1100-1199 West Hastings Street, Vancouver, BC, V6E 3T5

January 29, 2015

Dear Shareholders:

Despite tortuous markets over the past several years preventing us from raising significant equity capital, your Company has succeeded in indirectly acquiring exploration funds to acquire and advance its mineral properties.

Of particular note is the Company's Cerro Las Minitas property, a silver, lead and zinc metals property located in Durango, Mexico. In November 2010 the Company entered into an option agreement to purchase an unencumbered 100% interest in the property for pre-tax payments totaling US$4.0 million, subsequently reduced to US$3.6 million because of title issues with one non-core mineral claim. In November 2014, the Company made the last instalment payment and now is the beneficial owner of this property package in the Faja de Plata region of Durango State. During our earn-in period, with financial assistance from Freeport-McMoRan Exploration Corporation during its earn-in period, the Company has spent approximately US$9.7 million on development work and acquisition costs on the combined claim package.

Your Company is now in an enviable position with respect to the development of the Cerro Las Minitas property. A loan agreement with Radius Gold Inc. in the amount of $800,000 entered into in November 2014 provided the funds to completely exercise the option to purchase the Cerro Las Minitas property. The Company has granted an exclusive right to Radius Gold Inc. for 120 days commencing on November 13, 2014 to negotiate a development agreement with reference to the Cerro Las Minitas property with negotiations ongoing.

Recently, The Electrum Group LLC offered to invest in your Company upon terms set out in the accompanying Information Circular. The Electrum Group LLC has an enviable history of investing in properties which became mines and your management is pleased to encourage you to vote in favour of the TSX Venture Exchange mandated motion to approve it as a control person; essentially, a shareholder owning in excess of 20% of your Company upon closing of a subscription agreement to purchase at least 8 million units at a significant premium to the current market price of our shares. It should be noted that the investment may be increased dependent upon receipt of subscriptions from other subscribers.

We believe that the Cerro Las Minitas property is and will develop to be the flagship property of the Company. Our relationship with Radius Gold Inc. and The Electrum Group LLC, both experienced companies in the resource sector, places your Company in a position to proceed with the development of the Cerro Las Minitas property on an expedited basis. Management has provided loan funds to maintain the Company's Oro property in New Mexico while it awaits partners to fund ongoing exploration and development work.

Lawrence Page, Q.C.
President

SOUTHERN SILVER EXPLORATION CORP.
Suite 1100 – 1199 West Hastings Street
Vancouver, British Columbia V6E 3T5
Telephone: (604) 684-9384
Fax: (604) 688-4670

NOTICE OF 2014 ANNUAL GENERAL MEETING

TAKE NOTICE that the 2014 Annual General Meeting of **SOUTHERN SILVER EXPLORATION CORP.** (hereinafter called the "Company") will be held at Suite 1100 – 1199 West Hastings Street, Vancouver, British Columbia on:

Friday, February 27, 2015

at the hour of 10:00 o'clock in the morning (Pacific Time) for the following purposes:

1. to receive the financial statements of the Company for the fiscal years ended April 30, 2014 and April 30, 2013 and the reports of the auditor thereon;

2. to appoint an auditor for the ensuing year;

3. to determine the number of directors and to elect directors;

4. to pass an ordinary resolution approving the Company's Stock Option Plan described in the Information Circular;

5. to pass an ordinary resolution approving the proposed Shareholder Rights Plan described in the Information Circular;

6. to pass an ordinary resolution confirming, ratifying and approving the Company's Advance Notice Policy described in the Information Circular;

7. to pass an ordinary resolution approving the creation of Electrum Global Holdings L.P., or its affiliate, as a new control person of the Company, as more fully described in the Information Circular; and

8. to transact any other business that may properly come before the Meeting and any adjournment thereof.

An Information Circular and a form of Proxy accompany this Notice. The Information Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice.

Registered shareholders are entitled to vote at the Meeting in person or by proxy. Registered shareholders who are unable to attend the Meeting, or any adjournment thereof, in person, are requested to read, complete, sign and return the form of Proxy accompanying this Notice in accordance with the instructions set out in the form of Proxy and in the Information Circular accompanying this Notice. Unregistered shareholders who received the form of Proxy accompanying this Notice through an intermediary must deliver the Proxy in accordance with the instructions given by such intermediary.

DATED at Vancouver, British Columbia, this 23rd day of January, 2015.

BY ORDER OF THE BOARD OF DIRECTORS
OF SOUTHERN SILVER EXPLORATION CORP.

"Lawrence Page, Q.C."

Lawrence Page, Q.C.
President

SOUTHERN SILVER EXPLORATION CORP.
1100 – 1199 West Hastings Street
Vancouver, British Columbia, V6E 3T5
Telephone: (604) 684-9384
Fax: (604) 688-4670
www.southernsilverexploration.com

MANAGEMENT INFORMATION CIRCULAR
AS AT AND DATED JANUARY 23, 2015
(unless otherwise noted)

This Management Information Circular ("Information Circular") accompanies the Notice of the 2014 Annual General Meeting ("Notice of Meeting") of holders of common shares ("shareholders") of Southern Silver Exploration Corp. (the "Company") scheduled to be held on Friday, February 27, 2015 (the "Meeting"), and is furnished in connection with a solicitation of proxies for use at that Meeting and at any adjournment or postponement thereof.

PERSONS OR COMPANIES MAKING THE SOLICITATION

THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR
IS BEING SOLICITED BY MANAGEMENT OF THE COMPANY

Solicitations will be made by mail and possibly supplemented by telephone, electronic means or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company may reimburse shareholders' nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy. It is not anticipated that any solicitation will be made by specially engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the Information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

APPOINTMENT OF PROXYHOLDER

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Those shareholders so desiring may be represented by proxy at the Meeting. The persons named in the form of proxy accompanying this Information Circular are directors and/or officers of the Company ("Management Appointees"). **A shareholder has the right to appoint a person or company (who need not be a shareholder) to attend and act on the shareholder's behalf at the Meeting other than the Management Appointees.** To exercise this right, the shareholder must either insert the name of the desired person in the blank space provided in the form of proxy accompanying this Information Circular and strike out the names of the Management Appointees or submit another proper form of proxy.

NON-REGISTERED SHAREHOLDERS

Only shareholders whose names appear on the records of the Company ("registered shareholders") or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are not registered shareholders because the shares they own are not registered in their names. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the shares including, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans; or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant. In accordance with current securities regulatory policy, the Company has distributed copies of the Notice of Meeting, this Information Circular and the form of proxy accompanying this Information Circular (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries.

Current securities regulatory policy requires Intermediaries to forward the Meeting Materials to, and to seek voting instructions from, Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will often use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

(a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete this form of proxy and **submit it to the Company, c/o Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, fax number: (416) 263-9261**; or

(b) more typically, be given a voting instruction or proxy authorization form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, (such as Broadridge Financial Solutions Inc.), will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for this proxy form to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the proxy form, properly complete and sign the proxy form and return it to the Intermediary or its service company, or otherwise communicate voting instructions to the Intermediary or its service company (by way of telephone or Internet, for example) in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Holder cannot use a proxy authorization form to vote shares directly at the Meeting.**

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own.

The Meeting Materials are being sent to both registered and non-registered owners of shares. If you are a Non-Registered Holder and the Company or its agent has sent the Meeting Materials directly to you as a non-objecting beneficial owner under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding shares on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding shares on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Management of the Company does not intend to pay for Intermediaries to forward to objecting beneficial owners under NI 54-101 the Meeting Materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the Meeting Materials unless the Intermediary holding shares on behalf of the objecting beneficial owner assumes the cost of delivery.

Non-Registered Holders cannot be recognized at the Meeting for purposes of voting their shares in person or by way of depositing a form of proxy. If you are a Non-Registered Holder and wish to vote in person at the Meeting, please see the voting instructions you received or contact your Intermediary well in advance of the Meeting to determine how you can do so.

Non-Registered Holders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their shares voted at the Meeting.

