

MAGMA SILVER CORP.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Six months ended June 30, 2026 and 2025
(Unaudited - Expressed in United States Dollars, unless otherwise noted)

Magma Silver Corp.
(the “Company”)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Six months ended June 30, 2026 and 2025

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The management of Magma Silver Corp. is responsible for the preparation of the accompanying unaudited condensed consolidated interim financial statements. The unaudited condensed consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed consolidated interim financial statements and are in accordance with IAS 34 - Interim Financial Reporting.

The Company’s auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

August 26, 2026

Magma Silver Corp.
Condensed Consolidated Interim Statements of Financial Position
As at June 30, 2026
(Unaudited - Expressed in United States dollars unless otherwise noted)

	Notes	June 30, 2026	December 31, 2025
ASSETS			
Current assets			
Cash		\$ 2,791,897	\$ 3,620,474
Accounts receivable		27,950	48,448
Prepaid expenses		11,441	48,018
Total current assets		2,831,288	3,716,940
Non-current assets			
Exploration and evaluation assets	3	1,016,381	477,153
Total assets		\$ 3,847,669	\$ 4,194,093
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payable and accrued liabilities	4	\$ 8,002	\$ 59,715
Loans payable	7	-	-
Total liabilities		8,002	59,715
Shareholders' equity			
Share capital	5	\$ 24,895,797	\$ 24,357,584
Reserves	5	11,067,986	10,665,794
Accumulated other comprehensive income		114,731	179,838
Deficit		(32,238,847)	(31,068,838)
Total shareholders' equity		3,839,667	4,134,378
Total liabilities and shareholders' equity		\$ 3,847,669	\$ 4,194,093

Nature of operations and going concern (Note 1)

On behalf of the Board of Directors:

Stephen Barley

Director

Arndt Roehlig

Director

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

Magma Silver Corp.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in United States dollars unless otherwise noted)

	Notes	Three Months ended June 30,		Six Months ended June 30,	
		2026	2025	2026	2025
EXPENSES					
Filing fees		\$ 22,701	\$ 63,170	\$ 30,882	\$ 82,271
Marketing		27,388	-	28,487	-
Investor relations		51,543	178,159	91,982	183,428
Management & Consulting	6	146,092	108,856	326,582	149,311
Office expense		19,013	14,265	32,012	20,904
Professional fees		28,112	48,447	49,847	78,297
Share-based payments	5, 6	166,185	33,877	464,999	33,877
Travel and accommodation		91,056	18,427	166,298	42,771
TOTAL EXPENSES		552,090	465,201	1,191,089	590,859
NET LOSS BEFORE OTHER INCOME (EXPENSE)		(552,090)	(465,201)	(1,191,089)	(590,859)
OTHER INCOME (EXPENSE)					
Interest expense		13,090	(2)	21,280	(136)
Write off of payables		-	341	-	18,925
Gain (loss) on foreign exchange		(251)	7,487	(200)	7,587
TOTAL OTHER EXPENSE		12,839	7,826	21,080	26,376
NET LOSS		\$ (539,251)	\$ (457,375)	\$ (1,170,009)	\$ (564,483)
OTHER COMPREHENSIVE LOSS (GAIN)					
Exchange difference on translation		(50,115)	(3,129)	(65,107)	(3,717)
TOTAL COMPREHENSIVE INCOME (LOSS)		\$ (589,366)	\$ (460,504)	\$ (1,235,116)	\$ (568,200)
Weighted average number of shares outstanding		83,624,180	25,116,970	82,299,838	25,116,970
Loss per share - basic and diluted		\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.02)

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

Magma Silver Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficit)

(Unaudited - Expressed in United States dollars unless otherwise noted)

