CAPITAN
SILVER CORP

Condensed Interim Consolidated Financial Statements
For the Six Months Ended March 31, 2026 and 2025

(Unaudited - Expressed in Canadian Dollars)

CAPITAN SILVER CORP.

Index to Condensed Interim Consolidated Financial Statements

NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that these condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The attached condensed interim consolidated financial statements for the six months ended March 31, 2026 have not been reviewed by the Company's auditors.

CAPITAN SILVER CORP.
Condensed Interim Consolidated Statements of Financial Position as at
(Unaudited - Expressed in Canadian Dollars)

	Notes		March 31, 2026		September 30, 2025
Assets					
Cash		$	26,851,934	$	4,897,245
Restricted cash	5		25,000		25,000
Taxes receivable			43,469		19,280
Accounts receivable	10		45,497		170,711
Share subscription receivable	9		-		43,000
Prepaid expenses	6		281,923		155,275
			27,247,823		5,310,511
Equipment	7		77,157		2,942
VAT receivable			2,528,079		2,013,026
Exploration and evaluation assets	8		25,081,812		20,777,435
Total Assets		**$**	**54,934,871**	**$**	**28,103,914**
Liabilities					
Accounts payable and accrued liabilities		$	271,264	$	298,643
Taxes payable			26,331		9,448
Payroll liabilities			50,143		-
			347,738		308,091
Other payable	8		3,255,813		3,231,763
			3,603,551		3,539,854
Shareholders' Equity					
Share capital	9		56,532,903		29,209,553
Reserves	9		1,343,893		726,860
Accumulated other comprehensive loss			1,094,561		880,993
Deficit			(7,640,037)		(6,253,346)
			51,331,320		24,564,060
Total Liabilities and Shareholders' Equity		**$**	**54,934,871**	**$**	**28,103,914**

Nature and continuance of operations (Note 1)

On behalf of the Board on May 27, 2026

John-Mark Staude Director

Arturo Bonillas Director

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

CAPITAN SILVER CORP.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Six Months ended March 31,
(Unaudited - Expressed in Canadian Dollars)

	Notes		Three months ended March 31, 2026	Three months ended March 31, 2025	Six months ended March 31, 2026	Six months ended March 31, 2025
Expenses						
Management and consulting fees	10	$	92,353	304,290	169,720	367,743
Depreciation			2,664	200	2,958	398
Director fees			36,000	-	72,000	-
Filing fees			95,094	46,573	189,212	47,710
Foreign exchange (gain) loss			27,247	8,018	(33,551)	(1,722)
Investor relations and marketing			348,568	207,969	447,261	235,934
General and administration			13,570	12,431	27,418	22,721
Professional fees			32,989	102,379	71,165	157,807
Share-based compensation	9,10		317,503	10,055	644,444	44,119
Travel and meals			7,147	17,528	28,291	18,829
Interest income			(180,871)	(17,004)	(232,227)	(20,349)
Net loss for the period			**(792,264)**	**(692,439)**	**(1,386,691)**	**(873,190)**
Foreign exchange movements			192,464	101,034	213,568	156,621
Comprehensive loss for the period		**$**	**(599,800)**	**(591,405)**	**(1,173,123)**	**(716,569)**
Weighted average number of common shares outstanding – basic and diluted			128,351,921	90,245,662	122,087,990	87,436,278
Loss per share - basic and diluted		**$**	**(0.01)**	**(0.01)**	**(0.01)**	**(0.01)**

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

CAPITAN SILVER CORP.
Condensed Interim Consolidated Statements of Cash Flows
For the Six Months ended March 31,
(Unaudited - Expressed in Canadian Dollars)

		2026		2025
OPERATING ACTIVITIES				
Net loss for the period	$	(1,386,691)	$	(873,190)
Items not involving cash:				
Depreciation		2,958		398
Share-based compensation		644,444		44,119
Foreign exchange		(98,590)		4,204
Changes in non-cash working capital items:				
Accounts payable and accrued liabilities		(107,042)		124,961
Payroll liability		50,143		-
VAT receivable		(584,352)		(96,288)
Accounts receivable		125,214		-
Prepaid expenses		(126,648)		(2,735)
		(1,480,564)		(798,531)
INVESTING ACTIVITIES				
Exploration and evaluation assets		(3,826,002)		(1,074,089)
Acquisition of equipment		(77,684)		-
		(3,903,686)		(1,074,089)
FINANCING ACTIVITIES				
Proceeds from shares issuance, net of issuance costs		27,255,939		5,300,000
Collection of share subscription receivable		43,000		(131,400)
Net proceeds from options exercised		40,000		10,116
		27,338,939		5,178,716
Increase in cash		21,954,689		3,306,096
Cash, beginning of the period		4,897,245		568,421
Cash, end of the period	**$**	**26,851,934**	**$**	**3,874,517**

