



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

**Management's Discussion and Analysis
For the Six Months Ended October 31, 2014
Dated: December 30, 2014**

A - Introduction	2
B - Qualified Persons	2
C - Foreign Exchange Information and Conversion Tables	2
D - Summary of Mineral Properties	3
E - Results of Operations	7
F - Summary of Quarterly Results	8
G - Related Party Information	9
H - Financial Condition, Liquidity and Capital Resources	11
I - Outstanding Equity and Convertible Securities	12
J - Subsequent Events and Outlook	13
K - Financial Instruments	13
L - Off-Balance Sheet Arrangements	13
M - Disclosure Controls and Procedures	14
N - Risks and Uncertainties	14
O - Proposed Transactions	16
P - Forward-Looking Statements	16

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

A. Introduction

The following Management's Discussion and Analysis ("MD&A") of the consolidated operating results and financial condition of Southern Silver Exploration Corp. (the "Company") is for the six months ended October 31, 2014 and is dated December 30, 2014. This MD&A was prepared to conform to National Instrument 51-102F1 and was approved by the Board of Directors prior to its release. This analysis should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the six months ended October 31, 2014, and the Company's audited consolidated financial statements for the year ended April 30, 2014, and the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company's shares trade on both the TSX Venture Exchange under the symbol "SSV.V" and on the Frankfurt Stock Exchange under the symbol "SEG.F".

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

Additional information relating to the Company, including detailed drill results previously disclosed in news releases, is available on the Company's website at www.southernsilverexploration.com and on SEDAR at www.sedar.com.

B. Qualified Person

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

C. Foreign Exchange Information and Conversion Tables

For ease of reference, the following information is provided:

Canadian Dollars per US Dollar ⁽¹⁾			Conversion Table ⁽²⁾		
	Six Months ended				
	October 31,		Imperial		Metric
	2014	2013			
Rate at end of period	1.1271	1.0427	1 acre	=	0.404686 hectares
Average rate for period	1.0935	1.0339	1 foot	=	0.304800 meters
High for period	1.1306	1.0567	1 mile	=	1.609344 kilometres
Low for period	1.0639	1.0033	1 ton	=	0.907185 tonnes
			1 Ounce (troy)/ton	=	34.285700 g/t

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

C. Foreign Exchange Information and Conversion Tables, continued

Precious metal units and conversion factors ⁽²⁾					
ppb	- Part per billion	1 ppb	=	0.0010 ppm	= 0.000030 oz/t
ppm	- Part per million	100 ppb	=	0.1000 ppm	= 0.002920 oz/t
oz	- Ounce (troy)	10,000 ppb	=	10.0000 ppm	= 0.291670 oz/t
oz/t	- Ounce per ton (avdp.)	1 ppm	=	1.0000 ug/g	= 1.000000 g/t
g	- Gram				
g/t	- gram per metric ton	1 oz/t	=	34.2857 ppm	
mg	- milligram	1 Carat	=	41.6660 mg/g	
kg	- kilogram	1 ton (avdp.)	=	907.1848 kg	
ug	- microgram	1 oz (troy)	=	31.1035 g	

(1) Information from www.bankofcanada.ca

(2) Information from www.onlineconversion.com

D. Summary of Mineral Properties

The Company's principal business activities include the acquisition, exploration, and development of natural resource properties for enhancement of value and disposition pursuant to sales agreements or development by way of third party option and/or joint venture agreements.

The Company is continuing to advance its core asset - Cerro Las Minitas - a silver-lead-zinc property located in Durango State, Mexico. The property is a large land position and lies within the prolific Faja de Plata (Belt of Silver) of north central Mexico.

The Company also continues to advance Oro - a gold-silver-copper-lead-zinc property located in New Mexico, USA. The property features a classic porphyry zonation within the highly prospective Laramide Porphyry belt of the southern USA. The Company is actively seeking a partner to finance further exploration on this property.