DEPOSIT AND VOTING OF PROXIES

To be effective, the instrument of proxy must be dated and signed and, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, deposited either at the office of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, or at the Head Office of the Company at Suite 1100, 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment or postponement thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in the Chairman's discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

THE SHARES REPRESENTED BY A PROPERLY EXECUTED AND DEPOSITED PROXY WILL BE VOTED OR WITHHELD FROM VOTING ON EACH MATTER REFERRED TO IN THE NOTICE OF MEETING IN ACCORDANCE WITH THE INSTRUCTIONS GIVEN (PROVIDED SUCH INSTRUCTIONS ARE CERTAIN) ON ANY BALLOT THAT MAY BE CALLED FOR AND, IF A CHOICE IS SPECIFIED WITH RESPECT TO ANY MATTER TO BE ACTED UPON AT THE MEETING, THE SHARES SHALL BE VOTED OR WITHHELD FROM VOTING ACCORDINGLY. **WHERE NO CHOICE IS SPECIFIED IN RESPECT OF ANY MATTER TO BE ACTED UPON AND ONE OF THE MANAGEMENT APPOINTEES IS NAMED IN THE FORM OF PROXY TO ACT AS THE SHAREHOLDER'S PROXYHOLDER, THE SHARES REPRESENTED BY THE PROXY WILL BE VOTED IN FAVOUR OF ALL SUCH MATTERS.** THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR GIVES THE PERSON OR COMPANY NAMED AS PROXYHOLDER DISCRETIONARY AUTHORITY REGARDING AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE MEETING. IN THE EVENT THAT AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING ARE PROPERLY BROUGHT BEFORE THE MEETING OR ANY OTHER BUSINESS IS PROPERLY BROUGHT BEFORE THE MEETING, IT IS THE INTENTION OF THE MANAGEMENT APPOINTEES TO VOTE IN ACCORDANCE WITH THEIR BEST JUDGMENT ON SUCH MATTERS OR BUSINESS ON ANY BALLOT THAT MAY BE CALLED FOR. AT THE TIME OF PRINTING THIS INFORMATION CIRCULAR, MANAGEMENT KNOWS OF NO SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS WHICH MAY BE BROUGHT BEFORE THE MEETING.

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the registered shareholder or the registered shareholder's attorney authorized in writing, or if the registered shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, or, as to any matter in respect of which a vote shall not already have been cast pursuant to such proxy, with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, and upon either of such deposits the proxy is revoked.

Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must arrange for their Intermediaries to revoke the proxy on their behalf.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company's authorized share structure consists of an unlimited number of common shares without par value. There is one class of shares only. There are 18,483,436 common shares issued and outstanding at January 23, 2015 (subsequent to a 10 for 1 consolidation of the Company's shares on September 17, 2014). The directors have determined that all shareholders of record as of the 26th day of January, 2015 will be entitled to receive notice of and to vote at the Meeting.

At a General Meeting of the Company, on a show of hands, every registered shareholder present in person and entitled to vote and every proxyholder duly appointed by a registered shareholder who would have been entitled to vote shall have one vote and, on a poll, every registered shareholder present in person or represented by proxy or other proper authority and entitled to vote shall have one vote for each share of which such shareholder is the registered holder. Shares represented by proxy will only be voted as to the number of shares represented if a poll or ballot is called for. A poll or ballot may be requested by a registered shareholder or proxyholder present and entitled to vote at the Meeting or required because the number of votes attached to shares represented by proxies that are to be voted against a matter is greater than 5% of the votes attached to all shares that are entitled to be voted and to be represented at the Meeting.

To the knowledge of the directors and executive officers of the Company, as at the date of this Information Circular, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the outstanding voting rights of the Company.

ELECTION OF DIRECTORS

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a director before then. **Unless such authority is withheld, the Management Appointees intend to vote the shares represented by proxy for the election of the nominees herein listed on any poll or ballot that may be called for.**

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES HEREIN LISTED WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY THE MANAGEMENT APPOINTEES, IF NAMED IN THE PROXY, TO VOTE THE SHARES REPRESENTED BY PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS UNLESS THE SHAREHOLDER HAS SPECIFIED THAT THE SHARES REPRESENTED BY PROXY ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

Management proposes that the number of directors for the Company be determined at six (6) for the ensuing year, subject to such increases as may be permitted by the Articles of the Company, and that each of the following persons be nominated for election as a director of the Company for the ensuing year. Information concerning these persons, as furnished by the individual nominees, is as follows:

Name, Jurisdiction of Residence and Position Held	Director Since	Number Of Shares Beneficially Owned, Or Controlled Or Directed, Directly Or Indirectly At January 23, 2015	Principal Occupation And If Not At Present An Elected Director, Occupation During The Past Five (5) Years
Lawrence Page, Q.C. British Columbia, Canada President, Director	October, 1999	318,448 (1)	Barrister & Solicitor; President of Manex Resource Group Inc., a private corporate, geological and administrative services company
David Roger Scammell Toronto, Ontario Director	October, 2002	48,000 (2)	Geologist
R. Dale Janowsky, Q.C. British Columbia, Canada Director	January, 2010	13,200	Retired Barrister & Solicitor
Eugene Spiering British Columbia, Canada Director	October, 2014	Nil	Geologist; VP Exploration of Quaterra Resources Inc. from 2006 to 2014
Nigel Bunting Ipswich, United Kingdom Director	December, 2014	465,000	Corporate Director

(1) Lawrence Page, Q.C. directly holds 96,018 common shares and indirectly has control over 222,430 common shares.

(2) David Roger Scammell holds his shares through his company, 1864438 Ontario Inc.

The Company has an Audit Committee, the members of which are R. Dale Janowsky, David Roger Scammell and Lawrence Page.

There may be one additional person nominated by Electrum Global Holdings L.P., or its affiliate, ("Electrum") to be elected a director of the Company at the Meeting or appointed a director subsequent to the Meeting. The election or appointment of this additional director of the Company will become effective on the closing of the Electrum Agreement referred to under the heading "Particulars of Other Matters to be Acted Upon – Creation of New Control Person" in this Information Circular. No other proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

To the knowledge of management of the Company, no proposed director (including any of their respective holding companies):

(a) is, as at the date of this Information Circular, or has been, within the preceding 10 years, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(i) was subject to a cease trade or similar order (including a management cease trade order whether or not such person was named in the order) or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "Order") while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, other than;

A. Lawrence Page, Q.C. was a director and officer of Valterra Resource Corporation (*formerly Valterra Wines Ltd*.) ("Valterra") when Valterra was subject to cease trade orders issued by the British Columbia Securities Commission on June 3, 2003 and by the Alberta Securities Commission on July 18, 2003 for failure to file financial statements. The British Columbia Securities Commission granted a partial revocation of the cease trade order on November 7, 2006 and the Alberta Securities Commission granted the same on December 14, 2006. Both the British Columbia Securities Commission and the Alberta Securities Commission granted full revocation of the cease trade orders on August 3, 2007; or

(ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) is, as at the date of this Information Circular, or has been, within the preceding 10 years, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

(d) has been subject to:

(i) since December 31, 2000, any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or before December 31, 2000, the disclosure of which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director;

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director; or

(e) is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

STATEMENT OF EXECUTIVE COMPENSATION

"CEO" means each individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

"CFO" means each individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

"executive officer" means an individual who is a chair, vice-chair or president of the Company, a vice-president in charge of a principal business unit, division or function including sales, finance or production of the Company and an individual who is performing a policy-making function in respect of the Company.

"NEO" or "Named Executive Officer" means each of the following individuals:
(i) a CEO;
(ii) a CFO;

(iii) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 for that financial year; and

(iv) each individual who would be an NEO under (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

At the end of the Company's most recently completed financial year ended April 30, 2014, the Company had two Named Executive Officers: Lawrence Page, the Company's President (CEO), and Graham Thatcher, the Company's Chief Financial Officer (CFO). At the end of the Company's completed financial year ended April 30, 2013, the Company had two Named Executive Officers, Lawrence Page, the Company's CEO, and Mahesh Liyanage, the Company's former CFO. There were no other executive officers of the Company, or other individuals acting in a similar capacity, whose total compensation was, individually, more than $150,000 during the financial years ended April 30, 2014 and April 30, 2013.

COMPENSATION DISCUSSION AND ANALYSIS

The purpose of this Compensation Discussion and Analysis ("CD&A") is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs. The primary goal of the Company's executive compensation program is to attract and retain the key executives necessary for the Company's long term success and to motivate and encourage executives to further development of the Company and its operations. Executive compensation consists of consulting fees and long-term incentive stock options.

The Company is an exploration stage company engaged in the acquisition and exploration of mineral natural resource properties. The Company has no revenues from operations and often operates with limited financial resources to ensure that funds are available to complete scheduled programs. Accordingly, the granting of stock options is an important element of executive compensation which does not require cash disbursement by the Company. In determining compensation with respect to stock option grants, however, the Company is cognizant of the TSX Venture Exchange statement in its Policy 4.4 that: "Incentive stock options are a means of rewarding optionees for future services provided to the Issuer. They are not intended as a substitute for salaries or wages, or as a means of compensation for past services rendered." The Board of Directors, taking into consideration previous grants of stock options, determines the compensation in the form of stock options to its NEOs, as well as to its directors. Stock options are granted in accordance with the Company's Stock Option Plan, discussed below under the heading Incentive Plan Awards, at an exercise price of not less than the last closing price on the TSX Venture Exchange of the common shares before the date of the grant of such options, less the maximum discount permitted under the policies of the TSX Venture Exchange. The Stock Option Plan provides that the aggregate number of common shares subject to options under the Stock Option Plan shall not exceed 10% of the common shares issued and outstanding of the Company. The normal term of the options is five years from the date of grant. In the event of resignation or termination of an optionee, such optionee may exercise options held by such optionee for a period of 90 days following the effective date of such resignation or for a time as otherwise determined by a directors' resolution at the time of the grant of the options. In the event of an optionee's death, the stock option may be exercised by a qualified successor until the earlier of a period of one year from the date of such death and the expiry date of the stock option. The board of directors did not consider the implications of the risks associated with the Company's compensation policies and practices. None of the NEOs or directors are permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such NEOs or directors.

