

Condensed Interim Consolidated Financial Statements
For the Nine Months Ended June 30, 2026 and 2025

(Unaudited - Expressed in Canadian Dollars)

CAPITAN SILVER CORP.

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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 nine months ended June 30, 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		June 30, 2026		September 30, 2025
Assets					
Cash		$	21,785,959	$	4,897,245
Restricted cash	5		25,000		25,000
Taxes receivable			18,498		19,280
Accounts receivable			-		170,711
Share subscription receivable	9		-		43,000
Prepaid expenses	6		291,695		155,275
			22,121,152		5,310,511
Equipment	7		177,379		2,942
VAT receivable			3,299,675		2,013,026
Exploration and evaluation assets	8		30,270,396		20,777,435
Total Assets		**$**	**55,868,602**	**$**	**28,103,914**
Liabilities					
Accounts payable and accrued liabilities		$	387,494	$	298,643
Taxes payable			30,767		9,448
			418,261		308,091
Other payable	8		3,303,397		3,231,763
			3,721,658		3,539,854
Shareholders' Equity					
Share capital	9		56,532,903		29,209,553
Reserves	9		1,664,923		726,860
Accumulated other comprehensive income (loss)			2,040,556		880,993
Deficit			(8,091,438)		(6,253,346)
			52,146,944		24,564,060
Total Liabilities and Shareholders' Equity		**$**	**55,868,602**	**$**	**28,103,914**

Nature and continuance of operations (Note 1)

On behalf of the Board on August 25, 2026

Fernando Alanis Ortega 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 Nine Months ended June 30,
(Unaudited - Expressed in Canadian Dollars)

	Notes		Three months ended June 30, 2026	Three months ended June 30, 2025	Nine months ended June 30, 2026	Nine months ended June 30, 2025
Expenses						
Management and consulting fees	10	$	91,103	63,608	260,823	431,351
Depreciation			8,019	219	10,977	617
Director fees			34,200	-	106,200	-
Filing fees			31,227	12,208	220,439	59,918
Foreign exchange (gain) loss			(115,109)	(2,372)	(148,660)	(4,094)
Investor relations and marketing			145,518	64,774	592,779	300,708
General and administration			16,471	11,083	43,889	33,804
Professional fees			33,452	34,005	104,617	191,812
Share-based compensation	9,10		321,030	10,167	965,474	54,286
Travel and meals			8,217	10,468	36,508	29,297
Interest income			(122,727)	(28,976)	(354,954)	(49,325)
Net loss for the period			**(451,401)**	**(175,184)**	**(1,838,092)**	**(1,048,374)**
Foreign exchange movements			945,995	263,918	1,159,563	420,539
Comprehensive income (loss) for the period		**$**	**494,594**	**88,734**	**(678,529)**	**(627,835)**
Weighted average number of common shares outstanding – basic and diluted			128,724,521	98,514,391	124,300,167	91,128,983
Loss per share - basic and diluted		**$**	**(0.00)**	**(0.00)**	**(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 Nine Months ended June 30,
(Unaudited - Expressed in Canadian Dollars)

		2026		2025
OPERATING ACTIVITIES				
Net loss for the period	$	(1,838,092)	$	(1,048,374)
Items not involving cash:				
Depreciation		10,977		617
Share-based compensation		965,474		54,286
Foreign exchange		(98,747)		44,506
Changes in non-cash working capital items:				
Accounts payable and accrued liabilities		(77,736)		50,263
Tax receivable		(1,477,408)		(264,936)
Accounts receivable		170,711		-
Prepaid expenses		(136,420)		(40,571)
		(2,481,241)		(1,204,209)
INVESTING ACTIVITIES				
Exploration and evaluation assets		(7,787,923)		(2,025,905)
Acquisition of equipment		(181,061)		(958)
		(7,968,984)		(2,026,863)
FINANCING ACTIVITIES				
Proceeds from shares issuance, net of issuance costs		27,255,939		5,300,000
Collection of share subscription receivable		43,000		-
Share subscription received in advance		-		4,862,500
Net proceeds from options exercised		40,000		10,116
		27,338,939		10,172,616
Increase in cash		16,888,714		6,941,544
Cash, beginning of the period		4,897,245		568,421
Cash, end of the period	**$**	**21,785,959**	**$**	**7,509,965**

