreign exchange gains or losses	79,416	(148,403)
Adjustment attributable to income taxes of other countries	(7,903)	64,362
Unused tax losses and tax offsets not recognized	63,849	266,680
Effect of change in tax rate	(377,541)	(637,088)
	$ -	$ -

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2019	2018
Non-capital losses	$ 17,722,143	$ 16,464,220
Capital losses	53,597	53,597
Share issue costs	172,820	261,228
Tax value over book value of mineral properties	5,394,918	5,378,296
Tax value over book value of equipment	26,139	26,139
Tax value over book value of income tax credits	1,534	1,534
	$ 23,371,151	$ 22,185,014

(Expressed in Canadian Dollars)

13. Income Tax, continued

The Company's approximate unrecognized non-capital losses expire as follows:

	CDN $	Mexican Pesos
2023	-	470,000
2024	-	55,000
2026	830,000	-
2027	1,206,000	-
2028	1,142,000	-
2029	760,000	-
2030	1,035,000	-
2031	1,061,000	-
2032	1,565,000	-
2033	1,004,000	-
2034	886,000	-
2035	743,000	-
2036	724,000	-
2037	968,000	-
2038	1,209,000	-
2039	965,000	-
	14,098,000	525,000

The Company also has approximately US $2,670,000 in unrecognized non-capital losses that do not expire.

14. Events After the Reporting Period

Other than disclosed elsewhere, the following events occurred subsequent to April 30, 2019:

- During May, June, July and August 2019, 3,560,000 share purchase warrants exercisable at $0.08 were exercised for gross proceeds of $284,800 and 400,000 share purchase warrants exercisable at $0.15 were exercised for gross proceeds of $60,000;
- On August 8, 2019, 6,875,000 share purchase warrants exercisable at $0.08 were exercised for gross proceeds of $550,000; and
- On August 13, 2019, the Company closed the first tranche of a non-brokered private placement and issued 15,502,500 units at a price of $0.20 per unit for gross proceeds of $3,100,500. Each unit consisted of one common share of the Company and one common share purchase warrant whereby each warrant is exercisable to purchase one common share at an exercise price of $0.25 for a period of five years.

1100 – 1199 West Hastings Street,
Vancouver, BC, V6E 3T5
Tel: 604-684-9384 Fax: 604-688-4670
www.southernsilverexploration.com

Management's Discussion and Analysis
For the Year Ended April 30, 2019
Dated: August 22, 2019

A. Introduction

The following Management's Discussion and Analysis ("MD&A") of the consolidated operating results and financial condition of Southern Silver Exploration Corp. (the "Company") is for the year ended April 30, 2019 and is dated August 22, 2019. This MD&A was prepared to conform to National Instrument ("NI") 51-102F1 and was approved by the Board of Directors prior to its release.

This analysis should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2019, and the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company's shares trade on the TSX Venture Exchange ("SSV"), the Frankfurt Stock Exchange ("SEG1"), the Santiago Stock Exchange, Venture ("SSVCL") and the OTCQB Marketplace ("SSVFF").

The Company's functional and reporting currency is the Canadian dollar and all dollar amounts included herein are in Canadian dollars, unless otherwise indicated.

Additional information relating to the Company is available at www.southernsilverexploration.com and on SEDAR at www.sedar.com.

B. Qualified Person

Robert W. J. Macdonald, P. Geo., is the qualified person as defined by National Instrument 43-101 responsible for the technical information included in this MD&A and the supervision of work done in association with the exploration and development programs. Mr. Macdonald graduated with a B.Sc. degree from Memorial University of Newfoundland and a M.Sc. from the University of British Columbia. His work has focused on vein and intrusive-related gold systems and massive sulfide deposits.

C. Foreign Exchange Information and Conversion Tables

For ease of reference, the following information is provided:

Canadian Dollars per US Dollar (1)	Year Ended April 30, 2019	Year Ended April 30, 2018
Rate at end of period	1.3429	1.2817
Average rate for period	1.3182	1.2774

Conversion Table (2) Imperial		Metric	
1 acre	=	0.404686	hectares
1 foot	=	0.304800	meters
1 mile	=	1.609344	kilometres
1 ton	=	0.907185	tonnes
1 Ounce (troy)/ton	=	34.285700	g/t

