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**Management's Discussion and Analysis**  
**For the Year Ended April 30, 2022**  
**Dated: August 22, 2022**

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# Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Year Ended April 30, 2022

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## 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 year ended April 30, 2022 and is dated August 22, 2022. This MD&A was prepared to conform to National Instrument ("NI") 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 audited consolidated financial statements for the year ended April 30, 2022, and the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company's shares trade on the TSX Venture Exchange ("SSV"), the Santiago Stock Exchange, Venture ("SSVCL") and the OTCQX Best Market ("SSVFF").

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 is available at [www.southernsilverexploration.com](http://www.southernsilverexploration.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## B. Qualified Person

Robert W. J. Macdonald, P. Geo., is the qualified person as defined by 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 sulphide deposits.

## C. Foreign Exchange Information and Conversion Tables

For ease of reference, the following information is provided:

Canadian Dollars per US Dollar			Conversion Table		
	Year Ended				
	April 30		Imperial		Metric
	2022	2021			
Rate at end of period	1.2843	1.2284	1 acre	=	0.404686 hectares
Average rate for period	1.2565	1.3087	1 foot	=	0.304800 meters
			1 mile	=	1.609344 kilometres
			1 ton	=	0.907185 tonnes
			1 Ounce (troy)/ton	=	34.285700 g/t

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### C. Foreign Exchange Information and Conversion Tables, continued

Precious metal units and conversion factors					
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	

### 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, that features a classic porphyry zonation within the highly prospective Laramide Porphyry belt of the southern USA, Hermanas, located approximately 40km east of Oro and cover an area of epithermal quartz veining approximately 4km by 3km, and the El Sol silver-lead-zinc claim which covers the northwest projection of the Blind and El Sol zones at the Cerro Las Minitas project, Durango, Mexico.

#### 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 twenty-five concessions totaling approximately 34,415 hectares in one of the most significant silver producing regions in the world.

Six separate mineral deposits have been identified. The Blind, the El Sol and the Las Victorias deposits form sets of sub-parallel, northwest-trending and steeply dipping mineralized zones on the west side of the intrusion which are traced for over 1,300 metres strike and up to 600 metres depth. A fourth deposit known as the Skarn Front, forms beneath the Blind, El Sol and Las Victorias deposits and is localized on the outer edge of the skarn alteration zone surrounding a Central Monzonite Intrusion and has been drilled along an approximate 1,100 metre strike length and to depths of up to 1,000 metres.

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### D. Summary of Mineral Properties, continued

#### Cerro Las Minitas - Durango, Mexico, continued

Similarly, the South Skarn Zone is localized on the outer edge of the skarn alteration zone surrounding the Central Monzonite Intrusion, but on the eastern side. The deposit forms a tabular, steeply east-dipping body that has a strike length of approximately 350m and has been drilled to a depth of 500m.

The Bocona Zone consists of two separate sub-zones – the Bocona Skarn Zone and the Muralla Zone. The Bocona Skarn Zone is also localized on the outer edge of the skarn alteration zone surrounding the Central Monzonite Intrusion, but on the North side, wrapping around the Northeastern Margin. The upper part of the Muralla zone is strongly oxidized and is the basis of the quoted oxide resource.

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 Ag, 0.9% Pb and 3.9% Zn).

On October 27, 2021, the Company released an updated NI 43-101 mineral resource estimate for the project which, at a US\$60/ cut-off, featured:

- Indicated Mineral Resources of 137 million ounces silver-equivalent or 2.3 billion pounds zinc-equivalent which includes a 1.2 million tonne increase to 12.3 million tonnes averaging 106g/t Silver, 0.1g/t Gold, 0.2% Copper, 1.3% Lead and 3.3% Zinc (347g/t AgEq; 8.4% ZnEq) equalling a US\$130/t NSR value and containing: 42.1 million ounces of silver; 28 thousand ounces of gold; 44 million pounds of copper, 358 million pounds of lead; and 895 million pounds of zinc.
- Inferred Mineral resources of 198 million ounces silver-equivalent or 3.3 billion pounds zinc-equivalent which includes a 6.8 million tonne increase to 19.6 million tonnes averaging 117g/t Silver, 0.1g/t Gold, 0.2% Copper, 1.2% Lead and 2.3% Zinc (314g/t AgEq; 7.6% ZnEq) equalling a US\$123/t NSR value and containing 73.6 million ounces of silver; 78 thousand ounces of gold; 98 million pounds of copper, 500 million pounds of lead; and 1,009 million pounds of zinc.