SUMMARY COMPENSATION TABLE

Named Executive Officers

Name and principal position	Year[1]	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension Value ($)	All other compensation ($)	Total compensation ($)
					Annual Incentive plans	Long-term incentive plans			
Lawrence Page, Q.C. ***CEO***	2014	Nil	Nil	Nil	Nil	Nil	N/A	$149,676[4]	$149,676
	2013	Nil	Nil	$17,562[3]	Nil	Nil	N/A	$195,334[4]	$212,896
	2012	Nil	Nil	Nil	Nil	Nil	N/A	$359,151[4]	$359,151
Graham Thatcher [2] ***CFO***	2014	Nil	Nil	Nil	Nil	Nil	N/A	$11,000	$11,000
Mahesh Liyanage [2] ***CFO***	2014	Nil	Nil	Nil	Nil	Nil	N/A	$2,500	$2,500
	2013	Nil	Nil	$10,537[3]	Nil	Nil	N/A	$30,000	$40,537
	2012	Nil	Nil	Nil	Nil	Nil	N/A	$30,000[5]	$30,000

(1) Ended April 30.

(2) Graham Thatcher was appointed CFO on May 31, 2013 upon the resignation of Mahesh Liyanage.

(3) This represents the stock-based compensation costs of stock options granted in March 2013 using the Black-Scholes-Merton model assuming a risk free interest rate of 1.41%, a dividend yield of 0%, the expected annual volatility of the Company's share price of 119.57% and expected life of the option of 5 years.

(4) This includes charges by Lawrence Page Q.C. Law Corporation for legal services to the Company, as more particularly discussed below under the heading "Narrative Discussion".

(5) This includes payments to Mahesh Liyanage made by Manex Resource Group Inc. for his services to the Company, as more particularly discussed below under the heading "Narrative Discussion".

Narrative Discussion

The Company had no direct employees in the fiscal years ended April 30, 2014 and April 30, 2013. Lawrence Page is party to a consulting agreement with the Company pursuant to which Mr. Page charges $9,360 per month as the Company's President. Mr. Page is the principal of Lawrence Page Q.C. Law Corporation and the principal of Manex Resource Group Inc. ("Manex"). In the year ended 2014 the Company was charged $37,356 by Lawrence Page Q.C. Law Corporation for the provision of legal services to the Company (2013: $83,014, 2012: $246,831). Manex provided the Company with administrative, corporate, consulting, accounting and corporate development services as well as office accommodation and charged $211,211 in 2014 (2013: $311,639, 2012: $478,456) to reimburse it for monies paid to employees and third parties for the provision of the above noted services and office accommodation, including a 15% mark-up on out-of-pocket expenses.

Pursuant to a consulting agreement, Graham Thatcher charged the Company $1,000 per month for the provision of services as CFO. Pursuant to a consulting agreement dated September 1, 2011, Mahesh Liyanage charged the Company $2,500 per month through a company controlled by Mr. Liyanage, SM Consulting Inc., for the provision of CFO services. Prior to entering into such consulting agreement, Mr. Liyanage provided CFO services for the Company under a service agreement between Manex and the Company and Manex paid Mr. Liyanage $10,000 in the year ended 2012 for his services as CFO attributable to the Company. Manex allocated the compensation paid to Mr. Liyanage based upon the percentage of time that he spent in relation to his services as CFO of the Company.

The option based award of $28,099 in 2013 is the fair value of 960,000 options granted to Lawrence Page, Q.C. and Mahesh Liyanage pursuant to the Company's Stock Option Plan.

INCENTIVE PLAN AWARDS

Named Executive Officers

Outstanding share based awards and option based awards

The Company has a shareholder-approved Stock Option Plan in place for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and advancing the interests of the Company by affording such persons the opportunity to acquire an equity interest in the Company through rights granted under the Stock Option Plan. A complete description of the Company's Stock Option Plan is set forth below under the heading "Particulars of Other Matters to be Acted Upon – Stock Option Plan".

The Company does not have any share-based awards in place.

The following table summarizes the outstanding option-based awards and share-based awards to the Named Executive Officers as at the Company's most recently completed financial year.

Option-based Awards					Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options[(1)] ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Lawrence Page ***CEO***	**250,000**	**$0.16**	**Jan 8, 2015**	**Nil**	**N/A**	**N/A**	**N/A**
	200,000	**$0.17**	**Nov 29, 2015**	**Nil**			
	50,000	**$0.17**	**Dec 13, 2015**	**Nil**			
	600,000	**$0.10**	**Mar 14, 2018**	**Nil**			
Graham Thatcher ***CFO***	**300,000**	**$0.10**	**Mar 14, 2018**	**Nil**	**N/A**	**N/A**	**N/A**
Mahesh Liyanage ***CFO***	**150,000**	**$0.16**	**Jan 8, 2015**	**Nil**	**N/A**	**N/A**	**N/A**
	75,000	**$0.17**	**Nov 29, 2015**	**Nil**			
	75,000	**$0.17**	**Dec 13, 2015**	**Nil**			
	360,000	**$0.10**	**Mar 14, 2018**	**Nil**			

(1) "In-the-money options" means the excess of the market value of the Company's shares at the Company's most recently completed financial year on April 30, 2014 over the exercise price of the options. The last trading price of the Company's shares on the TSX Venture Exchange on April 30, 2014 was $0.015.

Incentive plan awards – value vested or earned during the year

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the Company's most recently completed financial year.

Name	Option-based awards – Value vested during the year [1] ($)	Share-based awards – Value vested during the year [1] ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Lawrence Page, Q.C. ***CEO***	Nil	N/A	N/A
Graham Thatcher ***CFO***	Nil	N/A	N/A
Mahesh Liyanage ***CFO***	Nil	N/A	N/A

(1) "Value vested during the year" means the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This amount is calculated by determining the difference between the market price of underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

PENSION PLAN BENEFITS

The Company does not have any defined benefit plans, defined contribution plans, deferred compensation plans or any other benefit plans in place that provide for payments or benefits at, following, or in connection with retirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has no contract, agreement, plan or arrangement in place that provides for payments to a Named Executive Officer at, following or in connection with any termination, resignation, retirement, a change in control of the Company or a change in a Named Executive Officer's responsibilities, other than a consulting agreement dated July 29, 2009 (and having effect as at July 1, 2009) between the Company and Lawrence Page, Q.C., which consulting agreement was renewed on June 30, 2014 for a period of 5 years. Pursuant to this consulting agreement, the Company pays Lawrence Page, Q.C. $9,360 per month in consideration for his services as President of the Company. This consulting agreement has a five year term expiring June 30, 2019. The Company may terminate the consulting agreement with no advance notice to Mr. Page due to default (as defined in the consulting agreement). Upon a change of control, as defined in the consulting agreement, Mr. Page has the right to terminate the consulting agreement and receive 100% of the compensation due to him for the unexpired term of the consulting agreement. Upon a change of control, and assuming the triggering event took place on the last business day of the Company's most recently completed financial year the estimated payment to Mr. Page would be $580,320.

DIRECTOR COMPENSATION

Non-Named Executive Officer Directors

Director Compensation Table

Name	Year	Fees earned ($)	Share-based awards ($)	Option-based awards ($)[1]	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
David Roger Scammell	**2014**	**Nil**	**Nil**	**Nil**	**Nil**	**N/A**	**Nil**	**Nil**
	2013	**Nil**	**Nil**	**$7,032**	**Nil**	**N/A**	**$24,000**	**$31,032**
R. Dale Janowsky, Q.C.	**2014**	**$11,625**	**Nil**	**Nil**	**Nil**	**N/A**	**Nil**	**$11,625**
	2013	**$12,000**	**Nil**	**$8,790**	**Nil**	**N/A**	**Nil**	**$20,790**
Nazlin Rahemtulla [2]	**2014**	**$10,875**	**Nil**	**Nil**	**Nil**	**N/A**	**Nil**	**$10,875**
	2013	**$12,000**	**Nil**	**$8,790**	**Nil**	**N/A**	**Nil**	**$20,790**
Terrence Eyton [3]	**2014**	**$13,125**	**Nil**	**Nil**	**Nil**	**N/A**	**Nil**	**$13,125**
	2013	**$13,500**	**Nil**	**$10,548**	**Nil**	**N/A**	**Nil**	**$24,048**
Scott Hean [4]	**2014**	**Nil**	**Nil**	**Nil**	**Nil**	**N/A**	**Nil**	**Nil**
	2013	**Nil**	**Nil**	**$12,306**	**Nil**	**N/A**	**Nil**	**$12,306**
Jean-Pierre Colin [5]	**2013**	**Nil**	**Nil**	**Nil**	**Nil**	**N/A**	**Nil**	**Nil**

(1) The Company calculated the stock-based compensation costs of stock options granted in March 2013 using the Black-Scholes-Merton model assuming a risk free interest rate of 1.41%, a dividend yield of 0%, the expected annual volatility of the Company's share price of 119.57% and expected life of the option of 5 years.