	Share Capital				Accumulated other comprehensive income	Deficit	Total shareholders ' equity (deficiency)
	Number	Amount	Reserves				
Balance, December 31, 2024	16,016,970	\$ 20,195,100	\$ 8,607,109	\$	114,956	\$ (28,976,696)	\$ (59,531)
Share issuance	15,000,000	830,204	199,324		-	-	1,029,528
Warrant conversion	250,000	22,445	(4,202)		-	-	18,243
Shares issued for property	2,950,000	212,230	-		-	-	212,230
Share-based payments	-	-	33,877		-	-	33,877
Exchange difference on translation	-	-	-		(3,717)	-	(3,717)
Net loss	-	-	-		-	(564,639)	(564,639)
Balance, June 30, 2025	34,216,970	\$ 21,259,979	\$ 8,836,108	\$	111,239	\$ (29,541,335)	\$ 665,991
Balance, December 31, 2025	80,000,604	\$ 24,357,584	\$ 10,665,794	\$	179,838	\$ (31,068,838)	\$ 4,134,378
Share issuance costs	-	(1,366)	-		-	-	(1,366)
Warrant conversion	874,000	154,897	(62,807)		-	-	92,090
Shares issued for property	2,500,000	343,580	-		-	-	343,580
Share-based payments	249,576	41,102	464,999		-	-	506,101
Exchange difference on translation	-	-	-		(65,107)	-	(65,107)
Net loss	-	-	-		-	(1,170,009)	(1,170,009)
Balance, June 30, 2026	83,624,180	\$ 24,895,797	\$ 11,067,986	\$	114,731	\$ (32,238,847)	\$ 3,839,667

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

Magma Silver Corp.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in United States dollars unless otherwise noted)

	Notes	Six months ended June 30, 2026	Six months ended June 30, 2025
Operating activities			
Net loss for the period		\$ (1,170,009)	\$ (564,639)
Items not affecting cash:			
Unrealized foreign exchange		-	-
Forgiveness of debt		-	(18,769)
Share-based payments	5, 6	506,101	33,877
Interest expense		(21,280)	(136)
Non-cash working capital items:			
Accounts receivable		20,498	547
Prepaid expenses		36,577	(22,470)
Trade payables and accrued liabilities		(30,433)	(62,855)
Net cash outflow from operating activities		(658,546)	(634,445)
Investing activities			
Exploration and evaluation assets	3	(539,288)	(406,802)
Net cash inflow from investing activities		(539,288)	(406,802)
Financing activities			
Issuance of shares, net of issuance costs	5	-	1,025,325
Shares issued for acquisition of mining properties	3	343,580	212,230
Warrants exercised for cash	5	90,724	22,444
Loans from related parties		-	(1,429)
Net cash inflow from financing activities		434,304	(1,258,570)
Effect of foreign exchange rate on changes in cash		(65,107)	(2,246)
Change in cash		(828,577)	215,077
Cash, beginning of year		3,620,474	27,716
Cash, ending of year		\$ 2,791,897	\$ 242,791

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

1. Nature of Operations and Going Concern

On March 27, 2007, Magma Silver Corp. (formerly African Energy Metals Inc.) (“the Company”), was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia.) The Company’s registered office is located at 15th Floor, 1111 West Hastings Street, Vancouver, BC V6E 2J3. On August 25, 2020, the Company changed its name to Central African Gold Inc. On February 7, 2022, the Company changed its name to African Energy Metals Inc. On April 11, 2025, the Company changed its name to Magma Silver Corp. and was trading on the TSX Venture Exchange (“TSX-V”) under the symbol MGMA. The Company also trades on the OTCQB under the symbol MAGMF and on the Frankfurt Stock Exchange under the symbol BC21 and WKN A411DV. The Company’s principal activity is the acquisition and exploration of mineral properties.

Going Concern

These condensed consolidated interim financial statements have been prepared on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future.

During the six months ended June 30, 2026, the Company incurred a net loss of \$1,170,009 (June 30, 2025 – \$564,639) and had a cash outflow from operating activities of \$658,546 (June 30, 2025 - \$634,445). As of June 30, 2026, the Company had a working capital surplus of \$2,823,286 compared to a surplus of (December 31, 2025 –\$3,657,225) and an accumulated deficit of \$32,238,847 (December 31, 2025 – \$31,068,838).

The Company’s continuing existence and its ability to discharge its liabilities and fulfill its commitments as they come due is dependent upon the ability of the Company to obtain equity and/or debt financing and the successful discovery of mineral resources that the Company can profitably commercialize. Management plans to continue exploring the Company’s mineral concessions in order to achieve a commercial discovery that will generate sustainable, long-term profitability and obtain additional financing, if needed. While the Company has been successful at securing financing in the past, there can be no assurance that it will be able to do so in the future. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern. Such adjustments could be material.

2. Material Accounting Policy Information

These condensed consolidated interim financial statements were authorized for issuance by the directors of the Company on August 26, 2026.

Statement of compliance with International Financial Reporting Standards

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standards 34, “Interim Financial Reporting” (“IAS 34”), using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual financial statements as at and for the year ended December 31, 2025.