A small oxide resource was identified within the upper 100 metres of surface in the La Bocona zone. The 2021 oxide resources at a US\$60/t cut-off are:

- An Indicated Mineral resource totalling 65,000 tonnes averaging 28g/t Ag and 2.2 g/t Au equalling a US\$93/t NSR value, containing: 58,000 ounces of silver and 4,500 ounces of gold.
- An Inferred Mineral resource totalling 219,000 tonnes averaging 120g/t Ag and 0.8g/t Au equalling a US\$88/t NSR value, containing: 844,000 ounces of silver and 5,600 ounces of gold.

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### D. Summary of Mineral Properties, continued

#### Cerro Las Minitas - Durango, Mexico, continued

The mineral resources at Cerro Las Minitas have systematically increased from the initial resource estimate in 2016. The new Mineral Resource Estimate significantly increases the size of the resource on a tonnage and silver-equivalency basis making it one of the largest and higher-grade undeveloped silver-based deposits in the world. The new Resource Estimate increases silver as a proportion of the contained metals and significantly increases the NSR value of the deposits.

Additional drilling through to August 2022, targeted mineralized extensions of the North Felsite and North Skarn targets and has now confirmed the continuity of new mineralization over an approximate 400 metre strike-length extending laterally from the Mina La Bocona to the Skarn Front deposits. Strong gold-enrichment is identified in several hanging wall intercepts correlating to zones of mineralization outboard of the more typical, silver-enriched polymetallic mineralization of the main skarn horizon located adjacent to the central monzonite intrusion. Continuous to semi-continuous mineralization has now been identified around the circumference of the Central intrusion with the exception of the southwest quadrant which remains to be explored by diamond drilling.

Results from the North Felsite and North Skarn targets located to the northwest of the La Bocona deposit include:

- a 1.2 metre interval (0.8 metre est. TT.) averaging 760g/t Ag, 23.2% Pb and 17.4% Zn (2169g/t AgEq) within a 2.7 metre interval (1.9 metre est. TT.) averaging 599g/t Ag, 16.9% Pb and 10.2% Zn (1530g/t AgEq) from drill hole 21CLM-175; and
- a 3.8 metre interval (3.0 metre est. TT.) averaging 354g/t Ag, 0.7g/t Au, 6.1% Pb and 2.6% Zn (713g/t AgEq) within a 14.8 metre interval (11.8 metre est. TT.) averaging 185g/t Ag, 0.2g/t Au, 2.8% Pb and 1.0% Zn (336g/t AgEq) from drill hole 21CLM-177;
- a 4.4 metre interval (3.2 metre est. TT.) averaging 379g/t Ag, 0.5% Cu, 1.7% Pb and 2.6% Zn (595g/t AgEq) within an 8.0 metre interval (5.7 metre est. TT.) averaging 234g/t Ag, 0.3% Cu, 1.1% Pb and 2.0% Zn (384g/t AgEq) from drill hole 21CLM-181;
- a 1.2 metre interval (1.0 metre est. TT.) averaging 1785g/t Ag, 0.5g/t Au, 1.4% Cu, 3.1% Pb and 5.9% Zn (2309g/t AgEq) within a 2.3 metre interval (1.8 metre est. TT.) averaging 1001g/t Ag, 0.3g/t Au, 0.8% Cu, 2.4% Pb and 3.3% Zn (1321g/t AgEq) from drill hole 21CLM-185;
- a 1.6 metre interval (1.3 metre est. TT) averaging 675g/t Ag, 0.3g/t Cu, 5.5% Pb and 3.4% Zn (1008g/t AgEq) within a 4.8 metre interval (3.8 metres est. TT) averaging 352g/t Ag, 0.1% Cu, 2.4% Pb and 1.6% Zn (500g/t AgEq) from drill hole 22CLM-188; and
- a 1.5 metre interval (1.0 metre est. TT.) averaging 165g/t Ag, 0.1g/t Au, 11.5% Cu, 0.1% Pb and 0.4% Zn (1463g/t AgEq) within a 4.0 metre interval (2.6 metre est. TT.) averaging 77g/t Ag, 4.4% Cu, 0.2% Pb and 0.9% Zn (617g/t AgEq) from drill hole 21CLM-191;