	2026	**2025**
Non-Cash Investing and Financing Activities:		
Share subscription receivable	-	-
Shares issued for royalty acquisition	-	294,298
Accounts payable included in exploration and evaluation assets	234,904	18,577
Equity reserve transferred to share capital on exercise of stock options	27,411	-

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

CAPITAN SILVER CORP.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

		Share Capital				Accumulated Other Comprehensive (Income)/Loss		
	Note	Shares	Amount		Reserves		Deficit	Total
Balance at September 30, 2024		**84,057,438**	**$ 15,847,959**	**$**	**920,719**	**$ (111,103)**	**$ (4,755,634)**	**$ 11,901,941**
Private Placement	9	13,250,000	5,300,000		-	-	-	5,300,000
Shares issued for royalty acquisition	8	934,280	294,298		-	-	-	294,298
Option exercised	9	101,166	10,116		-	-	-	10,116
Share-based payments	9	-	-		44,119	-	-	44,119
Foreign exchange movement		-	-		-	156,621	-	156,621
Loss for the period		-	-		-	-	(873,190)	(873,190)
Balance at March 31, 2025		**98,342,884**	**$ 21,452,373**	**$**	**964,838**	**$ 45,518**	**$ (5,628,824)**	**$ 16,833,905**
Balance at September 30, 2025		**114,235,606**	**$ 29,209,553**	**$**	**726,860**	**$ 880,993**	**$ (6,253,346)**	**$ 24,564,060**
Private placement	9	14,288,915	29,006,498		-	-	-	29,006,498
Share issuance cost for the private placement	9	-	(1,750,559)		-	-	-	(1,750,559)
Option exercised	9	200,000	67,411		(27,411)			40,000
Share-based compensation	9	-	-		644,444	-	-	644,444
Foreign exchange movement		-	-		-	213,568	-	213,568
Loss for the period		-	-		-	-	(1,386,691)	(1,386,691)
Balance at March 31, 2026		**128,724,521**	**$ 56,532,903**	**$**	**1,343,893**	**$ 1,094,561**	**$ (7,640,037)**	**$ 51,331,320**

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

1. Nature and continuance of operations

Capitan Silver Corp. was incorporated on October 30, 2019, under the laws of the Business Corporation Act (British Columbia) as part of a plan of arrangement (the "Plan of Arrangement") to reorganize Riverside Resources Inc. ("Riverside"). The Company's head office address is 550 – 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6. On August 21, 2020, the Company listed on the TSX Venture Exchange (the "Exchange") with the symbol CAPT.

The Company's business activity is the acquisition and exploration of mineral properties in Mexico.

The Company's ability to continue operations is uncertain and is dependent upon the ability of the Company to obtain necessary financing to meet the Company's liabilities and commitments as they become payable, acquiring assets or a business, and the ability to generate future profitable production or operations or sufficient proceeds from the disposition thereof. The outcome of these matters cannot be predicted at this time. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The Company incurred a net loss of $1,386,691 for the period ended March 31, 2026 and accumulated losses of $7,640,037 as of March 31, 2026. Management believes that the Company has sufficient working capital to maintain its operations for the following 12 months.

2. Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments, which are stated at their fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for interim information, specifically International Accounting Standards ("IAS") 34 - Interim Financial Reporting. In addition, these condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") in effect at March 31, 2026 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2025.

In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ending September 30, 2026.

The condensed interim consolidated financial statements for the six months ended March 31, 2026 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 27, 2026.

4. Material accounting policy information

These condensed interim consolidated financial statements as at March 31, 2026 have been prepared following the same accounting policies as the audited consolidated financial statements as at September 30, 2025.

(Unaudited - Expressed in Canadian Dollars)

5. Restricted cash

As at March 31, 2026 and 2025, the Company's restricted cash of $25,000 related to a Guaranteed Investment Certificate ("GIC") earning a variable rate of 2.70% (2025 – 2.95%) interest per annum held as collateral in respect to the corporate credit card facility with a financial institution.