(2) Nazlin Rahemtulla resigned on June 25, 2014.

(3) Terrence Eyton resigned on July 9, 2014.

(4) Scott Hean resigned on January 10, 2014.

(5) Jean-Pierre Colin resigned on November 14, 2012.

Narrative Discussion

On March 26, 2007, the Company's board of directors (the "Board") adopted an independent directors' compensation package whereby each independent director is entitled to receive $9,000 annually. For every Board or Committee meeting attended either in person or by telephone, each independent director will receive $375 per meeting attended with the chairman of each meeting receiving a total of $750 per meeting attended. Directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors and certain directors may be compensated for services as consultants or experts.

Directors are eligible to receive stock options to purchase common shares of the Company pursuant to the Company's Stock Option Plan. The option based award of $47,466 is the fair value of an aggregate 1,620,000 options granted to directors in the year ended 2013.

Pursuant to an agreement dated June 1, 2010 between David Roger Scammell and the Company's Mexican subsidiary, Minera Plata del Sur, S.A. de C.V., Mr. Scammell charged $24,000 in consideration for geological consulting services.

Jean-Pierre Colin previously provided corporate development services for the Company under a service agreement between Manex and the Company.

Share-based awards, option based awards and non-equity incentive plan compensation

Outstanding share-based awards and option-based awards

The following table summarizes the outstanding share-based awards and option-based awards to the Non-Named Executive Officer Directors as at the Company's most recently completed financial year.

Option-based Awards					Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[1] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
David Roger Scammell	50,000	$0.16	Jan 8, 2015	Nil	N/A	N/A	N/A
	100,000	$0.17	Nov 29, 2015	Nil			
	50,000	$0.17	Dec 13, 2015	Nil			
	240,000	$0.10	Mar 14, 2018	Nil			
R. Dale Janowsky, Q.C.	50,000	$0.16	Jan 8, 2015	Nil	N/A	N/A	N/A
	75,000	$0.17	Nov 29, 2015	Nil			
	300,000	$0.10	Mar 14, 2018	Nil			
Nazlin Rahemtulla	75,000	$0.16	Jan 8, 2015	Nil	N/A	N/A	N/A
	75,000	$0.17	Nov 29, 2015	Nil			
	300,000	$0.10	Mar 14, 2018	Nil			
Terrence Eyton	150,000	$0.16	Jan 8, 2015	Nil	N/A	N/A	N/A
	75,000	$0.17	Nov 29, 2015	Nil			
	60,000	$0.17	Dec 13, 2015	Nil			
	360,000	$0.10	Mar 14, 2018	Nil			
Scott Hean	200,000	$0.16	Jan 8, 2015	Nil	N/A	N/A	N/A
	75,000	$0.17	Nov 29, 2015	Nil			
	50,000	$0.17	Dec 13, 2015	Nil			
	420,000	$0.10	Mar 14, 2018	Nil			

(1) "In-the-money options" means the excess of the market value of the Company's shares at the Company's most recently completed financial year on April 30, 2014 over the exercise price of the options. The last trading price of the Company's shares on the TSX Venture Exchange on April 30, 2014 was $0.015.

Incentive plan awards – value vested or earned during the year

The following table summarizes the value of each incentive plan award vested or earned by each Non-Named Executive Officer Director during the Company's most recently completed financial year.

Name	Option-based awards – Value vested during the year[1] ($)	Share-based awards – Value vested during the year[1] ($)	Non-equity incentive plan compensation – Value earned during the year ($)
David Roger Scammell	Nil	N/A	N/A
R. Dale Janowsky, Q.C.	Nil	N/A	N/A
Nazlin Rahemtulla	Nil	N/A	N/A
Terrence Eyton	Nil	N/A	N/A
Scott Hean	Nil	N/A	N/A

(1) "Value vested during the year" means the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This amount is calculated by determining the difference between the market price of underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following tables set out the number of the Company's shares to be issued and remaining available for future issuance under the Company's Stock Option Plan at the end of the Company's most recently completed financial years ended April 30, 2014 and April 30, 2013:

As at Year End April 30, 2014 Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	12,230,000	$0.12	4,767,906
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	12,230,000	$0.12	4,767,906

As at Year End April 30, 2013 Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	13,439,000	$0.13	1,030,891
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	13,439,000	$0.13	1,030,891

The maximum number of Common shares reserved for issuance under the Company's Stock Option Plan is 10% of the issued and outstanding common shares of the Company on a rolling basis. See "Particulars of Other Matters to be Acted Upon - Stock Option Plan" below for a general description of the Company's Stock Option Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers or employees of the Company or any of its subsidiaries, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of them is or has been indebted to the Company or any of its subsidiaries at any time since the beginning of the Company's last completed financial year nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

CORPORATE GOVERNANCE

National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101"), adopted by the Canadian Securities Administrators, requires issuers to disclose their governance practices in accordance with that instrument. The Company is a "venture issuer" within the meaning of NI 58-101. A discussion of the Company's governance practices within the context of NI 58-101 is set out below.

Board of Directors

The Board of Directors of the Company (the "Board") facilitates its exercise of independent supervision over management by ensuring that a majority of its members are independent of the Company. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment. The independent members of the Board are R. Dale Janowsky, Q.C., David Roger Scammell, Eugene Spiering and Nigel Bunting. Lawrence Page, Q.C. is considered non-independent as he is the President of the Company and is President of a company providing administrative services and office accommodation to the Company.

Directorships

Certain of the Company's directors are also directors of other reporting issuers (or equivalent), as disclosed in the following table:

Name of Director	Directorship(s) held in other Reporting Issuers	
Lawrence Page, Q.C.	Bravada Gold Corporation Duncastle Gold Corp.	Homestake Resource Corporation Valterra Resource Corporation
David Roger Scammell	Defiance Silver Corporation	
R. Dale Janowsky, Q.C.	Nil	
Eugene Spiering	Duncastle Gold Corp.	
Nigel Bunting	Anglia Registrars Ltd. Bravada Gold Corporation Equilibrium Pensions Ltd.	OAM Holdings Ltd. OAM Ltd. MFB Corporate Member Ltd.

Orientation and Continuing Education

The Company does not provide formal continuing education to its Board members, but does encourage them to communicate with management, auditors and technical consultants. Board members have access to Company policies, corporate governance documents, technical data and financial information 24 hours a day through an internet-based software support system.

Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics (the "Code") which addresses compliance with laws, conflicts of interest, honesty and integrity, fair dealing, discrimination and harassment, safety and health, honest and accurate record keeping, and specifically ethical conduct for financial managers. A copy of the Code is available on the Company's webpage at www.southernsilverexploration.com and has also been provided to the Company's directors, officers and employees. Company personnel are encouraged to speak with their supervisors or other management to obtain guidance in complying with the Code or to report any violations of the Code.

The Company has established a whistleblower policy and has engaged the services of Whistleblower Security Inc., a third party service provider which provides Company personnel with a confidential channel to report serious concerns relating to financial reporting or unethical or illegal conduct.

The Board takes steps to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest. The Board ensures that the directors are familiar with the Code as well as their obligations to disclose any material interest in a transaction or contract and to abstain from voting on any resolution to approve such transaction or contract.

Nomination of Directors

When a Board vacancy occurs or is contemplated, any director may make recommendations to the Board as to qualified individuals for nomination to the Board. In identifying new candidates, the directors will take into account the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company at that time.

Compensation

As the Company does not have a compensation committee, the Board determines any compensation payable to the directors and the officers. The Board assesses the compensation of directors and officers on an ongoing basis taking into account the responsibilities and obligations involved with such positions as well as the financial status of the Company.

The Board also determines compensation in the form of stock option grants to its directors and officers, although such options are considered a means of rewarding optionees for future services provided to the Company rather than as compensation for past services.

The Company adopted an independent directors' compensation package whereby independent directors of the Company are entitled to receive an annual fee of $9,000 as well as fees for attending each Audit Committee meeting and Board meeting.

Other Board Committees

Other than the Audit Committee discussed below, the Board has no other standing committees.

Assessments

The Company does not have a formal process to review the performance of the Board, its committees and individual directors. The Board conducts ongoing informal assessments and evaluations, including considering the skills and experiences of each director individually and as part of a team. Particular consideration is given to the composition of the Audit Committee with skilled members that are both financially literate and independent.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company is comprised of R. Dale Janowsky, Q.C., David Roger Scammell and Lawrence Page, Q.C., a majority of whom are "independent" and considered to be "financially literate", as those terms are defined in National Instrument 52-110 *Audit Committees*. The education and experience of each member relevant to the performance of such member's responsibilities as an Audit Committee member are as follows:

R. Dale Janowsky, Q.C.: Mr. Janowsky graduated from the University of British Columbia with a Bachelor of Laws in 1964 and was appointed Queen's Counsel in 1983. He spent 44 years in the practice of corporate and commercial law, has provided legal guidance to boards of directors at all levels of government, and has served on provincial and federal boards and numerous societies. He was appointed General Counsel for the British Columbia Lottery Corporation from the inception in 1985 until 1989. His former practice included real estate development and banking negotiations to fund projects. Mr. Janowsky has been involved as a director of several mining resource companies as well as an audit committee member of Grande Portage Resources Ltd. Through these positions Mr. Janowsky has gained financial literacy and has developed an understanding of accounting principles and the ability to analyze and evaluate financial statements.