Since starting exploration on the project in 2011, the Company has completed, inclusive of the current drill program, 205 drill holes totaling over 92,000 metres.

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### **D. Summary of Mineral Properties, continued**

#### **Cerro Las Minitas - Durango, Mexico, continued**

Metallurgical test work on representative composites from the Cerro Las Minitas mineral deposits was conducted by Blue Coast Research of Parksville, BC which visited the project in October 2017 to supervise the selection of samples for use in the study. Representative samples of the Blind – El Sol oxides and sulphides as well as the Skarn Front sulphides were collected from drill core and combined into three distinct composites to represent the three different styles of mineralization currently identified on the project.

Test work included sample characterization and batch flotation tests. A limited cyanidation test program was conducted on the Blind – El Sol oxide composite. Sample characterization of the composites included head analyses, chemical characterization, modal mineralogy determinations (including microprobe work) and Bond Ball Work Index tests.

The batch test work generated high-grade lead and zinc concentrates from the Blind-El Sol deposits, but produced a diluted zinc concentrate from test work on the Skarn Front deposit. Further batch test work successfully optimized the flotation sequence, upgraded the zinc concentrate by removing the chalcopyrite and created a separate copper concentrate.

In mid-2019, the Company collected additional sample material from the Skarn Front zone including +200kg of sample for lock-cycle testing on a master composite and variability testing on seven additional smaller sub-sets of the Skarn Front mineralization. The locked-cycle test work, as reported in January 2020, was based on the open circuit flowsheet established in the earlier batch test work.

Owing to the lower copper content of the master composite, a larger scale batch cleaner test was conducted to establish the copper metallurgy. Results from the locked-cycle test were combined with the copper cleaner test work to create an overall metallurgical projection for the Skarn Front composite as follows:

- 83.6% Pb and 77.3% Ag into the lead concentrate assaying 65.1% Pb and 5,504g/t Ag respectively after three stages of cleaning; and
- 94.7% Zn and 8.0% Ag into the zinc concentrate assaying 54.0% Zn and 92g/t Ag respectively after three stages of cleaning; and
- 60.2% Cu and 6.5% Ag into the copper concentrate assaying 27.0% Cu and 1,255g/t Ag respectively after three stages of cleaning;

These latest test results complement previously reported recoveries from the Blind – El Sol sulphide composite which recovered:

- 82% Ag, 90% Pb and 4% Zn into a lead concentrate assaying 2,880ppm Ag, 68% Pb and 2% Zn; and
- 78% Zn into a zinc concentrate assaying 52% Zn.

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### D. Summary of Mineral Properties, continued

#### Cerro Las Minitas - Durango, Mexico, continued

The combined results from the Blind – El Sol and the Skarn Front deposits provide very favorable recoveries and grades of silver, lead and zinc which form the initial basis for a metallurgical processing flowsheet which in turn, can be used in the further evaluation and scoping of the project. Variability test work on Skarn Front deposit confirmed that the Cu-Pb-Zn flotation circuit accommodates large swings in both overall grade and sulphide content and can effectively handle head grades ~6x higher than average using only reagent dosage control.