	2026	**2025**
Non-Cash Investing and Financing Activities:		
Share subscription receivable	-	-
Shares issued for royalty acquisition	-	552,791
Accounts payable included in exploration and evaluation assets	326,264	109,322
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)

	Note	Share Capital		Share subscription received in advance	Reserves	Accumulated Other Comprehensive (Income)/Loss	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	1,422,002	552,791	-	-	-	-	552,791
Option exercised	9	101,166	10,116	-	-	-	-	10,116
Subscription received in advance	9	-	-	4,862,500	-	-	-	4,862,500
Share-based payments	9	-	-	-	54,286	-	-	54,286
Foreign exchange movement		-	-	-	-	420,539	-	420,539
Loss for the period		-	-	-	-	-	(1,048,374)	(1,048,374)
Balance at June 30, 2025		**98,830,606**	**$ 21,710,866**	**$ 4,862,500**	**975,005**	**$ 309,436**	**$ (5,804,008)**	**$ 22,053,799**
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	-	-	-	965,474	-	-	965,474
Foreign exchange movement		-	-	-	-	1,159,563	-	1,159,563
Loss for the period		-	-	-	-	-	(1,838,092)	(1,838,092)
Balance at June 30, 2026		**128,724,521**	**$ 56,532,903**	**$ -**	**1,664,923**	**$ 2,040,556**	**$ (8,091,438)**	**$ 52,146,944**

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 is in the exploration stage and has not generated revenues from operations. The Company incurred a net loss of $1,838,092 for the nine months ended June 30, 2026 and had an accumulated deficit of $8,091,438 as at June 30, 2026. The Company has historically financed its exploration and corporate activities primarily through equity financings.

As at June 30, 2026, the Company had cash of $21,785,959 and working capital of $21,702,891. Management has assessed the Company's ability to continue as a going concern, taking into consideration its current cash resources, planned exploration and corporate expenditures, and contractual commitments. Based on this assessment, management believes that the Company has sufficient financial resources to meet its obligations and fund its planned activities for at least twelve months from the end of the reporting period. Accordingly, these condensed interim consolidated financial statements have been prepared on a going concern basis.

The Company's ability to fund exploration and development activities beyond this period will depend on, among other factors, the scope and results of its exploration programs and its ability to obtain additional financing as required. There can be no assurance that additional financing, if required, will be available on terms acceptable to the Company.

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 June 30, 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 nine months ended June 30, 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 August 25, 2026.

4. Material accounting policy information

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

5. Restricted cash

As at June 30, 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 – 2.70%) 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:

		June 30, 2026		September 30, 2025
Expense advances	$	241,915	$	120,557
Insurance		27,733		19,058
Rent		6,166		660
Prepaid deposit		15,881		15,000
	$	291,695	$	155,275

7. Equipment

		Computer hardware	Exploration equipment	Transportation equipment	Total
Cost					
Balance at September 30, 2025	$	3,612	2,720	-	6,332
Additions		54,178	101,835	25,048	181,061
Foreign exchange movement		2,160	1,944	969	5,073
Balance at June 30, 2026	$	**59,950**	**106,499**	**26,017**	**192,466**
Accumulated depreciation					
Balance at September 30, 2025	$	(2,955)	(435)	-	(3,390)
Depreciation		(5,467)	(3,967)	(1,543)	(10,977)
Foreign exchange movement		(449)	(204)	(67)	(720)
Balance at June 30, 2026	$	**(8,871)**	**(4,606)**	**(1,610)**	**(15,087)**
Net book value					
Balance at September 30, 2025	$	657	2,285	-	2,942
Balance at June 30, 2026	$	**51,079**	**101,893**	**24,407**	**177,379**

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.

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 $3,303,397 relating to the second anniversary payment has been recorded as other payable as of June 30, 2026.