Cerro Las Minitas - Durango, Mexico

The property is located about 70 kilometres to the northeast of the city of Durango in Durango State, Mexico, and is accessed easily by road. The property comprises 19 concessions totalling approximately 13,700 hectares in one of the most significant silver producing regions in the world with current reserves/resources and historic production in excess of 3 billion ounces of silver.

Since acquisition in 2010, and inclusive of exploration pursuant to an earn-in agreement with Freeport-McMoRan Exploration Corporation ("FMEC") from October 2012 to September 2014, drilling has totaled 23,310 metres in 75 core holes and has resulted in the identification of two high-grade silver-polymetallic deposits, the Blind Zone and El Sol Zone, which have been only partially delineated.

New discoveries have also been made at the North Skarn and South Skarn targets and in extensions to the historic deposits at Mina Santo Nino and Mina La Bocona.

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

D. Summary of Mineral Properties, continued

Cerro Las Minitas - Durango, Mexico, continued

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

Geological modeling of the Blind and El Sol deposit using a nominal 80g/t AgEq cut-off has identified multiple distinct mineralized structures with a 820 metre cumulative strike-length and with depth projections of up to 350 metres below surface. Deeper mineralization has also been identified at the El Sol and Santo Nino zones.

Select composites from the 2013-2014 drilling programs:

Hole No.	From m	To m	Interval m	Ag g/t	Au g/t	Cu %	Pb %	Zn %	AgEq g/t
13CLM-063	228.60	230.15	1.55	160.00	1.03	0.09	3.25	0.36	319.20
13CLM-066	62.75	63.80	1.05	3.80	8.63	0.00	0.07	0.06	472.40
13CLM-066	88.35	97.50	9.15	401.24	0.10	0.13	8.49	5.05	777.17
inc	92.90	94.95	2.05	1,190.00	0.20	0.04	21.62	12.95	2,119.81
13CLM-066	573.00	585.15	12.15	45.06	0.01	0.02	1.70	10.82	379.29
13CLM-066	633.30	642.60	9.30	9.42	0.00	0.13	0.07	13.04	368.78
inc	638.20	640.35	2.15	13.60	0.01	0.41	0.01	20.60	597.28
13CLM-067	194.10	195.60	1.50	2.50	0.15	0.01	1.94	0.26	69.50
13CLM-068	209.70	213.10	3.40	78.00	0.22	0.03	2.30	0.90	178.00
13CLM-068	285.40	299.30	13.90	135.82	0.24	0.03	2.41	1.31	250.44
inc	285.40	287.80	2.40	545.50	0.18	0.15	10.27	3.85	942.81
13CLM-068	307.00	307.90	0.90	1,140.00	0.42	0.10	18.10	21.00	2,207.07
13CLM-069	380.50	382.70	2.20	225.00	0.72	0.17	3.50	0.47	384.57
13CLM-071	591.00	595.50	4.50	115.00	0.01	0.02	2.70	4.20	301.00
inc	594.00	595.50	1.50	238.00	0.02	0.06	5.70	9.10	634.70
13CLM-072	101.00	107.80	6.80	13.00	0.02	0.10	0.20	0.10	22.00
inc	102.50	102.80	0.30	87.00	0.03	0.11	1.90	1.00	176.00
13CLM-073	433.50	433.90	0.40	21.00	0.22	0.70	-	3.40	193.00
13CLM-073	449.60	454.20	4.60	15.00	0.06	0.43	-	-	59.00
13CLM-074	160.50	165.20	4.80	16.00	0.33	0.01	0.70	1.50	91.00
inc	163.90	165.20	1.30	46.00	1.12	0.02	1.80	4.90	284.00
13CLM-074	418.70	423.20	4.80	24.00	0.13	0.51	-	0.10	80.00
13CLM-075	850.80	852.50	1.70	129.00	0.06	0.04	0.20	-	143.00

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

D. Summary of Mineral Properties, continued

Cerro Las Minitas - Durango, Mexico, continued

On September 11, 2014, the Company received notice from FMEC of termination of the earn-in agreement. Advances and expenditures by FMEC during the term of the earn-in agreement totaled approximately US \$5,500,000. As part of the termination, FMEC assigned to the Company its option to acquire a 100% unencumbered interest in the El Sol Concession at no cost to the Company. The El Sol Concession comprises 63 hectares, is situated contiguous to the northwest boundary of the Cerro Las Minitas project and covers an 800 metre strike-length of the northwestern projection of the Blind Zone deposit.