(1) www.bankofcanada.ca (2) www.onlineconversion.com

C. Foreign Exchange Information and Conversion Tables, continued

Precious metal units and conversion factors [2]

ppb	- Part per billion	1	ppb	=	0.0010	ppm	=	0.000030	oz/t
ppm	- Part per million	100	ppb	=	0.1000	ppm	=	0.002920	oz/t
oz	- Ounce (troy)	10,000	ppb	=	10.0000	ppm	=	0.291670	oz/t
oz/t	- Ounce per ton (avdp.)	1	ppm	=	1.0000	ug/g	=	1.000000	g/t
g	- Gram								
g/t	- gram per metric ton	1	oz/t	=	34.2857	ppm			
mg	- milligram	1	Carat	=	41.6660	mg/g			
kg	- kilogram	1	ton (avdp.)	=	907.1848	kg			
ug	- microgram	1	oz (troy)	=	31.1035	g			

D. Summary of Mineral Properties

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 is continuing to advance its core asset - Cerro Las Minitas - a silver-lead-zinc property located in Durango State, Mexico. The property is a large land position and lies within the prolific Faja de Plata (Belt of Silver) of north central Mexico with the Company owning an indirect interest of 40% along with joint venture partner Electrum Global Holdings L.P. ("Electrum") which owns an indirect 60% interest.

The Company also continues to advance Oro - a gold-silver-copper-lead-zinc property located in New Mexico, USA. The property features a classic porphyry zonation within the highly prospective Laramide Porphyry belt of the southern USA.

Cerro Las Minitas - Durango, Mexico

The property is located about 70 kilometres to the northeast of the city of Durango in Durango State, Mexico, and is accessed easily by road. The property comprises twenty five concessions totaling approximately 34,415 hectares in one of the most significant silver producing regions in the world.

Four separate mineral deposits have been identified with the Blind, the El Sol and the Las Victorias deposits forming sets of sub-parallel, northwest-trending and steeply dipping mineralized zones which are traced for over 1,300 metres strike and up to 600 metres depth. The fourth deposit known as the Skarn Front, forms beneath the Blind, El Sol and Las Victorias deposits and is localized on the outer edge of the skarn alteration zone surrounding a Central Monzonite Intrusion and has been drilled along an approximate 1,100 metre strike length and to depths of up to 1,000 metres.

Mineralization occurs as massive-sulphide pipes, veins and replacements in sub-vertical structures that demonstrate good continuity between drill holes. Mineralization is open on-strike and at depth in a similar geological environment to that of major Mexican Carbonate Replacement Deposits (CRDs) such as Santa Eulalia (45Mt of 310g/t Ag, 7.1% Zn and 8.2% Pb) and Skarn deposits such as San Martin (60Mt of 118g/t Ag, 0.9% Pb and 3.9% Zn).

D. Summary of Mineral Properties, continued

Cerro Las Minitas - Durango, Mexico, continued

On May 9, 2019, the Company released an updated NI 43-101 mineral resource estimate for the project which, at a 175g/t AgEq cut-off, featured:

- Indicated Mineral resources of 134 million ounces silver equivalent or 2.0 billion pounds zinc equivalent which includes a 0.97Mt increase to 11.1Mt averaging 105g/t Ag, 0.1g/t Au, 0.16% Cu, 1.2% Pb and 3.7% Zn (375g/t AgEq; 8.2% ZnEq), containing: 37.5 million ounces of silver; 35 thousand ounces of gold; 40 million pounds of copper; 303 million pounds of lead; and 897 million pounds of zinc.
- Inferred Mineral resources of 138 million ounces silver equivalent or 2.0 billion pounds zinc equivalent which includes a significant increase to 12.8Mt averaging 111g/t Ag, 0.07g/t Au, 0.27% Cu, 0.9% Pb and 2.8% Zn (334g/t AgEq; 7.2% ZnEq) containing: 45.7 million ounces of silver; 31 thousand ounces of gold; 76 million pounds of copper, 253 million pounds of lead; and 796 million pounds of zinc.

Table 1: Base-case Mineral Resource Estimate Utilizing a 175g/t AgEq cut-off value:

Indicated Zone	Tonnes (Kt)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	AgEq (g/t)	ZnEq (%)	Ag TrOz (000's)	Au TrOz (000's)	Pb (Mlbs)	Zn (Mlbs)	Cu Lbs (Mlbs)	AgEq TrOz (000's)	ZnEq Lbs (Mlbs)
Blind Zone	2,007	103	0.12	2.0	2.3	0.04	310	8.0	6,647	3	90	103	5.2	19,983	354
El Sol Zone	978	83	0.09	2.3	2.2	0.04	291	7.5	2,600	1	50	47	2.0	9,168	162
Las Victorias	870	141	0.17	2.0	2.8	0.62	385	10.0	3,949	17	39	53	3.2	10,775	191
Skarn Front	7,246	104	0.19	0.8	4.3	0.06	403	8.1	24,290	14	125	694	29.7	93,965	1,299
Total	**11,102**	**105**	**0.16**	**1.2**	**3.7**	**0.10**	**375**	**8.2**	**37,485**	**35**	**303**	**897**	**40**	**133,891**	**2,006**