6. Prepaid expenses

The breakdown of prepaid expenses is as follows:

	March 31, 2026	September 30, 2025
Expense advances	$ 230,742	$ 120,557
Insurance	37,619	19,058
Rent	3,163	660
Prepaid deposit	10,399	15,000
	$ 281,923	$ 155,275

7. Equipment

		Computer hardware	Exploration equipment	Transportation equipment	Total
Cost					
Balance at September 30, 2025	$	3,612	2,720	-	6,332
Additions		29,798	28,292	19,594	77,684
Foreign exchange movement		(246)	(178)	-	(424)
Balance at March 31, 2026	$	**33,164**	**30,834**	**19,594**	**83,592**
Accumulated depreciation					
Balance at September 30, 2025	$	(2,955)	(435)	-	(3,390)
Depreciation		(1,610)	(1,348)	-	(2,958)
Foreign exchange movement		(70)	(17)	-	(87)
Balance at March 31, 2026	$	**(4,635)**	**(1,800)**	-	**(6,435)**
Net book value					
Balance at September 30, 2025	$	657	2,285	-	2,942
Balance at March 31, 2026	$	**28,529**	**29,034**	**19,594**	**77,157**

8. Exploration and evaluation assets

The exploration and evaluation assets in which the Company has an interest are located in Mexico. Title to exploration and evaluation asset interests 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 conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests is in good standing.

(Unaudited - Expressed in Canadian Dollars)

Cruz de Plata, Durango, Mexico

The Company holds interests in the Cruz de Plata Property located in Durango, Mexico.

During prior periods, the Company entered into agreements with Exploraciones del Altiplano ("Altiplano") and Minera Fresnillo S.A. de C.V. ("Minera") to acquire certain mineral concessions and eliminate underlying net smelter return royalties ("NSRs") related to the Cruz de Plata Project.

On June 11, 2025, the Company completed the acquisition and elimination of the NSRs held by Altiplano for total consideration of US$1,000,000, payable through a combination of cash and common shares. The Cruz de Plata Property remains subject to a 1% NSR held by Riverside Resources Inc., which the Company may repurchase for $250,000 at any time.

Pursuant to the option agreement with Minera dated November 28, 2022, and as amended on November 29, 2023, the Company acquired a 100% interest in certain mineral concessions comprising part of the Cruz de Plata Project for aggregate consideration of US$1,006,300. Minera retains a 1% NSR royalty, which may be repurchased by the Company for US$1,000,000.

On August 21, 2025, the Company executed a definitive agreement with Minera to acquire a strategic property package at its Cruz de Plata project. The price of the transaction is US$4,000,000, payable in two installments: US$2,000,000, which was due and paid upon execution of the definitive agreement ("Closing"), and US$2,000,000, payable on or before the second anniversary of Closing. There are no royalties or share payments for this transaction.

The transaction details as below:

Due date	**Cash**
Upon the closing date (August 21, 2025)	US$2,000,000 (paid)
On or before the second anniversary of the closing date (August 21, 2027)	US$2,000,000

At the closing date, Minera issued an invoice for the full option payment of US$4,000,000 plus applicable VAT under the land option agreement, of which US$2,000,000 plus VAT relates to the second anniversary payment not yet due as at the reporting date. Accordingly, the portion of $3,255,813 relating to the second anniversary payment has been recorded as other payable as of March 31, 2026.

(Unaudited - Expressed in Canadian Dollars)

The breakdown of exploration and evaluation assets is as follows:

		March 31, 2026		September 30, 2025
Acquisition costs	$	796,660	$	6,949,730
Exploration costs:				
Assaying		607,994		316,143
Data acquisition		32,363		63,049
Field & camp costs		127,115		72,218
Geological consulting		702,140		674,960
Drilling		1,466,743		875,898
Transport & support		170,522		185,146
Total current exploration costs		3,106,877		2,187,414
Professional fees:				
Legal fees		41,829		55,156
Community relations		1,232		21,089
Total current professional & other fees		43,061		76,245
Total costs incurred during the period		3,946,598		9,213,389
Balance, opening		20,777,435		10,538,248
Foreign exchange movements		357,779		1,025,798
Balance, end of the period	$	25,081,812	$	20,777,435

Cumulative costs:				
Acquisition	$	12,373,989	$	11,577,329
Exploration		10,787,861		7,680,984
Professional & other fees		341,952		298,891
Foreign exchange movements		1,578,010		1,220,231
	$	25,081,812	$	20,777,435

9. Share capital and reserves

The common shares have no par value and the number of authorized shares is unlimited.

Shares issued for the period ended March 31, 2026

On December 17, 2025, the Company closed a private placement of 11,333,250 common shares at a price of $2.03 per share, for gross proceeds of $23,006,498. As part of the offering, the Company paid the underwriters a cash commission of $1,372,473.

On January 6, 2026, the Company closed a private placement of 2,955,665 common shares at a price of $2.03 per share, for gross proceeds of $6,000,000. $108,000 finder's fees were disbursed in relation to this private placement.

On March 20, 2026, the Company issued 200,000 common shares pursuant to the exercise of stock options for gross proceeds of $40,000, with an additional $27,411 reclassified from equity reserve to share capital.

Share subscription receivable

During the period ended March 31, 2026, the Company collected $43,000 from share subscriptions receivable, related to the Company’s options exercised on September 8, 2025.