The El Sol Concession is in the early stage of exploration with no indicated resource; however, the high grade silver-lead-zinc system in which it lies has showings that have had small production in the past, and strong IP geophysics demonstrate buried intrusive bodies and sulfide mineralization that indicate excellent drill targets.

Aggregate exploration and development work by the Company and FMEC provides the basis for future discoveries and the development of potential Ag-Pb-Zn resources on the property including off-set drilling of the modeled mineralized zones at the Blind Zone and El Sol deposits, further delineation of potential resources at the North Skarn and South Skarn targets, and further testing of the remaining geophysical and geochemical targets on the project.

On November 20, 2014, the Company entered into a loan facility arrangement with Radius Gold Inc. ("Radius") to fund and fully exercise its option to acquire the property (see *H - Financial Condition, Liquidity and Capital Resources*).

The Company subsequently advised the vendor of the property of its intention to purchase the claims and paid US \$600,000, plus applicable local taxes, representing the residual payments due on November 18, 2014 and March 18, 2015. Aggregate consideration to purchase a 100% interest in the property was US \$3,600,000 plus applicable local taxes.

In consideration for the grant of the loan facility, the Company has granted Radius an exclusive option for 120 days to enter into negotiations with the Company to settle terms of a business arrangement for Radius to acquire either a direct or indirect interest in the property inclusive of continued exploration and development.

Minas de Ameca - Jalisco, Mexico

The Company has not been compliant with some underlying terms of the Magistral agreement since July 2011 and has been negotiating a revised agreement since that date, including sale to a third party.

Oro - New Mexico, USA

The Oro property comprises a contiguous block of Federal, State and private land totaling 11.8 square kilometres in the historic Eureka mining district in Grant County, New Mexico and is located approximately 80 kilometres southwest of the Silver City porphyry copper district.

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

D. Summary of Mineral Properties, continued

Oro - New Mexico, USA, continued

The claims surround a highly prospective quartz-sericite-pyrite alteration footprint, interpreted to overlie an unexposed porphyry centre. Classic porphyry system zonation is indicated by surface gold and copper mineralization associated with Laramide-age intrusions in this core area, flanked by lead-zinc skarn mineralization and distal sediment-hosted gold occurrences.

In addition to bulk-tonnage porphyry copper-molybdenum-gold potential, the property also includes the high-grade sediment-hosted Stock Pond gold target. Reconnaissance rock sampling has been completed over a strike length of 140 metres, yielding values up to 4.8 grams per tonne gold. Gold mineralization is interpreted to be related to the main porphyry centre, located 4 kilometres to the southwest.

The property was previously subject to an earn-in agreement with Desert Star Resources Ltd. Notice of termination of this agreement was received on July 8, 2014. The Company has a planned exploration program which includes a detailed deep penetrating geophysical program, surface mapping, sampling, trenching and diamond drilling to test both the porphyry potential on the property as well as the gold potential at Stock Pond, pending market or partner financing.

Acquisition Costs

The Company's accounting policy related to expenditures incurred for the acquisition of mineral properties is to capitalize on a property-by-property basis, net of recoveries. Mineral property acquisition costs as at October 31, 2014 were as follows:

	Mexico		USA		
	Cerro Las Minitas	Minas de Ameca	Oro	Dragoon	Total
	\$	\$	\$	\$	\$
Balance as at April 30, 2013	1,459,225	363,205	1,133,280	103,911	3,059,621
Additions, net	(80,333)	6,405	3,767	14,792	(55,369)
Impairments	-	(369,610)	(1,137,047)	(118,703)	(1,625,360)
Balance as at April 30, 2014	1,378,892	-	-	-	1,378,892
Additions, net	(27,715)	-	27,190	-	(525)
Impairments	-	-	(27,190)	-	(27,190)
Balance as at October 31, 2014	1,351,177	-	-	-	1,351,177