Inferred Zone	Tonnes (Kt)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	AgEq (g/t)	ZnEq (%)	Ag TrOz (000's)	Au TrOz (000's)	Pb (Mlbs)	Zn (Mlbs)	Cu Lbs (Mlbs)	AgEq TrOz (000's)	ZnEq Lbs (Mlbs)
Blind Zone	1,261	80	0.08	1.4	2.0	0.17	243	6.2	3,258	7	38	56	2	9,848	173
El Sol Zone	794	65	0.05	1.9	2.4	0.03	262	6.6	1,669	1	33	42	1	6,695	116
Las Victorias	216	180	0.06	2.7	2.1	0.90	416	11.0	1,252	6	13	10	0	2,892	53
Skarn Front	10,573	116	0.31	0.7	3.0	0.05	349	7.3	39,569	17	169	689	73	118,684	1,701
Total	**12,844**	**111**	**0.27**	**0.9**	**2.8**	**0.07**	**334**	**7.2**	**45,749**	**31**	**253**	**796**	**76**	**138,119**	**2,043**

Notes:

1) The current Resource Estimate was prepared by Garth Kirkham, P.Geo., of Kirkham Geosystems Ltd.
2) *All mineral resources have been estimated in accordance with Canadian Institute of Mining and Metallurgy and Petroleum ("CIM") definitions, as required under National Instrument 43-101 ("NI43-101").*
3) Mineral resources were constrained using mainly geological constraints and approximate 10g/t AgEq grade domains.
4) AgEq cut-off values were calculated using average long-term prices of $16.6/oz. silver, $1,275/oz. gold, $2.75/lb. copper, $1.0/lb. lead and $1.25/lb. zinc. Metal recoveries for the Blind, El Sol and Las Victorias deposits of 91% silver, 25% gold, 92% lead, 82% zinc and 80% copper and for the Skarn Front deposit of 85% silver, 18% gold, 89% lead, 92% zinc and 84% copper were used to define the cut-off grades. Base case cut-off grade assumed $75/tonne operating smelting and sustaining costs. All prices are stated in $USD.
5) Silver Equivalents were calculated from the interpolated block values using relative recoveries and prices between the component metals and silver to determine a final AgEq value. The same methodology was used to calculate the ZnEq value.
6) Mineral resources are not mineral reserves until they have demonstrated economic viability. Mineral resource estimates do not account for a resource's mineability, selectivity, mining loss, or dilution.
7) All figures are rounded to reflect the relative accuracy of the estimate and therefore numbers may not appear to add precisely.

D. Summary of Mineral Properties, continued

Cerro Las Minitas - Durango, Mexico, continued

Approximately 10,150 metres of drilling were completed in 21 core holes in the 2018 program. Eleven core holes totaling 6,632 metres were completed in the Area of the Cerro with a focus towards further mineral resource expansion. An additional 3,525 metres of drilling in ten core holes were completed in the CLM West claim group which targeted the discovery and delineation of major Ag-Au quartz vein systems within the more recently acquired CLM West claim group.

Drilling in the Area of the Cerro during 2018-19 exploration, as reflected in the updated Mineral Resource estimate, successfully:

- filled grade gaps in the earlier block model and allowed the more effective projection of higher grade mineralization throughout the deposits;
- built continuity of several higher grade zones within the central part of the Skarn Front deposit establishing several high-grade lenses of mineralization within 400 metres of surface;
- established greater continuity between the Skarn Front deposit and footwall mineralization (lateral to and equivalent to the Skarn Front style mineralization) in the Las Victorias zone;
- extended and built continuity of higher-grade, shallow mineralization (<400 metres) in both the Las Victorias deposit and North Skarn zone;
- added 163Kt Indicated Resource and 216Kt Inferred Resource at grades >380g/t AgEq in the Las Victorias deposit;
- added 2.1Mt Indicated Resource and 2.7Mt Inferred Resource to the Skarn Front deposit at similar or higher average AgEq grade;
- provided better definition of three higher grade sub-zones within the El Sol deposit; and
- identified anomalous silver and pathfinder mineralization in the CLM West Epithermal 19,500 ha. claim group located approximately 10-15km to the southwest of the established mineral resources on the CLM property

The Mineral Resources at Cerro Las Minitas have increased substantially since the initial resource estimate in 2016 with 133 drill holes for 59,176 metres and with a discovery cost of: $0.07/oz AgEq; $0.005/lb ZnEq.