David Roger Scammell: Mr. Scammell has 40 years' experience in the mining and exploration industry in North America, México and Guatemala and was the Country Manger (México) for Teck Corporation and its Mexican subsidiary, Minera Teck S.A. de C.V. from 1992 to 2002. From 2004 until December 2010, he was initially the Vice President of Exploration and later President of Scorpio Mining Corporation and its Mexican subsidiary Minera Cosalá. Mr. Scammell's experience with such companies as well as his position as a director of the Company has provided him with an understanding of accounting principles and the ability to analyze and evaluate financial statements.

Lawrence Page, Q.C.: obtained his law degree from the University of British Columbia in 1964 and was called to the Bar of British Columbia in 1965. He has served as a director and officer of various public companies. In such positions, Mr. Page would be responsible for receiving financial information relating to his company and obtaining an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of the company and its operating results.

A copy of the Audit Committee Charter is attached hereto as Schedule "A".

The Audit Committee provides review and oversight of the Company's accounting and financial reporting process, and the audit process, including the selection, oversight, and compensation of the Company's external auditor. Since the commencement of the Company's most recently completed financial year, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services but will review the engagement of all such services.

Audit Fees

For the year ended April 30, 2014, the Company's external auditor charged to the Company $19,000 plus GST ($25,000 plus GST for the year ended April 30, 2013).

Audit-Related Fees

For the year ended April 30, 2014, the Company's external auditor charged to the Company $nil in audit-related fees ($nil for the year ended April 30, 2013).

Tax Fees

For the year ended April 30, 2014, the Company's external auditor charged the Company $2,000 plus GST in tax fees, representing fees for the preparation of T2 corporation income tax return and related schedules and preparation of GIFI financial statements for the Canada Revenue Agency ($2,000 plus GST for the year ended April 30, 2013).

All Other Fees

For the year ended April 30, 2014, the Company's external auditor charged the Company $380 plus GST ($540 plus GST for the year ended April 30, 2013).

Exemption

The Company, as a "venture issuer", is relying on the exemption in section 6.1 of National Instrument 52-110 *Audit Committees* which provides that the Company is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of National Instrument 52-110.

APPOINTMENT OF AUDITOR

It has been proposed that Smythe Ratcliffe LLP, Chartered Accountants, be re-appointed as Auditor of the Company for the ensuing year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, or controls or directs, directly or indirectly, or a combination of both, common shares of the Company, carrying more than ten percent of the voting rights attached to the outstanding common shares of the Company (an "Insider"); (c) director or executive officer of a person or company that is itself an Insider or subsidiary of the Company; or (d) any associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year, or in any proposed transaction that has materially affected or would materially affect the Company, except with respect to an interest arising from the ownership of common shares of the Company where such person or company will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of common shares of the Company.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, none of the directors or executive officers of the Company, no management proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Stock Option Plan

At the Meeting, the shareholders will be asked to approve the Company's proposed 2015 Rolling Incentive Stock Option Plan (the "2015 Plan").

The purpose of the proposed 2015 Plan is to provide the directors, executive officers and key employees of, and certain other persons who provide services to, the Company and its subsidiaries with an opportunity to purchase shares of the Company and benefit from any appreciation in the value of the Company's shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Company, thus enhancing the value of the Company's shares for the benefit of all the shareholders and increasing the ability of the Company and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Company.

The proposed 2015 Plan is a "rolling" plan that provides that the aggregate number of shares reserved for issuance under it, and all of the Company's other previously established and outstanding stock option plans or grants, is 10% of the Company's issued common shares at the time of the grant of a stock option under the proposed 2015 Plan.

The proposed 2015 Plan provides that the option exercise price, as determined by the Board of Directors, must not be less than the closing price of the Company's common shares on the TSX Venture Exchange (the "Exchange") on the day immediately preceding the

date of grant, less the applicable discount permitted by the policies of the Exchange. The maximum term of the options granted under the 2015 Plan is ten years from the date of grant, however the normal term of the options is five years. The Board of Directors of the Company may determine the limitation period during which an option may be exercised and, notwithstanding that none may be required by the policies of the Exchange, whether a particular grant will have a minimum vesting period. In the event of resignation or termination of an optionee, such optionee may exercise options held by such optionee for a period of 90 days following the effective date of such resignation or for a time as otherwise determined by a directors' resolution at the time of the grant of the options. In the event of an optionee's death, the stock option may be exercised by a qualified successor until the earlier of a period of one year from the date of such death and the expiry date of the stock option. As a "rolling" plan, any amendment to the proposed 2015 Plan will require the approval of the Exchange and may require shareholder approval.

The granting of stock options under the proposed 2015 Plan is restricted as follows: (a) the number of options granted to a consultant in a 12-month period must not exceed 2% of the issued shares of the Company at the time of grant of the stock option; and (b) the aggregate number of options granted to employees involved in investor relations activities must not exceed 2% of the issued shares of the Company in any 12-month period, at the time of grant of the stock option.

In accordance with the terms of the proposed 2015 Plan, it is subject to its acceptance for filing by the Exchange and the approval of the Company's shareholders. Under the policies of the Exchange, if:

a) the grants of options under the proposed 2015 Plan to "insiders" of the Company, together with all of the Company's outstanding stock options, could result at any time in:

(i) the number of shares reserved for issuance pursuant to stock options granted to insiders of the Company exceeding 10% of the issued common shares of the Company; or

(ii) the grant to insiders of the Company, within a 12-month period, of a number of options exceeding 10% of the issued common shares of the Company; or

b) the number of shares reserved for issuance pursuant to stock options granted to any one optionee, within a 12-month period, exceeding 5% of the issued common shares of the Company;

such shareholder approval must be "disinterested shareholder approval", but as the proposed 2015 Plan is restrictive as to these results, disinterested shareholder approval of the proposed 2015 Plan is not required.

The policies of the Exchange and the terms of the proposed 2015 Plan also provide that "disinterested shareholder approval" will be required for any agreement to decrease the exercise price of options previously granted to insiders of the Company but no such agreements are being brought before the Meeting.

The term "disinterested shareholder approval" means approval by a majority of the votes cast at the Meeting other than votes attaching to shares of the Company beneficially owned by insiders of the Company to whom options may be granted under the proposed 2015 Plan and associates of such persons. The term "insiders" is defined in the *Securities Act* (British Columbia) and generally includes directors and officers of the Company and its subsidiaries, and holders of greater than 10% of the voting securities of the Company. The term "associates" is defined in the *Securities Act* (British Columbia).

If shareholder approval of the proposed 2015 Plan or a modified version thereof is not obtained, the Company will not proceed to implement the proposed 2015 Plan nor grant options under it. Even if approved, the directors may determine not to proceed with the proposed 2015 Plan.

The proposed 2015 Plan will be available for inspection at the Meeting. The directors recommend that the shareholders approve the proposed 2015 Plan.

The Management Appointees named in the accompanying Instrument of Proxy intend (in the absence of direction to the contrary) to vote FOR the above resolution at the Meeting.

Approval and Authorization of Shareholder Rights Plan ("Rights Plan")

Purpose of the Rights Plan

The objectives of the Rights Plan are to ensure, to the extent possible, that all shareholders are treated equally and fairly in connection with any take-over bid or similar proposal to acquire common shares of the Company.

Take-over bids may be structured in such a way as to be coercive or discriminatory in effect, or may be initiated at a time when it will be difficult for the Board of Directors of the Company to prepare an adequate response. Such offers may result in shareholders receiving unequal or unfair treatment, or not realizing the full or maximum value of their investment in the Company.

The Rights Plan discourages the making of any such offers by creating the potential of significant dilution to any offeror who does so. This potential is created through the issuance to all shareholders of contingent rights to acquire additional common shares of the Company at a significant discount to then prevailing market prices, which could, in certain circumstances, become exercisable by all shareholders other than an offeror and its associates, affiliates and joint actors.

An offeror can avoid that potential by making an offer that either: (i) qualifies as a "Permitted Bid" under the Rights Plan, and therefore meets certain specified conditions (including a minimum deposit period of 90 days) which aim to ensure that all shareholders are treated

fairly and equally; or (ii) does not qualify as a "Permitted Bid" but is negotiated with the Company and has been exempted by the Board of Directors from the application of the Rights Plan in light of the opportunity to bargain for agreed terms and conditions to the offer that are believed to be in the best interests of shareholders.