(Unaudited - Expressed in Canadian Dollars)

Shares issued for the period ended March 31, 2025

On November 4, 2024, the Company issued 934,280 common shares valued at $294,298 to Altiplano pursuant to the net smelter royalties ("NSRs") purchase agreement (Note 8).

On November 14, 2024, the Company issued 101,166 common shares pursuant to the exercise of 101,166 stock options at a price of $0.10 per share for gross proceeds of $10,116.

On February 24, 2025, the Company closed a private placement, issuing 13,250,000 units at a price of $0.40 per unit for gross proceeds of $5,300,000. Each Unit was comprised of one common share in the Company and one common share purchase warrant. Each warrant was exercisable for a period of 12 months from the Closing Date at an exercise price of $0.50 per share. No finder's fees were disbursed in relation to this private placement.

Share purchase and finders' warrants

	Number of warrants	**Weighted average exercise price**
Outstanding warrants, September 30, 2024	-	-
Granted	13,250,000	$ 0.50
Exercised	(13,250,000)	0.50
Outstanding warrants, September 30, 2025 and March 31, 2026	-	-

Stock options

The Company has established a rolling stock option plan ("Option Plan") enabling the directors to grant options to employees, officers, directors, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Option Plan, provided that the total number of shares reserved for issuance by the Board shall not exceed 10% of the issued and outstanding listed shares (on a non-diluted basis). Options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years.

Share-based compensation relating to options vested during the period ended March 31, 2026, using the Black-Scholes option pricing model was $644,444 (2024 - $44,119) which was recorded as reserves on the statements of financial position and as share-based compensation expense on the statements of loss and comprehensive loss. The share-based compensation expense for the options granted during the period was calculated based on the following weighted average assumptions:

	March 31, 2026	March 31, 2025
Risk-free interest rate	N/A	2.19%
Expected life of options	N/A	5 years
Expected annualized volatility	N/A	97.52%
Expected dividend rate	N/A	-
Fair value per option	N/A	$0.20

(Unaudited - Expressed in Canadian Dollars)

The number and weighted average exercise prices of the stock options are as follows:

	Number of options	Weighted average exercise price
Outstanding options, September 30, 2024	6,171,730	$ 0.22
Granted	2,200,000	1.31
Exercised	(2,256,166)	0.24
Cancelled	(50,000)	0.25
Expired	(90,564)	0.22
Outstanding options, September 30, 2025	5,975,000	$ 0.61
Exercised	(200,000)	0.20
Outstanding options, March 31, 2026	5,775,000	$ 0.63

As at March 31, 2026, the Company has outstanding stock options exercisable as follows:

Expiry date	Number of options outstanding	Weighted average remaining life in years	Exercise price	Number of options exercisable
July 16, 2026	50,000	0.29	$ 0.27	50,000
June 11, 2029	3,525,000	3.20	$ 0.20	3,525,000
October 31, 2029	400,000	3.59	$ 0.30	266,666
September 5, 2030	1,800,000	4.44	$ 1.54	-
	5,775,000	3.59		3,841,666

10. Related party transactions

(a) Transactions:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the period ended March 31, 2026 and 2025 is as follows:

	March 31, 2026	March 31, 2025
Management and consulting fees (i)	$ 292,675	$ 141,000
Director fees	72,000	-
Professional fees	390	-
Share-based compensation	275,983	44,119
	$ 641,048	185,119

(i) Management and consulting fees of the key management personnel for the period ended March 31, 2026 were allocated as follows: $97,425 (2025 - $66,000) expensed to management and consulting fees and $195,250 (2025 - $75,000) capitalized to exploration and evaluation assets.

(b) As at March 31, 2026, a director of the Company owed $45,497 in connection with taxes triggered on the exercise of stock options. Subsequent to period end, this amount was settled in full.

11. Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's cash, restricted cash, accounts receivable, taxes receivable, tax payable, payroll liability and accounts payable and accrued liabilities approximate carrying value, due to their short-term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2026, the Company had cash of $26,851,934 (September 30, 2025 - $4,897,245) to settle current liabilities of $347,738 (September 30, 2025 - $308,091). The Company believes it has sufficient funds to meet its current liabilities as they become due.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, silver and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to accounts payable and accrued liabilities that are denominated in Mexican pesos.

Sensitivity analysis

The Company operates in Mexico and is exposed to risk from changes in the Mexican peso. A 10% fluctuation in the Mexico peso against the Canadian dollar would affect loss for the period by $285,340 (September 30, 2025 - $187,750).

12. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. In the management of capital, the Company includes components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company is not currently subject to externally imposed capital requirements. There were no change in the Company's approval to capital management.

13. Segmented information

The Company operates in one reportable segment, being the acquisition and exploration of mineral property interests in Mexico.