The 2018 drill results on CLM West claim group are highlighted by a three metre downhole interval grading 168g/t Ag from a strongly oxidized and broken zone located in the upper part of drill hole 18CLMW-007 and two deeper anomalous pathfinder zones with strongly enriched arsenic and antimony including 32.2 metres of 1073ppm As and 676ppm Sb. The intercepts correlate to the Durazno breccia structure, which can be traced in outcrop on surface mapping for over 1.5 kilometres in the northern part of the claim group.

Further drilling confirmed an extension of the anomalous arsenic and antimony in hole 18CLMW-007 including 3 metres of 4.9g/t Ag, 1145ppm As and 676ppm Sb and strongly elevated values of Ag, Sb and in drill holes 18CLMW-008 and -009 including 5.5 metres of 2.1g/t Ag, 629ppm As and 68ppm Sb in 18CLM-009.

D. Summary of Mineral Properties, continued

Cerro Las Minitas - Durango, Mexico, continued

The identification of such enriched silver and pathfinder metals in this initial phase of wide-spread drill testing on the CLM West claims may be significant in suggesting a potential proximity to much more precious-metal enriched (Ag-Au) deposits. Similar pathfinder-ore relationships are identified on the adjacent La Preciosa and Avino mineral systems and are described in classic models of vein and breccia epithermal systems.

Table 2: Select Summary Assays from 2018 Exploration on CLM West claims

Hole #	From (m)	To (m)	Interval (m)	Est.Tr.Thk. (m)	Ag (g/t)	As (g/t)	Sb (g/t)	Au (g/t)
18CLMW-007	126.00	129.00	3.00	UNK	**168.0**	31	-	-
and	164.15	182.00	17.85	UNK	0.4	**144**	49	-
and	333.70	366.00	32.30	UNK	-	**1073**	**771**	-
inc.	351.00	354.00	3.00	UNK	4.9	**1145**	**676**	-
18CLMW-008	333.00	354.00 (EOH)	21.00	UNK	0.8	**136**	7	-
18CLMW-009	341.00	438.00	97.00	UNK	-	**205**	50.3	0.014
inc.	345.70	351.25 (EOH)	5.55	UNK	2.1	**629**	68.5	**0.063**

Analyzed by FA/AA for gold and ICP-AES by ALS Laboratories, North Vancouver, BC. Silver (>100ppm), copper, lead and zinc (>1%) overlimits assayed by ore grade ICP analysis, High silver overlimits (>1500g/t Ag) and gold overlimits (>10g/t Au) re-assayed with FA-Grav. High Pb (>20%) and Zn (>30%) overlimits assayed by titration.

Metallurgical test work on representative composites from the Cerro Los Minitas mineral deposits was conducted by Blue Coast Research of Parksville, BC which visited the project in October 2017 to supervise the selection of samples for use in the study. Representative samples of the Blind – El Sol oxides and sulphides as well as the Skarn Front sulphides were collected from drill core and combined into three distinct composites to represent the three different styles of mineralization currently identified on the project. Test work included sample characterization and batch flotation tests. A limited cyanidation test program was conducted on the Blind – El Sol oxide composite. Sample characterization of the composites included head analyses, chemical characterization, modal mineralogy determinations (including microprobe work) and Bond Ball Work Index tests.

Initial test work successfully generated high-grade lead and zinc concentrates from the Blind-El Sol deposits and a high-grade lead concentrate from the Skarn Front deposit. However, heavy dilution of the zinc concentrate by chalcopyrite resulted in lower than optimal recoveries and grades of zinc concentrate generated from the Skarn Front composite. More recent test work successfully optimized the flotation sequence, upgraded the zinc concentrate by removing the chalcopyrite and created a separate copper concentrate. The best results were achieved using a sequential float of Cu-Pb-Zn followed by subsequent cleaning of each concentrate. The test work on the Skarn Front sulphide composite recovered:

- 67.7% Cu and 15.1% Ag into the copper concentrate assaying 27.9% Cu and 1661g/t Ag respectively after three stages of cleaning;

D. Summary of Mineral Properties, continued

Cerro Las Minitas - Durango, Mexico, continued

- 85.2% Pb and 67.3% Ag into the lead concentrate assaying 60.8% Pb and 4596g/t Ag respectively after one stage of cleaning; and
- 89% Zn and 8.2% Ag into the zinc concentrate assaying 50.7% Zn and 111g/t Ag respectively after three stages of cleaning.