**Table 1: Base-case Sulphide Mineral Resource Estimate for CLM Project Utilizing a US\$60/t NSR cut-off value:**

Indicated Resources		Average Grade							
Zone	Tonnes (Kt)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Cu (%)	AgEq (g/t)	ZnEq (%)	NSR (US\$/t)
Blind Zone	2,347	97	0.04	1.9	2.1	0.11	295	7.2	108
El Sol Zone	1,154	80	0.04	2.2	2.0	0.09	279	6.8	100
Skarn Front Zone	7,254	108	0.06	0.8	4.2	0.19	383	9.3	140
La Bocona Zone	1,571	132	0.19	2.2	1.6	0.17	302	7.3	136
<b>Total</b>	<b>12,325</b>	<b>106</b>	<b>0.07</b>	<b>1.3</b>	<b>3.3</b>	<b>0.16</b>	<b>347</b>	<b>8.4</b>	<b>130</b>

Inferred Resources		Average Grade							
Zone	Tonnes (Kt)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Cu (%)	AgEq (g/t)	ZnEq (%)	NSR (US\$/t)
Blind Zone	1,347	83	0.14	1.4	1.8	0.06	248	6.0	88
El Sol Zone	863	65	0.03	1.8	2.3	0.05	263	6.4	90
Las Victorias Zone	1,083	148	0.66	2.1	2.6	0.14	431	10.5	145
Skarn Front Zone	11,466	115	0.05	0.7	2.7	0.32	318	7.7	126
South Skarn Zone	3,789	140	0.18	2.0	1.3	0.09	309	7.5	130
La Bocona Zone	1,057	106	0.20	1.3	2.2	0.18	293	7.1	117
<b>Total</b>	<b>19,605</b>	<b>117</b>	<b>0.12</b>	<b>1.2</b>	<b>2.3</b>	<b>0.23</b>	<b>314</b>	<b>7.6</b>	<b>123</b>

Indicated Resources		Contained Metal						
Zone	Tonnes (Kt)	Ag TrOz (000's)	Au TrOz (000's)	Pb (Mlbs)	Zn (Mlbs)	Cu (Mlbs)	AgEq TrOz (000's)	ZnEq Lbs (Mlbs)
Blind Zone	2,347	7,350	3	99	109	5.5	22,291	371
El Sol Zone	1,154	2,956	2	55	51	2.2	10,337	172
Skarn Front Zone	7,254	25,106	14	126	678	30.7	89,421	1,490
La Bocona Zone	1,571	6,688	10	77	56	6.0	15,275	255
<b>Total</b>	<b>12,325</b>	<b>42,100</b>	<b>28</b>	<b>358</b>	<b>895</b>	<b>44</b>	<b>137,323</b>	<b>2,288</b>

Inferred Resources		Contained Metal						
Zone	Tonnes (Kt)	Ag TrOz (000's)	Au TrOz (000's)	Pb (Mlbs)	Zn (Mlbs)	Cu (Mlbs)	AgEq TrOz (000's)	ZnEq Lbs (Mlbs)
Blind Zone	1,347	3,582	6	40	55	2	10,749	179
El Sol Zone	863	1,816	1	35	43	1	7,283	121
Las Victorias Zone	1,083	5,152	23	51	62	3	15,006	250
Skarn Front Zone	11,466	42,462	18	177	687	80	117,065	1,951
South Skarn Zone	3,789	17,007	22	167	112	7	37,660	628
La Bocona Zone	1,057	3,589	7	30	51	4	9,950	166
<b>Total</b>	<b>19,605</b>	<b>73,610</b>	<b>78</b>	<b>500</b>	<b>1,009</b>	<b>98</b>	<b>197,712</b>	<b>3,295</b>

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### D. Summary of Mineral Properties, continued

#### Cerro Las Minitas - Durango, Mexico, continued

- 1) The current Resource Estimate was prepared by Garth Kirkham, P.Geo., of Kirkham Geosystems Ltd.
- 2) All mineral resources have been estimated in accordance with Canadian Institute of Mining and Metallurgy and Petroleum ("CIM") definitions, as required under National Instrument 43-101 ("NI43-101").
- 3) Mineral resources were constrained using continuous mining units demonstrating reasonable prospects of eventual economic extraction.
- 4) Silver Equivalents were calculated from the interpolated block values using relative recoveries and prices between the component metals and silver to determine a final AgEq value. The same methodology was used to calculate the ZnEq value.
- 5) Silver Equivalents and NSR\$/t values were calculated using average long-term prices of \$20/oz. silver, \$1,650/oz. gold, \$3.25/lb. copper, \$1.0/lb. lead and \$1.20/lb. zinc. Metal recoveries, payables and deductions are reported in Table 1. All prices are stated in \$USD.
- 6) Mineral resources are not mineral reserves until they have demonstrated economic viability. Mineral resource estimates do not account for a resource's mineability, selectivity, mining loss, or dilution.
- 7) An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
- 8) All figures are rounded to reflect the relative accuracy of the estimate and therefore numbers may not appear to add precisely.