Under current Canadian securities laws, any party wishing to make a formal take-over bid for the common shares of the Company will be required to leave the offer open for acceptance for at least 35 days. To qualify as a "Permitted Bid" under the Rights Plan, however, a take-over bid must remain open for acceptance for not less than 90 days. The Board of Directors believes that the statutory minimum period of 35 days may be insufficient for the directors to: (i) evaluate a take-over bid (particularly if the consideration consists, wholly or in part, of shares of another issuer); (ii) explore, develop and pursue alternative transactions that could better maximize shareholder value; and (iii) make reasoned recommendations to the shareholders. The additional time afforded under a "Permitted Bid" is intended to address these concerns by providing the Board of Directors with a greater opportunity to assess the merits of the offer and identify other possible suitors or alternative transactions, and by providing other bidders or proponents of alternative transactions with time to come forward with competing, and potentially superior, proposals.

The Rights Plan is not being proposed in response to, or in anticipation of, any pending, threatened or proposed acquisition or take-over bid that is known to the management of the Company. The adoption of the Rights Plan is also not intended as a means to prevent a take-over of the Company, to secure the continuance of management or the directors in their respective offices, or to deter fair offers for the common shares of the Company.

For a summary of the key terms and conditions of the Rights Plan, please see Schedule "B" to this Information Circular. Shareholders are urged to carefully review the summary in its entirety.

Approval Requirements

Shareholder approval of a Rights Plan is required under the rules and policies of the Exchange. The Company is not currently aware of any shareholder whose votes will be ineligible to be counted towards the Ordinary Resolution to approve the Rights Plan. The Exchange may require some amendment to the proposed Rights Plan or may withhold acceptance. The directors may, if deemed advisable by the Board of Directors, execute and deliver an agreement (the "Shareholder Rights Plan Agreement") to be effective on execution, in which case the resolution which the shareholders will be asked to pass will be to ratify the Shareholder Rights Plan Agreement.

The Board of Directors recommends that you vote FOR the Ordinary Resolution to approve and adopt the Shareholder Rights Plan Agreement. The following is the text of the Ordinary Resolution to be considered by the shareholders at the Meeting:

> "BE IT RESOVED, as an Ordinary Resolution of the holders of common shares of Southern Silver Exploration Corp. (the "Company"), that:
>
> 1. the adoption by the Company of the Shareholder Rights Plan (the "Rights Plan") substantially as described in the Information Circular of the Company is hereby approved, and the Company is hereby authorized to enter into an agreement with Computershare Investor Services Inc. or such other rights agent as the directors of the Company may determine; and
>
> 2. the Directors of the Company are authorized to execute and deliver an agreement creating the Rights Plan but may revoke this resolution before it is acted upon, without further approval of the shareholders."

The Management Appointees named in the accompanying Instrument of Proxy intend (in the absence of direction to the contrary) to vote FOR the above resolution at the Meeting.

Confirmation, Ratification and Approval of Advance Notice Policy

On January 23, 2013, the Board of Directors of the Company (the "Board") adopted an advance notice policy (the "Advance Notice Policy") with immediate effect, a copy of which is available at www.sedar.com and will be available at the Meeting.

The purpose of the Advance Notice Policy is to provide shareholders, directors and management of the Company with a clear framework for nominating directors of the Company. The Advance Notice Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

Subject only to the *Business Corporations Act* (British Columbia) (the "BCA") and the Articles of the Company, only persons who are nominated in accordance with the following procedures are eligible for election as directors of the Company. At any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, nominations of persons for election to the board of directors may be made only: (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the BCA, or a requisition of the shareholders made in accordance with the provisions of the BCA; or (c) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving of the notice provided for below in the Advance Notice Policy and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in the Advance Notice Policy.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely and in proper written form to the Secretary of the Company at the principal executive offices of the Company.

To be timely, a Nominating Shareholder's notice to the Secretary of the Company must be made: (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Company must set forth: (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (as defined below); and (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (as defined below).

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee. No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Policy; provided however, that nothing in the Advance Notice Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the BCA. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

For purposes of the Advance Notice Policy: (a) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com; and (b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

Notwithstanding any other provision of the Advance Notice Policy, notice given to the Secretary of the Company pursuant to the Advance Notice Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary, at the address of the principal executive offices of the Company, or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) or received by email (at the address as aforesaid); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in the Advance Notice Policy.

The Advance Notice Policy is subject to an annual review and amendment to reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

If the Advance Notice Policy is confirmed, ratified and approved at the Meeting, the Advance Notice Policy will continue to be effective and in full force and effect in accordance with its terms and conditions beyond the termination of the Meeting. Thereafter, the Advance Notice Policy will be subject to an annual review by the Board, and will be updated to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

If the Advance Notice Policy is not confirmed, ratified and approved at the Meeting, the Advance Notice Policy will terminate and be of no further force or effect from and after the termination of the Meeting.

Accordingly, at the Meeting, the shareholders of the Company will be asked to pass the following Ordinary Resolution:

> "BE IT RESOVED, as an Ordinary Resolution of the holders of common shares of Southern Silver Exploration Corp. (the "Company"), that:
>
> 1. the Company's Advance Notice Policy (the "Advance Notice Policy") as adopted by the Board of Directors of the Company (the "Board") on January 23, 2013 be and is hereby confirmed, ratified and approved;

2. the Board be authorized in its absolute discretion to administer the Advance Notice Policy and amend the Advance Notice Policy in accordance with its terms and conditions to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges, so as to meet industry standards, or as otherwise determined to be in the best interest of the Company and its shareholders; and

3. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions."

The Management Appointees named in the accompanying Instrument of Proxy intend (in the absence of direction to the contrary) to vote FOR the above resolution at the Meeting.

Creation of New Control Person

The Company and Electrum Global Holdings L.P., or its affiliate ("Electrum"), propose to enter into a Unit Purchase Agreement (the "Electrum Agreement"), pursuant to which Electrum will purchase at least 8,000,000 units, which number of units may be increased, of the Company at $0.08 per unit by way of a private placement. Each unit is comprised of one common share in the capital of the Company and one share purchase warrant entitling the holder thereof to purchase one additional common share at an exercise price of $0.08 for a period of five years. The Electrum Agreement forms part of a larger private placement of up to 20,000,000 units which may include issuances to other subscribers and that may close in tranches (the "Private Placement"). Pursuant to the terms of the Electrum Agreement, Electrum will have the right of pro rata participation in future financings of the Company and will also have the right to designate one individual to the Company's board of directors.

Assuming that Electrum is the only subscriber in the Private Placement and that 8,000,000 units are issued, upon closing Electrum will own 30% of the issued and outstanding common shares of the Company and 46% of the Company's shares on a diluted basis. Assuming that 20,000,000 units are issued in the Private Placement, it is anticipated that Electrum would acquire at least 13,000,000 units and upon closing would own at least approximately 34% of the issued and outstanding common shares of the Company and at least approximately 44% of the Company's shares on a fully diluted basis. In the event that shareholder approval is not obtained, Electrum would have the right, but not the obligation, to purchase a number of units in the Private Placement representing up to 19.99% of the issued and outstanding common shares of the Company (calculated on a diluted basis), on the terms and conditions set forth in the Electrum Agreement.

TSX Venture Exchange ("Exchange") Policy 4.1 – *Private Placements* requires shareholder approval of any transaction that creates a new control person. Upon closing of the Electrum Agreement, Electrum will become a control person of the Company as a result of its participation in the Private Placement since it will hold more than 20% of the outstanding voting shares of the Company. In addition, the Private Placement including the Electrum Agreement will be subject to the approval of the Exchange, finalization of the Electrum Agreement, as well as standard closing conditions.

The directors and officers of the Company will enter into support agreements with Electrum pursuant to which such directors and officers will agree to vote in favor of the resolution approving the creation of Electrum as a new control person of the Company and to support the election to the board of directors of Electrum's nominee at the Meeting or such nominee's appointment to the board of directors subsequent to the Meeting.

The Board of Directors recommends that you vote FOR the Ordinary Resolution to approve the creation of Electrum as a new control person of the Company. The following is the text of the Ordinary Resolution to be considered by the shareholders at the Meeting:

"BE IT RESOLVED, as an Ordinary Resolution of the holders of common shares of Southern Silver Exploration Corp. (the "Company"), that:

1. in accordance with TSX Venture Exchange Policy 4.1 – *Private Placements*, the creation of Electrum Global Holdings L.P., or its affiliate, as a Control Person (as defined in TSX Venture Exchange Policy 1.1) is hereby approved;

2. any officer or director of the Company is authorized and directed to execute and deliver, under corporate seal or otherwise, all such documents and instruments and to do all such acts as, in the opinion of such officer or director, may be necessary or desirable to give effect to this resolution; and

3. the board of directors is hereby authorized, in its sole discretion, to effect such resolutions as and when the board of directors sees fit, subject to receipt of all necessary regulatory approvals."