Exploration and Evaluation Expenses

The Company's accounting policy related to expenditures incurred for the exploration and development of mineral properties is to expense to the consolidated statement of comprehensive loss in the period in which they are incurred. Exploration expenditures incurred for the six months ended October 31, 2014 and 2013, were as follows:

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

D. Summary of Mineral Properties, continued

Exploration and Evaluation Expenses, continued

	Mexico		USA				Total	
	Cerro Las Minitas		Oro		Dragoon			
	\$	\$	\$	\$	\$	\$	\$	\$
	2014	2013	2014	2013	2014	2013	2014	2013
Assays and geochemistry	14,495	21,306	-	-	-	-	14,495	21,306
Camp, utilities and supplies	5,647	6,192	-	(652)	-	-	5,647	5,540
Drilling	64,172	256,811	-	-	-	-	64,172	256,811
Environmental	-	131	-	-	-	-	-	131
Equipment and field supplies	9,976	11,144	-	37	-	-	9,976	11,181
Geological and geophysics	50,089	105,879	-	1,426	-	-	50,089	107,305
Land fees	62,157	49,001	307	-	-	-	62,464	49,001
Project supervision	36,316	52,177	-	1,586	-	1,743	36,316	55,506
Project support	2,912	7,140	-	-	-	-	2,912	7,140
Taxes	83,177	97,958	-	-	-	-	83,177	97,958
Travel	732	2,256	-	-	-	-	732	2,256
Recoveries	(294,803)	(808,497)	-	-	-	-	(294,803)	(808,497)
	34,870	(198,502)	307	2,397	-	1,743	35,177	(194,362)
General exploration - other							2,426	10,129
							37,603	(184,233)

E. Results of Operations

During the six months ended October 31, 2014, the Company recognized a net loss and comprehensive loss of \$303,779 (2013 - \$616,171).

Administration, consulting, investor relations, office and general and professional fees, previously provided under a services agreement, all decreased due to the cessation of the agreement that came into effect on February 1, 2014.

The decrease in consulting fees attributed to the cessation of the service agreement were offset as a result of entering into a one year shares for services consulting agreement in September 2013.

As per the Company's mandate to acquire, explore, and develop mineral resource properties, the Company has continued to invest in its current properties subject to available resources. During the current period, the Company received notice of termination of its earn-in agreement with FMEC.

Independent directors' fees decreased as result of a decrease in the number of such directors.

Additional costs were also incurred during the current period with respect to a consolidation of the Company's outstanding common shares.

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

E. Results of Operations, continued

Foreign exchange gains and losses fluctuate based on the US and Canadian dollar exchange rate.

The Company continues to consider prevalent market conditions and the inability to raise sufficient financing to be indicators of impairment and, as a result, recorded an impairment provision against all capitalized costs relating to the Oro property (2013 - Minas de Ameca property).

The following table summarizes the variances in the consolidated statements of comprehensive loss:

	2014	2013	Variance	
	\$	\$	\$	%
Administration	-	63,000	(63,000)	(100%)
Consulting	87,395	79,136	8,259	10%
Exploration and evaluation, net of recoveries	37,603	(184,233)	221,836	(120%)
Independent directors' fees	6,000	17,671	(11,671)	(66%)
Investor relations	32,279	103,531	(71,252)	(69%)
Office and general	4,920	18,170	(13,250)	(73%)
Professional fees	71,569	128,895	(57,326)	(44%)
Regulatory fees and taxes	3,230	4,356	(1,126)	(26%)
Shareholders' communications	1,876	1,866	10	1%
Transfer agent	7,683	5,587	2,096	38%
Travel and promotion	3,262	2,126	1,136	53%
Foreign exchange loss	19,550	14,008	(5,542)	(40%)
Interest income	-	(155)	(155)	100%
Loan interest accretion	1,197	1,203	6	0%
Mineral property impairment	27,190	369,010	341,820	93%
Realized gain on sale of marketable securities	(4,975)	-	4,975	-
Reclassification adjustment for realized gain on sale of marketable securities included in net loss	4,975	-	(4,975)	-
Unrealized loss (gain) on marketable securities, net of taxes	25	(8,000)	(8,025)	100%