These latest test results complement previously reported recoveries from the Blind – El Sol sulphide composite which recovered:

- 82% Ag, 90% Pb and 4% Zn into a lead concentrate assaying 2880ppm Ag, 68% Pb and 2% Zn; and
- 78% Zn into a zinc concentrate assaying 52% Zn.

The combined results from the Blind – El Sol and the Skarn Front deposits provide very favorable recoveries and grades of silver, lead and zinc which form the initial basis for a metallurgical processing flowsheet which in turn, can be used in the further evaluation and scoping of the project. The overall objective of the 2018/9 exploration program is to continue to increase the existing resource base and to identify and drill test new epithermal vein systems within the larger claim package.

Oro - New Mexico, USA

The Oro property comprises a contiguous block of Federal, State and private land in the historic Eureka mining district in Grant County, New Mexico and is located approximately 80 kilometres southwest of the Silver City porphyry copper district.

The claims surround a highly prospective zone of quartz-sericite-pyrite alteration footprint, interpreted to overlie an unexposed porphyry centre. Classic porphyry system zonation is indicated by surface gold and copper mineralization associated with Laramide-age intrusions in this core area, flanked by lead-zinc skarn mineralization and distal sediment-hosted gold occurrences. In addition to bulk-tonnage porphyry copper-molybdenum-gold potential, the property also includes the sediment-hosted gold mineralization Stockpond target located 3 kilometres to the northeast of the porphyry system.

In October 2017 the company completed an eight hole, 1520 metre reverse circulation (RC) drill program on the Stockpond gold target. The program was a follow-up to Phase I drilling in 2016 which intersected thick horizons of strongly silicified and hematite-rich sediments in eight of nine holes drilled, with the higher gold grades spatially associated with zones of strong silicification. The strongest values were obtained in the easternmost hole, SP16-004, which intersected a 41.2 metre interval of 0.42g/t Au (including a 9.1 metre interval of 0.75g/t Au). Phase II holes offset this encouraging drill intercept and tested to bedrock in the large gravel-covered area to the east of the earlier drilling.

The Company previously completed a 300 line-kilometre airborne Z-TEM survey over the entire property at 200 metre line spacing as part of a larger evaluation of the property to identify new targets for drill testing Cu-Mo porphyry potential. Recent data compilations show several potential target areas and up to 5,000 metres of new drill targeting on several high quality Cu-Au porphyry and skarn targets.

D. Summary of Mineral Properties, continued

Acquisition Costs

Mineral property acquisition costs as at April 30, 2019 were as follows:

	Oro $	Total $
Balance as at April 30, 2017	59,753	59,753
Additions, net	66,413	66,413
Balance as at April 30, 2018	126,166	126,166
Additions, net	92,281	92,281
Balance as at April 30, 2019	**218,447**	**218,447**

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the years ended April 30, 2019 and 2018 were as follows:

	Oro		Total	
	$ 2019	$ 2018	$ 2019	$ 2018
Assays and geochemistry	151	20,263	151	20,263
Camp, utilities and supplies	2,591	2,276	2,591	2,276
Drilling	-	103,683	-	103,683
Geological and geophysics	27,314	227,322	27,314	227,322
Land fees	-	7,539	-	7,539
Project supervision	16,777	29,216	16,777	29,216
	46,833	**390,299**	46,833	390,299
General exploration - other			-	1,263
			46,833	**391,562**

E. Results of Operations

During the year ended April 30, 2019 Company incurred a net loss of $2,498,560 (2018 - $3,398,722).

As per its mandate to acquire, explore, and develop mineral resource properties, the Company continues exploration on the Cerro Las Minitas and Oro properties *(D - Summary of Mineral Properties)*. The Company's share of costs associated with exploration and other activities at Cerro Las Minitas are accounted for within Share of Loss in Equity Accounted Investment.

E. Results of Operations, continued

Consulting fees increased mainly as a result of recognition of fair value of shares issued for such services. Investor relations, professional fees, shareholders' communications and travel and promotion decreased due to increased activity associated with financing and promotional initiatives in the prior period.