The Management Appointees named in the accompanying Instrument of Proxy intend (in the absence of direction to the contrary) to vote FOR the above resolution at the Meeting.

MANAGEMENT IS NOT AWARE OF ANY OTHER MATTER TO COME BEFORE THE MEETING OTHER THAN AS SET FORTH IN THE NOTICE OF MEETING. IF ANY OTHER MATTER PROPERLY COMES BEFORE THE MEETING, IT IS THE INTENTION OF THE MANAGEMENT APPOINTEES TO VOTE THE SHARES REPRESENTED BY THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR ON ANY BALLOT THAT MAY BE CALLED FOR IN ACCORDANCE WITH THEIR BEST JUDGMENT ON SUCH MATTER.

GENERAL

Unless otherwise directed, it is the intention of the Management Appointees to vote proxies in favour of the resolutions set forth herein. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the shareholders. All special resolutions require, for the passing of the same, a 2/3 majority of the votes cast at the Meeting by the shareholders.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found at www.sedar.com and at the Company's website at www.southernsilverexploration.com. A copy of the following documents may be obtained, without charge, upon request to the President of the Company at 1100 – 1199 West Hastings Street, Vancouver, BC V6E 3T5, Phone: (604) 684-9384, Fax: (604) 688-4670:

(a) the comparative financial statements of the Company for the financial years ended April 30, 2014 and April 30, 2013 together with the accompanying reports of the auditor thereon and related Management's Discussion and Analysis and any interim financial statements of the Company for periods subsequent to April 30, 2014 and April 30, 2013 and related Management's Discussion and Analysis; and

(b) this Information Circular.

BY ORDER OF THE BOARD OF DIRECTORS
OF SOUTHERN SILVER EXPLORATION CORP.

"Lawrence Page, Q.C."

Lawrence Page, Q.C.
President

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

(Adopted by the Board of Directors of Southern Silver Exploration Corp. on October 10, 2004)

A. PURPOSE

An audit committee is a committee of a board of directors to which the board delegates its responsibility for oversight of the financial reporting process. Traditionally, the audit committee has performed a number of roles, including:

(a) helping directors meet their responsibilities;
(b) providing better communication between directors and the external auditors;
(c) enhancing the independence of the external auditor;
(d) increasing the credibility and objectivity of financial reports; and
(e) strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor.

Multilateral Instrument 52-110 *Audit Committees* ("MI 52-110") requires that the audit committee also be responsible for managing, on behalf of the shareholders, the relationship between the issuer and its external auditors. In particular, it provides that an audit committee must have responsibility for:

(a) overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or related work; and
(b) recommending to the board of directors the nomination and compensation of the external auditors.

Although under corporate law, an issuer's external auditors are responsible to the shareholders, in practice, shareholders have often been too dispersed to effectively exercise meaningful oversight of the external auditors. As a result, management has typically assumed this oversight role. However, the auditing process may be compromised if the external auditors view their main responsibility as serving management rather than the shareholders. By assigning these responsibilities to an independent audit committee, MI 52-110 ensures that the external audit will be conducted independently of the issuer's management.

MI 52-110 provides that an audit committee must be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditors regarding financial reporting. Notwithstanding this responsibility, the external auditors are retained by, and are ultimately accountable to, the shareholders. As a result, MI 52-110 does not detract from the external auditors' right and responsibility to also provide their views directly to the shareholders if they disagree with an approach being taken by the audit committee.

The Board of Directors (the "Board") of Southern Silver Exploration Corp. (the "Company") is responsible for the management of the business and affairs of the Company. The Audit Committee (the "Committee") is appointed by the Board as an independent and objective party to assist in fulfilling the Board's responsibility for oversight of the Company's financial reporting process.

The Company must comply with the applicable requirements of MI 52-110 which includes having a written charter that sets out the Committee's mandate and responsibilities. As of the date above, the Company is a Venture Issuer as that term is defined under MI 52-110. Accordingly, it is exempt from the requirements of Part 3: Composition of the Audit Committee and Part 5: Reporting Obligations of MI 52-110. The Board may, at any time, amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

B. AUTHORITY

1. The Committee, through its Chair, may directly contact any officer or employee of the Company as it deems necessary or advisable to fulfill its duties and responsibilities, and any officer or employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions;
2. The external auditors will report directly to the Committee. The external auditors shall have a direct line of communication to the Committee through its Chair and may bypass management if deemed necessary; and
3. The Committee may engage, at the Company's expense, outside legal counsel or other advisors as the Committee considers necessary to fulfill its duties and responsibilities and to negotiate compensation arrangements for any such advisors.

C. COMPOSITION AND MEETINGS

1. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee;
2. The Committee shall be composed of three or more members of the Board, a majority of whom are not officers or employees of the Company or of an affiliate of the Company. The members of the Committee shall appoint from among themselves a Chair of the Committee. The Chair shall have responsibility for ensuring that the Committee fulfills its principal duties and responsibilities effectively;
3. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone or other telecommunication device at a Committee meeting shall constitute a quorum;
4. If and whenever a vacancy shall exist in a Committee meeting, the remaining members of the Committee may exercise all of its powers and responsibilities provided a quorum has been established;
5. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a Committee meeting called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a Committee meeting called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation;
6. The time and place at which a Committee meeting shall be held, and procedures at such meetings shall be determined from time to time by the Committee. A Committee meeting may be called by email, telephone, facsimile, letter or other communication means, by giving at least 48 hours notice. Notice of a Committee meeting shall not be necessary if all of the members are present either in person or by telephone or other telecommunication device or if those absent have waived notice or otherwise signified their consent to the holding of such meeting;
7. The Committee may invite such officers, directors and employees of the Company and its subsidiaries as it may see fit, from time to time, to attend at Committee meetings;
8. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at Committee meetings;
9. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required. Any member of the Committee or the external auditors may request a meeting of the Committee; and
10. The external auditors shall receive notice of and have the right to attend all Committee meetings.

D. PRINCIPAL DUTIES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:
   (a) assist the Board in the discharge of its responsibilities relating to the Company's accounting principles and reporting practices including its approval of the Company's annual and quarterly consolidated financial statements and corresponding management's discussion and analysis ("MD&A");
   (b) establish and maintain a direct line of communication with the Company's external auditors and assess their performance;
   (c) ensure that the management of the Company has designed, implemented and is maintaining an effective financial reporting system;
   (d) ensure compliance with MI 52-110; and
   (e) report regularly to the Board on the fulfillment of its duties and responsibilities.

2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
   (a) verify the independence of external auditors and recommend to the Board a firm of external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company;
   (b) monitor the independence of the external auditors and confirm their independence to the Board on an annual basis;
   (c) recommend to the Board the compensation of the external auditor;
   (d) oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
   (e) pre-approve all non-audit services to be provided to the Company by the external auditors unless otherwise provided for in MI 52-110;
   (f) review the audit plan of the external auditors prior to the commencement of the audit;
   (g) review with the external auditors any changes or proposed changes in accounting policies, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to the Company's financial reporting;
   (h) discuss with the external auditors the quality and appropriateness of the Company's accounting principles;
   (i) review with the external auditors, upon completion of their audit:
      (i) contents of their report including the scope and quality of the audit work performed;
      (ii) adequacy of the Company's financial and auditing personnel;
      (iii) co-operation received from the Company's personnel during the audit;
      (iv) internal resources used;

(v) significant transactions outside of the normal business of the Company;
(vi) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
(vii) the non-audit services provided by the external auditors; and

(j) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the external auditors have been implemented.

3. The Committee shall review and discuss with Management and the Auditors, where appropriate, the following financial documents and reports prior to public disclosure:

(a) the annual report, including the audited financial statements and the Auditors' report to the shareholders of the Company, and quarterly financial statements and corresponding MD&A;
(b) all press releases containing financial information extracted or derived from the Company's financial statements or MD&A;
(c) all certifications that may be made by Management on the annual or quarterly financial results, disclosure controls and procedures and internal controls over financial reporting;
(d) any legal, tax or regulatory matters that may have a material impact on the Company's operations and financial statements; and
(e) all financial information contained in any prospectus, information circular or other disclosure documents or regulatory filings containing financial information of the Company.

4. The Committee shall recommend to the Board the amendment or approval of all annual and interim financial statements and MD&A and any other documents that may be reviewed by the Committee.

5. Other duties and responsibilities of the Committee shall be as follows:

(a) ensure that procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, such as press releases, and periodically assess the adequacy of the procedures;
(b) implement procedures for:
(i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
(ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
(c) review and approve the Company's hiring policies regarding partners, employees or former partners and employees of the present and former external auditors of the Company; and
(d) make recommendations to the Board with respect to any changes or improvements to the financial reporting process including this Charter.

SCHEDULE "B"

SUMMARY OF THE RIGHTS PLAN

Please see "Approval and Authorization of Shareholder Rights Plan" in the Information Circular to which this Schedule is attached for a discussion of the Rights Plan and the reasons for the Board of Directors recommending its approval.