2. Material Accounting Policy Information (continued)

Basis of preparation

These condensed consolidated interim financial statements of the Company have been prepared on a historical cost basis. These condensed consolidated interim financial statements are presented in United States dollars unless otherwise specified.

Basis of consolidation

The condensed consolidated interim financial statements of the Company as at June 30, 2026, include the accounts of its wholly-owned subsidiary, Bankers Cobalt Acquisition Corp., located in Canada and its wholly-owned subsidiary, Minas Sami Plata S.A.C., located in Peru.

All significant intercompany transactions and balances are eliminated on consolidation.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

3. Exploration and Evaluation Assets

Asset Purchase

On January 20, 2025, the Company entered into an option agreement with Rio Silver Inc. to acquire the “Ninobamba” gold & silver project in Peru for a consideration price of \$2,180,000 in cash and the issuance of 5,000,000 common shares of the Company, which will be gradually fulfilled upon reaching certain milestones.

The agreement has additional stipulations on the consideration price as follows:

- In addition to the first three payments (“The Payments”), amounting to \$180,000 (CDN\$260,000), which shall be paid in cash, the Company may elect to issue consideration shares in lieu of cash with a value of up to 50% of any cash payment or advance royalty payment. The value of the consideration shares shall be based on the volume weighted average of the Company’s common shares for the 20 trading days immediately preceding the payment due date, subject to a floor price per consideration share that is equal or greater than the Company’s discounted market price (as defined in the policies of the Exchange).
- The Payments shall be used to pay the community surface access fee on the Ninobamba project through January 2026 and the first half of the following year.
- The Payment shall also be used to pay the 2025 property tax due to the government of Peru on the Ninobamba project.
- Payments subsequent to the Payments shall be made in Peru unless consideration shares are issued in lieu thereof, which shares can be issued in Canada.

3. Exploration and Evaluation Assets (continued)

As of June 30, 2026, the Company had made cash payments totalling \$287,858 (CDN\$396,710) and issued 25,450,000 shares (5,000,000 to Rio Silver and 450,000 in finder's fees) with a value of \$600,150 (CDN\$832,500).

4. Trade Payables and Accrued Liabilities

The Company's trade payables and accrued liabilities are as follows:

		June 30, 2026		December 31, 2025
Trade payable	\$	965	\$	45,123
Accrued and other liabilities		7,037		14,592
Total	\$	8,002	\$	59,715

5. Share Capital and Reserves

Effective October 22, 2024, the Company consolidated all its issued and outstanding common shares on the basis of 1 new share for every 4 old shares. All references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been retrospectively restated for the share consolidation, including all such numbers presented for the prior periods.

Authorized share capital

An unlimited number of common shares without par value.

As at June 30, 2026, there were 83,624,180 (December 31, 2025 – 80,000,604) common shares issued and outstanding.

Issued share capital

Shares transactions during the six months ended June 30, 2026 and 2025

Shares for Mineral Property

On April 10, 2026, the Company issued 2,500,000 common shares of the company to Rio Silver in relation to the Ninobamba asset purchase (Note 3).

Private Placement

On April 15, 2025, the Company completed the first tranche of a non-brokered private placement of 9,021,500 units at CDN\$0.10 per unit for proceeds of \$647,445 (CDN\$902,150). Each unit consisted of one common share and one-half of one common share purchase warrant, where each one whole warrant entitles the holder to purchase an additional common share at an exercise price of CDN\$0.20 per share until April 15, 2027. In connection with the financing, the Company paid \$38,370 (CDN\$53,465) in finder's fees and issued 534,650 finder's warrants, exercisable at \$0.20 per share expiring on April 15, 2027.

5. Share Capital and Reserves (continued)

On May 27, 2025, the Company completed the second and final tranche of its non-brokered private placement of 5,978,500 units at CDN\$0.10 per unit for proceeds of \$435,243 (CDN\$597,850). Each unit consisted of one common share and one-half of one common share purchase warrant, where each one whole warrant entitles the holder to purchase an additional common share at an exercise price of CDN\$0.20 per share until May 27, 2027. In connection with the financing, the Company paid \$16,016 (CDN\$22,000) in finder's fees and issued 220,000 finder's warrants, exercisable at \$0.20 per share expiring on May 27, 2027.