Non-cash share-based payments vary as stock options are granted and vest. Foreign exchange gains and losses fluctuate based on the US and Canadian dollar exchange rate and the extent of transactions and balances denominated in US dollars.

Other income recognized mainly relates to interest income earned on cash reserves.

A summary of variances is as follows:

	2019 $	2018 $	Variance $
Administration	60,000	60,000	-
Consulting	235,253	216,013	19,240
Exploration and evaluation	46,833	391,562	(344,729)
Investor relations	411,227	578,945	(167,718)
Office and general	22,577	45,773	(23,196)
Professional fees	90,267	136,368	(46,101)
Regulatory fees and taxes	32,785	38,562	(5,777)
Share-based payments	129,018	825,406	(696,388)
Shareholders' communications	8,098	14,397	(6,299)
Transfer agent	12,770	10,839	1,931
Travel and promotion	6,944	21,431	(14,487)
Foreign exchange loss	7,996	36,601	(28,605)
Other income	(4,824)	(9,406)	4,582
Share of loss in equity accounted investment	1,439,616	1,032,231	407,385

F. Summary of Quarterly Results

The following financial data was derived from the Company's consolidated financial statements for the eight previous quarters:

	Apr 30, 2019 $	Jan 31, 2019 $	Oct 31, 2018 $	Jul 31, 2018 $	Apr 30, 2018 $	Jan 31, 2018 $	Oct 31, 2017 $	Jul 31, 2017 $
Net loss	292,476	555,758	955,112	695,214	540,764	472,917	1,461,770	923,271
Basic and diluted loss per share	$ 0.00	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.00	$ 0.02	$ 0.01

F. Summary of Quarterly Results

The Company earned no revenue due to the nature of current operations.

Quarterly fluctuations mainly relate to recognition of share-based payments which occur as stock options are granted and vest, foreign exchange gains and losses which vary with market rates, mineral property exploration expenses which occur as projects are identified or impairments which occur when indicators arise and share of losses in equity accounted investment.

Significant share-based payments expense was recognized in the three months ended October 31, 2018 and 2017.

G. Fourth Quarter

No unusual events affected the Company's financial performance or cash flows during the fourth quarter.

H. Summary of Annual Information

During the previous three fiscal years presented below, the Company earned no revenue and main operating costs have remained materially constant, subject to additional contracts for services entered into as required and costs incurred for financing or other ad-hoc projects as undertaken. The Company continues to invest in its mineral properties as resources have permitted and impairment charges are recognized as relevant indicators arise.

During the year ended April 30, 2017, the Company deconsolidated two previously fully-controlled subsidiaries but retained a 40% interest and the ability to exert significant influence.

To date, the Company has not paid dividends and does not have any long-term financial liabilities.

	2019 $	2018 $	2017 $
Net loss - equity holders	(2,498,560)	(3,398,722)	(2,407,241)
Net loss - non-controlling interest	-	-	(224,252)
Basic and diluted loss per share - equity holders	(0.03)	(0.04)	(0.03)
Basic and diluted loss per share - non-controlling interest	-	-	(0.00)
Current assets	475,882	2,302,155	2,490,535
Other non-current assets	4,315,120	5,066,921	4,075,005
Mineral properties	218,447	126,166	59,753
Total assets	5,009,449	7,495,242	6,625,293
Total non-current financial liabilities	-	-	-
Cash dividends per common share	-	-	-

I. Related Party 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 follows:

- $60,000 (2018 - $60,000) for office space and general administration services;
- $36,300 (2018 - $39,600) for professional services;
- $11,253 (2018 - $23,713) for consulting services;
- $202,628 (2018 - $197,448) for investor relations services;
- $7,778 (2018 - $30,748) for geological services;
- $212,422 (2018 - $147,119) for geological and professional services (charged to investment in associate); and
- $2,539 (2018 - $5,772) for the mark-up on out-of-pocket expenses.

Amounts payable as at April 30, 2019 were $11,239 (2018 - $44,227).

(b) Fees in the amount of $nil (2018 - $46,800) were charged by a director and officer of the Company for consulting services. Effective October 1, 2017 such fees of $156,000 (2018 - $91,000) were charged by a company controlled by a director and officer of the Company. Amounts payable as at April 30, 2019 were $13,650 (2018 - $13,650).

(c) Fees in the amount of $20,800 (2018 - $77,350) 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 April 30, 2019 were $nil (2018 - $8,982).

(d) Fees in the amount of $30,000 (2018 - $30,000) were charged by an officer of the Company for consulting services. Amounts payable as at April 30, 2019 were $2,625 (2018 - $2,625).