**Table 2: Base-case Oxide Mineral Resource Estimate for CLM Project Utilizing a US\$60/t NSR cut-off value:**

La Bocona	Tonnes (kt)	Average Grade			Contained Metal	
		Ag (g/t)	Au (g/t)	NSR (US\$/t)	Ag TrOz (koz)	Au TrOz (koz)
Indicated	65	28	2.2	93	58	4.5
Inferred	219	120	0.8	88	844	5.6

The \$60/t NSR cut-off value was calculated using average long-term prices of \$20/oz. silver, \$1,650/oz. gold. Base metals were not recovered in the leach circuit. Metallurgical work from batch test work recovered 74% silver from oxidized composites from the Blind – El Sol zones. Gold recovery was not assessed and is estimated at 70% for the purposes of this report. This work, along with marketing studies, were used to decide the NSR cut-off value. All prices are stated in \$USD.

#### El Sol - Durango, Mexico

The El Sol concession is a single 63 hectare claim strategically located on the northwestern boundary of the Bocona block of claims and is adjacent to the Area of the Cerro which hosts the six mineral deposits currently identified within the Cerro Las Minitas claim package. It covers an important northwest projection of the Blind-El Sol deposits and potentially at least one additional mineralized structure.

The claim is largely gravel covered with previous work including: airborne magnetic geophysics; surface soil and acacia sampling; limited dump sampling of historic artisanal workings and a single core hole in the southeastern end of the property.



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### **D. Summary of Mineral Properties, continued**

#### **El Sol - Durango, Mexico, continued**

Select dump sampling of artisanal workings located to the northeast of the Blind Zone structure returned anomalous values from several strongly oxidized and silicified rocks including sample CLM-316 which returned 0.67g/t Au, 559g/t Ag, 3.3% Pb and 4.3% Zn. These workings do not appear to be related to the Blind Zone mineralization and represent a second potential high-grade target for priority follow-up.

Five core holes were completed in late 2021 to test a series of targets defined by earlier surface mapping, rock and soil sampling and proximity to artisanal workings. Drill hole 21SOL-003 returned:

- a 0.8 metre interval grading 1,760g/t Ag, 0.9g/t Au, 23.6% Pb and 1.2% Zn (2,622g/t AgEq) within a 3.5 metre interval averaging 549g/t Ag, 0.3g/t Au, 8.6% Pb and 3.6% Zn (982g/t AgEq) from drill hole 21SOL-003.

The highlight interval intersected down-dip of historic workings located on a northeast-southwest trending structure which has been traced on surface for up to 300 metres laterally before plunging under gravel cover.

Drill crews mobilized to complete an additional three core holes in January 2022. Eight holes totaling 2,920 metres have now been completed to date. Two holes tested down dip of 21SOL-003 and a third hole tested an extension of the Blind - El Sol zone located in the southwestern part of the claim. Assays are pending.

#### **Oro - New Mexico, USA**

The Oro property comprises a contiguous block of Federal, State and private land 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. The claims surround a highly prospective zone of 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 sediment-hosted gold mineralization Stockpond target located 3 kilometres to the northeast of the porphyry system.

In October 2017, the company completed the second phase of a 17-hole reverse circulation (RC) drill program on the Stockpond gold target which intersected thick horizons of strongly silicified and hematite-rich sediments in eight of nine holes drilled, with the higher gold grades spatially associated with zones of strong silicification. The strongest values were obtained in hole SP16-004, which intersected a 41.2 metre interval of 0.42g/t Au (including a 9.1 metre interval of 0.75g/t Au). Offset drilling from this hole returned a 53.3 metre interval averaging 0.24g/t Au from drill hole SP17-011 and a 39-metre interval averaging 0.17g/t Au from drill hole SP17-010.