F. Summary of Quarterly Results

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

	Oct 31, 2014	July 31, 2014	Apr 30, 2014	Jan 31, 2014	Oct 31, 2013	Jul 31, 2013	Apr 30, 2013	Jan 31, 2013
	\$	\$	\$	\$	\$	\$	\$	\$
Net loss	126,702	172,077	1,321,479	170,114	570,446	53,725	476,895	(166,292)
Basic and diluted loss per share	\$ 0.01	\$ 0.01	\$ 0.08	\$ 0.01	\$ 0.04	\$ 0.00	\$ 0.03	\$ (0.01)

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

F. Summary of Quarterly Results, continued

The Company earned no revenue during the periods presented other than minimal interest income due to the nature of current operations.

Quarterly fluctuations during the periods presented mainly relate to the cessation of a services agreement that came into effect on February 1, 2014, recognition of share-based payments which occur as stock options are granted and vest, foreign exchange gains and losses which vary with market rates and mineral property exploration expenses or impairments which occur as projects are identified and drilling results are analyzed or other indicators arise.

During the three months ended October 31, 2014, the Company received notice of termination of its earn-in agreement with FMEC. Significant impairment charges were recognized in the three months ended October 31, 2013 and April 30, 2014.

G. Related Party Transactions

Except as disclosed elsewhere, the Company entered into the following related party transactions:

- (a) Under a service agreement, effective July 1, 2012, between the Company and a private company controlled by a director and officer of the Company, the Company was charged for office accommodation and other personnel services.

Effective February 1, 2014, the Company received notice that it was in default of the service agreement and that office accommodation and other personnel services would no longer be provided until the default was remedied.

The Company was charged as follows:

- \$nil (2013 - \$63,000) for office space and general administration services;
- \$nil (2013 - \$38,555) for professional services;
- \$nil (2013 - \$15,476) for consulting services;
- \$nil (2013 - \$15,550) for investor relations services;
- \$nil (2013 - \$21,788) for geological consulting services in relation to mineral properties;
- \$nil (2013 - \$1,038) for the mark-up on out-of-pocket expenses; and
- \$nil (2013 - \$68) for office and general.

Amounts payable as at October 31, 2014 were \$8,914 (April 30, 2014 - \$25,577).

- (b) Fees in the amount of \$56,160 (2013 - \$56,160) were charged by a director and officer of the Company for consulting services. Amounts payable as at October 31, 2014 were \$152,519 (April 30, 2014 - \$93,551).

- (c) Fees in the amount of \$nil (2013 - \$37,356) were charged by a law firm controlled by a director and officer of the Company and included in professional fees, share issue costs and mineral property expenditures. Amounts payable as at October 31, 2014 were \$22,225 (April 30, 2014 - \$22,225).

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

G. Related Party Transactions, continued

- (d) Fees in the amount of \$nil (2013 - \$2,500) were charged by a private company controlled by a former officer of the Company for consultancy services.
- (e) Fees in the amount of \$6,000 (2013 - \$5,000) were charged by an officer of the Company for consultancy services. Amounts payable as at October 31, 2014 were \$16,500 (April 30, 2014 - \$10,500).
- (f) Fees of \$6,000 (2013 - \$17,671) were payable with respect to independent directors' fees. Accounts payable as at October 31, 2014 were \$24,059 (April 30, 2014 - \$55,554).

These transactions were in the normal course of operations and were measured at the fair value of the services rendered. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

The key management personnel of the Company are the directors and officers of the Company.

One executive officer is entitled to termination benefits in the event of a change of control equal to one hundred percent of the compensation that would have been paid during the unexpired term of their agreement. The remaining balance payable under the agreement termination clause as at October 31, 2014 was \$74,880.

The Company has no long-term employee or post-employment benefits.