(e) Fees in the amount of $36,000 (2018 - $39,000) 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 April 30, 2019 were $3,150 (2018 - $3,150).

(f) Fees in the amount of $nil (2018 - $1,500) were charged by a director of the Company for consulting services (charged to investment in associate). Amounts payable as at April 30, 2019 were $nil (2018 - $1,695).

(g) Fees in the amount of $12,090 (2018 - $nil) were charged by a director of the Company for consulting services (charged to investment in associate). Amounts payable as at April 30, 2019 were $nil (2018 - $nil).

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.

I. Related Party Transactions, continued

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), (e), (f) and (g) above, was as follows:

		2019		2018
Short-term benefits	$	234,090	$	208,300
Share-based payments		81,370		584,471
Total	$	315,460	$	792,771

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 year-end, the estimated payment would be $468,000.

J. Financial Condition, Liquidity and Capital Resources

As at April 30, 2019 the Company had working capital of $165,859 (2018 - $1,841,834).

However, the Company does not yet generate any revenue from operations and, for the foreseeable future, will need to rely upon earn-in agreements and / or issue share capital to finance future exploration and administrative activities. Although the Company has been successful in its financing initiatives, there can be no assurance that the Company will be able to obtain adequate future financing.

Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with a possible loss of some properties and reduction or termination of operations.

During May, June, July and August 2019, 3,560,000 share purchase warrants exercisable at $0.08 were exercised for gross proceeds of $284,800 and 400,000 share purchase warrants exercisable at $0.15 were exercised for gross proceeds of $60,000. On August 8, 2019, 6,875,000 share purchase warrants exercisable at $0.08 were exercised for gross proceeds of $550,000. On August 13, 2019, the Company closed the first tranche of a non-brokered private placement and issued 15,502,500 units at a price of $0.20 per unit for gross proceeds of $3,100,500. Each unit consisted of one common share of the Company and one common share purchase warrant whereby each warrant is exercisable to purchase one common share at an exercise price of $0.25 for a period of five years.

K. Outstanding Equity and Convertible Securities

i) Issued and Outstanding Shares

As at August 22, 2019, the Company had 123,001,448 common shares issued and outstanding.

K. Outstanding Equity and Convertible Securities, continued

ii) Share Purchase Warrants

Share purchase warrants outstanding as at August 22, 2019 were as follows:

Exercise Price	Expiry Date	Balance April 30, 2019	Issued	Exercised	Balance August 22, 2019
$0.08	March 4, 2020	1,259,295	-	-	1,259,295
$0.08	March 5, 2020	15,884,593	-	6,875,000	9,009,593
$0.08	March 11, 2020	1,810,000	-	1,710,000	100,000
$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	2,300,000	-	1,850,000	450,000
$0.15	May 19, 2021	8,962,500	-	400,000	8,562,500
$0.55	June 13, 2020	6,372,500	-	-	6,372,500
$0.55	August 31, 2020	1,171,750	-	-	1,171,750
$0.55	September 29, 2020	1,254,500	-	-	1,254,500
$0.25	August 13, 2024	-	16,199,175	-	16,199,175
		54,015,138	**16,199,175**	**10,835,000**	**59,379,313**
Weighted average exercise price		$0.18	$0.25	$0.08	$0.22
Weighted average remaining life in years		1.31			2.13

iii) Stock Options

Stock options outstanding and exercisable as at August 22, 2019 were as follows:

Exercise Price	Expiry Date	Balance April 30, 2019	Balance August 22, 2019
$0.08	March 26, 2020	2,218,000	2,218,000
$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	1,168,500
$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
		9,551,500	**9,551,500**
Weighted average exercise price		$0.21	$0.21
Weighted average remaining life in years		2.34	2.03

K. Outstanding Equity and Convertible Securities, continued

iv) Compensation Options

Compensation options outstanding as at August 22, 2019 were as follows:

Exercise Price	Expiry Date	Balance April 30, 2019	Balance August 22, 2019
$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		1.34	1.03

L. Financial Instruments

The Company's financial instruments include cash, other receivables, reclamation bond, accounts payable and accrued liabilities and amounts due to related parties. The Company has classified its financial instruments into the following categories:

Financial Instrument	Category	Carrying Value
Cash	FVTPL	Fair Value
Other Receivables	Loans and Receivables	Amortized Cost
Reclamation Bond	Loans and Receivables	Amortized Cost
Accounts Payable and Accrued Liabilities	Other Financial Liabilities	Amortized Cost
Due to Related Parties	Other Financial Liabilities	Amortized Cost

The carrying values of other receivables, accounts payable and accrued liabilities and amounts due to related parties approximate their fair values due to the short period to maturity. The reclamation bond is non-interest-bearing, has no maturity date and carrying value approximates fair value.