Capitalized terms used but not specifically defined in this Schedule shall have the meanings ascribed thereto in the Information Circular.

The following summary of the Rights Plan is qualified in its entirety by reference to the complete text of the Shareholder Rights Plan Agreement to be entered into between the Company and Computershare Investor Services Inc. as rights agent or such other rights agent as the directors of the Company may determine, in connection with the Rights Plan (if approved by the shareholders). The Shareholder Rights Plan Agreement shall govern in the event of any conflict between the provisions thereof and this summary. The directors may, if deemed advisable by the Board, execute and deliver a Shareholder Rights Plan Agreement to be effective on execution, in which case the resolution which the shareholders will be asked to pass will be to ratify the Shareholder Rights Plan Agreement. A shareholder may obtain a draft or, if applicable, executed copy of this Shareholder Rights Plan Agreement by contacting the Secretary at 1100-1199 West Hastings Street Vancouver, British Columbia, V6E 3T5.

Term

If approved at the Meeting, the Rights Plan will be adopted immediately following the Meeting and (subject to earlier termination in accordance with its terms) will remain in effect until termination of the annual meeting of shareholders in 2020 unless the shareholders vote by Ordinary Resolution at that meeting to extend the term.

Issue of Rights

One right (a "Right") will be issued by the Company in respect of each common share of the Company that is outstanding at the close of business on the date of the Shareholder Rights Plan Agreement (the "Record Time"). One Right will also be issued for each additional common share (or other voting share of the Company) issued after the Record Time and prior to the earlier of the Separation Time (as defined below) and the time at which the Rights expire and terminate.

The issuance of the Rights is not dilutive and will not affect reported earnings or cash flow per share unless the Rights separate from the underlying shares in connection with which they were issued and become exercisable or are exercised.

The issuance of the Rights will also not change the manner in which shareholders currently trade their common shares, and is not intended to interfere with the Company's ability to undertake equity offerings in the future.

Separation Time / Ability to Exercise Rights

The Rights are not exercisable, and are not separable from the shares in connection with which they were issued, until the "Separation Time", being the close of business on the date that is 8 trading days after the date a person becomes an Acquiring Person (as defined below) or announces an intention to make a take-over bid that does not qualify as a Permitted Bid (as defined below), or such later time as the Board of Directors may determine.

Acquiring Person

A person will be considered to be an Acquiring Person for the purposes of the Rights Plan if they, together with their associates, affiliates and joint actors, acquire beneficial ownership (within the meaning of the Rights Plan) over 20% or more of the outstanding voting shares of the Company other than pursuant to a Permitted Bid or another type of transaction that is excepted under the Rights Plan.

In general terms, a person will not be considered to be an Acquiring Person for the purposes of the Rights Plan if it becomes the holder of 20% or more of the voting shares by reason of: (i) a reduction of the number of voting shares outstanding; (ii) an acquisition under a Permitted Bid (as defined below); (iii) an acquisition in respect of which the Board of Directors of the Company has waived the application of the Rights Plan; (iv) an acquisition under a dividend or interest reinvestment plan or a stock dividend or similar pro rata event; (v) an acquisition from treasury that does not result in an increase in the person's proportionate shareholdings; or (vi) the exercise of convertible securities that were themselves received by the person pursuant to such a transaction; provided, however, that any subsequent increase by 1% or more in the person's shareholdings (other than pursuant to an exempt transaction) will cause the person to be an Acquiring Person for the purposes of the Rights Plan.

Consequences of a Flip-in Event

A "Flip-in Event" refers to any transaction or event pursuant to which a person becomes an Acquiring Person. Following the occurrence of a Flip-in Event as to which the Board of Directors has not waived the application of the Rights Plan, each Right held by:

(a) an Acquiring Person (or any of its associates, affiliates or joint actors) on or after the earlier of the Separation Time or the first date of public announcement that an Acquiring Person has become such, shall become null and void; and

(b) any other shareholder shall entitle the holder thereof to purchase additional common shares from the Company at a substantial discount to the prevailing market price at the time.

Permitted Bid Requirements

An offeror may make a take-over bid for the Company without becoming an Acquiring Person (and therefore subject to the consequences of a Flip-in Event described above) if it makes a take-over bid (a "Permitted Bid") that meets certain requirements, including that the bid must be:

(a) made pursuant to a formal take-over bid circular under applicable securities laws;

(b) made to all registered holders of voting shares (other than the offeror); and

(c) subject to irrevocable and unqualified provisions that:

i. the bid will remain open for acceptance for at least 90 days from the date of the bid;

ii. the bid will be subject to a minimum tender condition of more than 50% of the voting shares held by independent shareholders;

iii. the bid will be extended for at least 10 business days if more than 50% of the voting shares held by independent shareholders are deposited to the bid (and the offeror shall make a public announcement of that fact); and

iv. any shares deposited can be withdrawn until taken up and paid for.

A competing take-over bid that is made while a Permitted Bid is outstanding and satisfies all of the criteria for Permitted Bid status, except that it may expire on the same date (which may be less than 90 days after such bid is commenced) as the Permitted Bid that is outstanding (subject to the current statutory minimum bid period of 35 days from commencement), will be considered to be a "Permitted Bid" for the purposes of the Rights Plan.

Certificates and Transferability

Before the Separation Time, the Rights will be evidenced by a legend imprinted on share certificates issued after the effective date of the Shareholder Rights Plan Agreement. Although Rights will also be attached to common shares outstanding on the effective date, share certificates issued before the effective date will not (and need not) bear the legend. Shareholders will not be required to return their certificates to be entitled to the benefits of the Rights Plan.

From and after the Separation Time, Rights will be evidenced by separate certificates.

Before the Separation Time, Rights will trade together with, and will not be transferable separately from, the shares in connection with which they were issued. From and after the Separation Time, Rights will be transferable separately from the shares.

Waiver

A potential offeror for the Company that does not wish to make a Permitted Bid can nevertheless negotiate with the Board of Directors to make a formal take-over bid on terms that the Board of Directors considers fair to all shareholders, in which case the Board may waive the application of the Rights Plan. Any waiver of the Rights Plan's application in respect of a particular take-over bid will constitute a waiver of the Rights Plan in respect of any other formal take-over bid made while the initial bid is outstanding.

The Board of Directors may also waive the application of the Rights Plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered the Flip-in Event thereafter reduces its beneficial

holdings below 20% of the outstanding voting shares of the Company within 14 days or such other date as the Board of Directors may determine.

With shareholder approval, the Board of Directors may waive the application of the Rights Plan to any other Flip-in Event prior to its occurrence.

Redemption

Rights are deemed to be redeemed following completion of a Permitted Bid (including a competing Permitted Bid) or any other take-over bid in respect of which the Board of Directors has waived the Rights Plan's application.

With requisite approval, the Board of Directors may also, prior to the occurrence of a Flip-in Event, elect to redeem all (but not less than all) of the then outstanding Rights at a nominal redemption price of $0.0001 per right.

Directors' Duties

The adoption of the Rights Plan will not in any way lessen or affect the duty of the Board of Directors to act honestly and in good faith with a view to the best interests of the Company. In the event of a take-over bid or any other such proposal, the Board of Directors will still have the duty to take such actions and make such recommendations to shareholders as are considered appropriate.

Amendments

The Company may, prior to the Meeting, amend the Shareholder Rights Plan Agreement without shareholder approval. If the Rights Plan is approved at the Meeting, amendments will thereafter be subject to shareholder approval, unless to correct any clerical or typographical error or (subject to confirmation at the next meeting of shareholders) make amendments that are necessary to maintain the Rights Plan's validity as a result of changes in applicable legislation, rules or regulations.

After adoption, any amendments will also be subject to any requisite approval of any stock exchange on which the shares of the Company are then trading.

SouthernSilver
EXPLORATION CORP

Computershare

Please return completed form to:
Computershare
8th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1

☐ **Interim Financial Statements**
Mark this box if you would like to receive Interim Financial Statements and related Management's Discussion and Analysis for Southern Silver Exploration Corp.'s current financial year by mail.

☐ **Annual Financial Statements**
Mark this box if you would like to receive Annual Financial Statements and related Management's Discussion and Analysis for Southern Silver Exploration Corp.'s current financial year by mail.

Financial Statements Request Form

Under securities regulations, a reporting issuer must send annually a form to holders to request the Interim Financial Statements and MD&A and/or the Annual Financial Statements and MD&A. If you would like to receive the report(s) by mail, please make your selection and return to the address as noted or register online at www.computershare.com/mailinglist.

Alternatively, you may choose to access the report(s) online at www.sedar.com.

Computershare will use the information collected solely for the mailing of such financial statements. You may view Computershare's Privacy Code at www.computershare.com/privacy or by requesting that we mail you a copy.

Please place my name on your financial statements mailing list.

Name

Apt. | Street Number | Street Name

City | Prov. / State | Postal Code / Zip Code

NWVQ

51ETNN

51ETNN01

NWVQ.BEN_IA.E.17178.OUTSOURCED/000001/000001/i