Compensation awarded to key management, included in (b), (d), (e) and (f) above, was as follows:

	2014	2013
Short-term benefits	\$ 68,160	\$ 81,331
Total	\$ 68,160	\$ 81,331

During August 2012, the Company entered into a loan agreement with a private company controlled by a former director for \$33,000. The initial term of the loan was for a period of six months with interest payable quarterly at prime plus two percent per annum. As further consideration for providing the loan, the lender also received common shares equal to ten per cent of the value of the loan.

No principal amounts were repaid and all outstanding balances are now repayable on demand. The Company, in its sole discretion, can elect to repay all interest and loan balances by the issuance of common shares.

During August and September 2014, a director and officer advanced a total of \$43,000 to the Company. Subject to regulatory approval, terms of additional consideration, interest and repayment will be the same as current outstanding loans payable.

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

H. Financial Condition, Liquidity and Capital Resources

As at October 31, 2014, the Company had a working capital deficiency of \$827,166 (April 30, 2014 - \$576,202). Where possible, the Company has been reducing general and administration costs, negotiating extended payment terms of its trade payables, and reviewing its capital expenditure plan and future commitments to identify opportunities to reduce or delay spending and payments.

However, the Company does not generate any revenue from operations and, without further financing, the Company does not have sufficient capital to meet the requirements for its administrative overhead, maintaining its mineral interests and continuing with its exploration program in the following twelve months. For the foreseeable future, the Company will need to rely on raising capital in the equity markets and/or enter into further joint venture agreements with third parties to provide working capital and to finance its mineral property acquisition and exploration activities. Although the Company has been successful in obtaining financing through sale of its securities, there can be no assurance that the Company will be able to obtain adequate financing in the future in light of factors such as the market demand for its securities, the general state of financial markets and other relevant factors.

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

Secured Loan

On November 20, 2014, the Company entered into a loan facility arrangement with Radius Gold Inc. ("Radius") to borrow \$800,000 to fund final option payments to enable it to fully exercise its option to acquire the Cerro Las Minitas mineral claims.

Details of the loan facility are:

- Repayable on demand, provided that Radius shall not demand repayment for one year.
- Interest payable annually at 8% per annum. At Radius' election, interest may be paid by the issuance of common shares of the Company.
- Radius shall have the right at any time during the term of the loan to convert such portion into common shares of the Company to result in Radius holding no greater than 19.9% of the then issued and outstanding shares of the Company. In the event of such conversion election, the balance of the loan shall remain due and payable for the remainder of the term, provided that, upon default of payment, Radius shall have the right to convert the balance of the loan into common shares of the Company based upon a market price of \$0.05 per share. In the event of such election resulting in a change of control, the Company shall convene a shareholders meeting for the purpose of approving such change of control.
- Security for the loan shall consist of issuance of a convertible debenture by the Company in favour of Radius supported by hypothecation of all shares in Southern Silver Holdings Limited which owns all issued shares of Minera Plata del Sur, S.A. de C.V., which holds the mineral claims forming the property.

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

H. Financial Condition, Liquidity and Capital Resources, continued

A finder's fee to an arm's length party is payable in connection with this transaction consisting of an initial payment of 1,350,000 common shares of the Company. With respect to any potential future transaction with Radius, the Company will also pay a fee in accordance with policies of the TSX Venture Exchange based on the benefit received by the Company.

The loan facility and initial finder's fee received regulatory approval on December 9, 2014.

I. Outstanding Equity and Convertible Securities

i) Issued and Outstanding Shares

On September 17, 2014, the Company completed a capital consolidation of its issued and outstanding common shares on a one new share for ten old shares basis. All comparative figures have been adjusted retrospectively.