These financial instruments have no material risk exposure. 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, or commercial paper issuers R1/A2/P2 or higher. All investments must be less than one year in duration.

M. Events After the Reporting Period and Outlook

There are no other material events subsequent to the date of this document. The Company is continuing to explore its properties and activities over the ensuing year will focus on this. The Company expects to continue its strategy of collaborating with experienced mining companies to acquire and develop other properties and to advance them to production.

N. Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate entering into any such arrangements in the foreseeable future.

O. Disclosure Controls and Procedures

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee is composed of three directors, two of whom are independent, who meet at least quarterly with management, and at least annually with the external auditors, to review accounting, internal control, financial reporting and audit matters.

There have been no significant changes to the Company's internal control over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

The Audit Committee has established procedures for complaints received regarding accounting, internal controls or auditing matters, and for a confidential, anonymous submission procedure for employees who have concerns regarding questionable accounting or auditing matters.

The Whistleblower policy is in accordance with National Instrument 52-110 Audit Committees, National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices.

Being a venture issuer, the Company is exempted from the certification on Disclosure Controls and Procedures and Internal Control Over Financial Reporting. The Company is required to file Form 52-109FV1 for annual reporting and Form 52-109FV2 for interim reporting.

P. Risks and Uncertainties

The principal business of the Company is the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of development, the following risk factors, among others, should be considered:

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration.

Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities.

Because of these uncertainties, no assurance can be given that our exploration programs will result in the establishment or expansion of resources or reserves.

P. Risks and Uncertainties, continued

No Operating History and Availability of Financial Resources

The Company does not have an operating history and has no operating revenues and is unlikely to generate any significant amount in the foreseeable future. Therefore, it may not have sufficient financial resources to undertake, by itself, all of its planned exploration and administrative activities.

Historically, the Company has relied mainly upon the issuance of share capital to finance its activities. In the future, the Company will be required to rely on earn-in agreements and / or issue share capital to finance future exploration and administrative activities, which may result in dilution to existing shareholders. Furthermore, the amount of additional funds required may not be available under favorable terms, if at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or discontinue its operations.

Dependence on Key Personnel

The Company is dependent on a relatively small number of key directors, officers and senior personnel. Loss of any one of those persons could have an adverse effect on the Company. The Company does not currently maintain "key-man" insurance in respect of any of its management.

Price Volatility and Lack of Active Market

Securities markets in Canada and elsewhere continue to experience a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price.

Government Regulations and Environmental Risks and Hazards

The Company conduct is subject to various federal, provincial, state laws, rules and regulations, including environmental legislation. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation.

P. Risks and Uncertainties, continued

Environmental hazards may exist on the Company's properties, which may have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current property interests that may result in material liability to the Company.

Competition

The resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped properties.

The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.

Title to Property

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, aboriginal land claims or government expropriation and title may be affected by undetected defects.

Licenses and Permits

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

Q. Changes in Accounting Policies Including Initial Adoption

The Company adopted IFRS 9, *Financial Instruments* ("IFRS 9") effective May 1, 2018. Upon adoption of IFRS 9 there were no changes to the measurement of the Company's financial instruments.

R. Proposed Transactions

Other than normal course review of monthly submittals, there are no other new acquisitions or proposed transactions contemplated as at the date of this report.

S. Forward-Looking Statements

Some of the statements contained in this MD&A may be deemed "forward-looking statements." These include estimates and statements that describe the Company's future plans, objectives or goals, and expectations of a stated condition or occurrence. Forward-looking statements may be identified by the use of words such as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Actual results relating to, among other things, results of exploration, reclamation, capital costs, and the Company's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as but not limited to; changes in general economic conditions and conditions in the financial markets; changes in demand and prices for the minerals the Company expects to produce; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the Company's activities; changing foreign exchange rates and other matters discussed in this MD&A.

Readers should not place undue reliance on the Company's forward-looking statements. Further information regarding these and other factors, which may cause results to differ materially from those projected in forward-looking statements, are included in the filings by the Company with securities regulatory authorities. The Company does not assume any obligation to update or revise any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws, whether as a result of new information, future events or otherwise.