Warrants

Warrant transactions for the six months ended June 30, 2026:

During the six months ended June 30, 2026, 874,000 warrants with an exercise price ranging from CDN\$0.20 to CDN\$0.25 were exercised for gross proceeds of \$129,100 (CDN\$177,300)

On April 15, 2025, the Company, in connection with its private placement issued 5,045,400 warrants which entitles the holder to purchase one common share of the Company at an exercisable price of CDN\$0.20 per warrant until April 15, 2027.

On May 27, 2025, the Company, in connection with the second tranche of its private placement issued 3,209,250 warrants which entitles the holder to purchase one common share of the Company at an exercisable price of CDN\$0.20 per warrant until May 27, 2027.

In June, 2025, 250,000 warrants with an exercise price of CDN\$0.10 were exercised for gross proceeds of \$17,708 (CDN\$24,360)

Warrants outstanding at June 30, 2026 are as follows:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2025	24,569,040	\$ CAD\$0.24
Granted	-	-
Exercised	(874,000)	0.20
Cancelled	-	-
Outstanding, June 30, 2026	23,695,040	\$ CAD\$0.24

Stock Options

The Company adopted a stock option plan whereby the Board of Directors may grant employees, consultants, directors and officers share purchase options. The aggregate number of options reserved for issuance may not exceed 10% of the Company's issued and outstanding shares at the date of the grant. In any twelve-month period, the Company will not grant more than 2% of the issued and outstanding shares of the Company to any one consultant or any one individual performing investor relations activities. The options vest in stages over twelve months, with no more than one-quarter of the options vesting over any three-month period.

5. Share Capital and Reserves (continued)

Stock option transactions for the six months ended June 30, 2026:

On January 23, 2026, the Company granted 150,000 incentive stock options to a consultant at an exercise price of CDN\$0.33. The options vest over the course of a year in quarterly instalments. The options are exercisable for a period of two years.

On May 6, 2025, the Company granted 1,500,000 incentive stock options to certain directors, officers, consultants, and employees at an exercise price of CDN\$0.16. The options vest at a rate of 25% every 6 months for 2 years starting at the grant date. The options are exercisable for a period of five years.

On May 29, 2025, the Company granted 300,000 incentive stock options to a consultant at an exercise price of CDN\$0.16. The options vest over the course of a year in quarterly instalments. The options are exercisable for a period of two years.

Stock options outstanding at June 30, 2026 are as follows:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2025	6,700,000	\$CDN0.21
Granted	150,00	\$CDN0.33
Exercised	-	-
Cancelled	-	-
Outstanding, June 30, 2026	6,850,000	\$ CAD\$0.22

As at June 30, 2026 3,537,500 stock options have vested.

Stock-based compensation for the six months ended June 30, 2025, was \$465,000 (June 30, 2025 – \$33,877).

6. Related Party Transactions

Related party transactions for the six months ended June 30, 2026 and 2025 are as follows:

	June 30, 2026	June 30, 2025
Management and consulting fees	\$ 130,280	\$ 74,886
Share-based compensation	224,891	21,077
Total	\$ 355,171	\$ 95,963

7. Loans Payable

As at June 30, 2026, the Company has no outstanding loans (December 31, 2025 - \$Nil)

8. Financial Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument-related risks. Management approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

8. Financial Risk and Capital Management (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The cash is deposited in a bank account in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a bank that is a high credit quality financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from financing and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements or through proceeds from loans. The Company's access to financing is uncertain. There can be no assurance of continued access to necessary levels of equity funding (Note 1). Management may require seeking additional sources of financing in the form of equity or debt financing in the future. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Foreign exchange risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company does not hedge its exposure to fluctuations in exchange rates.

A significant change in the currency exchange rate between the Canadian dollar relative to the U.S. dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into foreign currency contracts to hedge its risk against foreign currency fluctuations.

A 10% change in the Canadian dollar to the U.S. dollar exchange rate would not have a material impact on the Company's consolidated interim financial statements.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements.

8. Financial Risk and Capital Management (continued)

Fair value

The Company's financial instruments consist of cash, and trade payables and accrued liabilities. The fair values of cash, and trade payables and accrued liabilities approximate their carrying values due to their short-term maturity.

IFRS establishes a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 – Quoted prices in active markets for the same instrument.

Level 2 – Valuation techniques for which significant inputs are based on observable market data.

Level 3 – Valuation techniques for which any significant input is not based on observable market data.