As at October 31, 2014, and December 30, 2014, the Company had 17,047,436 common shares issued and outstanding.

ii) Stock Options

As at December 30, 2014, the Company had stock options outstanding as follows (adjusted retrospectively for share consolidation):

Exercise Price	Expiry Date	Balance	Balance
		October 31, 2014	December 30, 2014
\$1.60	January 8, 2015	110,500	110,500
\$1.70	November 29, 2015	111,500	111,500
\$1.70	December 13, 2015	10,000	10,000
\$1.00	June 5, 2017	35,000	35,000
\$1.00	March 14, 2018	400,200	400,200
\$0.50	March 24, 2019	50,000	50,000
		717,200	717,200
Weighted average exercise price		\$1.18	\$1.18
Weighted average remaining life in years		2.53	2.36

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

I. Outstanding Equity and Convertible Securities, continued

iii) Share Purchase Warrants

As at December 30, 2014, the Company had share purchase warrants outstanding as follows (adjusted retrospectively for share consolidation):

Exercise Price	Expiry Date	Balance October 31, 2014	Balance December 30, 2014
\$1.70	April 23, 2015	680,900	680,900
\$1.00	January 31, 2016	845,200	845,200
\$1.00	February 28, 2016	787,300	787,300
\$0.50	September 13, 2016	703,015	703,015
\$0.50	October 11, 2016	1,836,750	1,836,750
		4,853,165	4,853,165
Weighted average exercise price		\$0.84	\$0.84
Weighted average remaining life in years		1.51	1.34

J. Subsequent Events and Outlook

There are no other material events subsequent to the date of this document. The Company is confident that its existing group of properties has potential warranting continued exploration. Activities over the ensuing year will focus on these assets. The Company expects to continue its strategy of collaborating with experienced mining companies to develop its properties and to advance them to production.

K. Financial Instruments

The Company's financial instruments include cash, reclamation bonds, accounts payable and accrued liabilities, amounts due to related parties and loans payable.

The carrying values of accounts payable and accrued liabilities, amounts due to related parties and loans payable approximate their fair values due to the short period to maturity. Reclamation bonds are non-interest-bearing, have no maturity date and their carrying values approximate fair value.

These financial instruments have no material risk exposure. Risk is managed with respect to cash by risk management policies that require significant cash deposits or short-term investments be invested with Canadian chartered banks rated BBB or better, or commercial paper issuers R1/A2/P2 or higher. In addition, all investments must be less than one year in duration.

L. Off-Balance Sheet Arrangements

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

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

M. Disclosure Controls and Procedures

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

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

The Audit Committee has established procedures for complaints received regarding accounting, internal controls or auditing matters, and for a confidential, anonymous submission procedure for employees who have concerns regarding questionable accounting or auditing matters. The Whistleblower policy is in accordance with National Instrument 52-110 Audit Committees, National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices.

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

N. Risks and Uncertainties

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

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production.

The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration.

Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities.

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

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

N. Risks and Uncertainties, continued

No Operating History and Availability of Financial Resources

The Company does not have an operating history and has no operating revenues and is unlikely to generate any significant amount in the foreseeable future. Hence, it may not have sufficient financial resources to undertake by itself all of its planned mineral property acquisition and exploration activities. Operations will continue to be financed primarily through the issuance of securities.

The Company will need to continue its reliance on the issuance of such securities for future financing, which may result in dilution to existing shareholders. Furthermore, the amount of additional funds required may not be available under favorable terms, if at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or discontinue its operations.

Price Volatility and Lack of Active Market

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

Government Regulations and Environmental Risks and Hazards

The Company conduct is subject to various federal, provincial, state laws, rules and regulations, including environmental legislation. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated. The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation. Environmental hazards may exist on the Company's properties, which may have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current property interests that may result in material liability to the Company.

Dependence on Key Personnel

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

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

N. Risks and Uncertainties, continued

Competition

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

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

Title to Property

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements or transfers, aboriginal land claims, government expropriation and title may be affected by undetected defects. In addition, certain mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties.

Licenses and Permits

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

O. Proposed Transactions

Other than normal course review of monthly submittals and on-going plans to raise equity finance, there are no other new acquisitions or proposed transactions contemplated as at the date of this report.

P. Forward-Looking Statements

Some of the statements contained in this MD&A may be deemed "forward-looking statements." These include estimates and statements that describe the Company's future plans, objectives or goals, and expectations of a stated condition or occurrence. Forward-looking statements may be identified by the use of words such as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan".

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2014

P. Forward-Looking Statements, continued

Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

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

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