The breakdown of exploration and evaluation assets is as follows:

		June 30, 2026		September 30, 2025
Acquisition costs	$	836,084	$	6,949,730
Exploration costs:				
Assaying		845,813		316,143
Data acquisition		62,147		63,049
Field & camp costs		290,136		72,218
Geological consulting		1,244,878		674,960
Drilling		4,315,634		875,898
Transport & support		360,297		185,146
Total current exploration costs		7,118,905		2,187,414
Professional fees:				
Legal fees		59,753		55,156
Community relations		32,721		21,089
Total current professional & other fees		92,474		76,245
Total costs incurred during the period		8,047,463		9,213,389
Balance, opening		20,777,435		10,538,248
Foreign exchange movements		1,445,498		1,025,798
Balance, end of the period	$	30,270,396	$	20,777,435
Cumulative costs:				
Acquisition	$	12,413,413	$	11,577,329
Exploration		14,799,889		7,680,984
Professional & other fees		391,365		298,891
Foreign exchange movements		2,665,729		1,220,231
	$	30,270,396	$	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 June 30, 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 June 30, 2026, the Company collected $43,000 from share subscriptions receivable, related to the Company’s options exercised on September 8, 2025.

Shares issued for the period ended June 30, 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.

On May 29, 2025, the Company issued 487,722 common shares valued at $258,493 at issuance date to Altiplano pursuant to the net smelter royalties ("NSR's") purchase agreement (Note 8).

During the period ended June 30, 2025, the Company received $4,862,500 in proceeds from the exercise of warrants as outlined in Note 14. As the corresponding treasury order was not issued until July 14, 2025, the funds were recorded as share subscription received in advance as at June 30, 2025. The related shares were issued subsequent to the quarter-end.

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 June 30, 2026	-	-

Stock options

On June 12, 2026, the shareholders of the Company approved and ratified a fixed 10% omnibus equity incentive plan (the "Omnibus Plan") at the Company's annual general and special meeting. The Omnibus Plan permits the Board to grant stock options ("Options"), restricted share units ("RSUs") and deferred share units ("DSUs") to eligible directors, executive officers, employees, management company employees and consultants of the Company or its subsidiaries, provided that DSUs may be granted only to non-employee directors. The maximum aggregate number of common shares issuable at any time under the Omnibus Plan and all other security-based compensation arrangements of the Company is 12,800,000 common shares, representing 10% of the Company's issued and outstanding common shares as at May 7, 2026. As a fixed plan, this maximum does not increase automatically if the number of issued and outstanding common shares subsequently increases. Awards are personal to the participant and may not be assigned or transferred, except by will or the applicable laws of succession. Options may be granted for a term determined by the Board, provided that such term may not exceed ten years from the date of grant.

Share-based compensation relating to options vested during the period ended June 30, 2026, using the Black-Scholes option pricing model was $965,474 (2025 - $54,286) 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:

	June 30, 2026	June 30, 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

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, June 30, 2026	5,775,000	$ 0.63

As at June 30, 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	0.04	$ 0.27	50,000
June 11, 2029	3,525,000	2.95	$ 0.20	3,525,000
October 31, 2029	400,000	3.34	$ 0.30	266,666
September 5, 2030	1,800,000	4.19	$ 1.54	-
	5,775,000	3.34		3,841,666

Subsequent to the period ended June 30, 2026, 50,000 options were exercised.

10. Related party transactions

(a) Transactions:

Key management personnel include those people who have 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 June 30, 2026 and 2025 is as follows:

		June 30, 2026		June 30, 2025
Management and consulting fees (i)	$	451,950	$	211,500
Director fees		106,200		-
Professional fees		390		-
Share-based compensation		412,783		54,286
	$	971,323	$	265,786

(i) Management and consulting fees paid or payable to key management personnel during the nine months ended June 30, 2026 totalled $451,950. Of this amount, $154,200 was recognized as management and consulting expense and $297,750 was capitalized to exploration and evaluation assets based on services attributable to exploration activities at the Cruz de Plata Project.

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, taxes receivable, tax payable 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 June 30, 2026, the Company had cash of $21,785,959 (September 30, 2025 - $4,897,245) to settle current liabilities of $418,261 (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 and U.S. dollar. A 10% fluctuation in the U.S. dollar and Mexico peso against the Canadian dollar would affect loss for the period by $161,994 (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 changes in the Company's approach to capital management.

13. Segmented information

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