Drilling at Stockpond continues to identify intervals of anomalous gold on the order of tens of metres thick which are open the along the projection of the target structure to the south of the original Stockpond target and into an area of strong EM response.

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### D. Summary of Mineral Properties, continued

#### Oro - New Mexico, USA, continued

The Company previously completed a 300 line-kilometre airborne Z-TEM survey over the entire property at 200 metre line spacing as part of a larger evaluation of the property to identify new targets for drill testing Cu-Mo porphyry potential. Recent data compilations show several potential high-quality Cu-Au porphyry and skarn targets.

At the end of February 2022, a 4,000-metre core hole program commenced on the property. The planned six-hole program will test several copper porphyry and skarn targets which form part of a large, well-zoned Laramide-age mineral system. Drilling will first test three porphyry copper targets on the western part of the property, with the third hole underway. Drilling will then transition to two copper-skarn targets and one carbonate-replacement target on the eastern part of the property.

#### Hermanas - New Mexico, USA

The Hermanas project consists of 83 lode claims on Federal land. The claims are located approximately 40km east of the Oro property.

The vendors have collected 151 surface samples, with seven samples containing +4ppm Au (maximum 30.1ppm Au) and 22 samples containing +30ppm Ag (maximum 4,790ppm Ag). Verification sampling by the company identified with anomalous gold and silver in seven of nine samples collected including: a sample from a small historic mine dump that assayed 6.7ppm Au & 150ppm Ag and a sample of outcropping banded quartz + carbonate vein that assayed 4.6ppm Au & 56ppm Ag. Detailed geologic mapping and additional sampling are underway and, to date, only shallow historic drill holes have been found along the southern end of the vein zone, well away from the best vein zones identified by current sampling. Further exploration work is planned in 2022.

#### Acquisition Costs

Mineral property acquisition costs as at April 30, 2022 were:

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	Cerro Las	El Sol	Oro	Hermanas	Total
	Minitas				
	\$	\$	\$	\$	\$
Balance as at April 30, 2020	-	-	318,685	-	318,685
Asset acquisition	32,904,741	-	-	-	32,904,741
Additions, net	32,096	132,200	106,767	-	271,063
Balance as at April 30, 2021	32,936,837	132,200	425,452	-	33,494,489
Additions, net	37,862	252,410	126,288	58,342	474,902
<b>Balance as at April 30, 2022</b>	<b>32,974,699</b>	<b>384,610</b>	<b>551,740</b>	<b>58,342</b>	<b>33,969,391</b>

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Management's Discussion and Analysis

For the Year Ended April 30, 2022

### D. Summary of Mineral Properties, continued

#### Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the years ended April 30, 2022 and 2021 were:

	Cerro Las Minitas		El Sol		Oro		Hermanas		Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Assays and geochemistry	367,322	189,994	-	2,553	9,424	-	2,472	-	379,218	192,547
Camp, utilities and supplies	209,875	180,415	-	2,068	14,569	4,535	-	-	224,444	187,018
Claim taxes	147,558	68,764	1,410	3,702	-	-	-	-	148,968	72,466
Drilling	1,857,391	2,055,310	388,799	-	558,027	-	-	-	2,804,217	2,055,310
Geological and geophysics	490,805	166,029	-	4,926	204,313	14,878	41,041	-	736,159	185,833
Project supervision	622,022	381,713	38,376	6,602	22,801	10,646	7,444	-	690,643	398,961
Travel	5,430	-	-	-	63,283	-	2,481	-	71,194	-
IVA	380,432	378,067	108,365	21,152	-	-	-	-	488,797	399,219
Other	-	-	-	-	4,887	1,252	1,371	-	6,258	1,252
	<b>4,080,835</b>	<b>3,420,292</b>	<b>536,950</b>	<b>41,003</b>	<b>877,304</b>	<b>31,311</b>	<b>54,809</b>	<b>-</b>	<b>5,549,898</b>	<b>3,492,606</b>

### E. Results of Operations

The Company incurred a net loss of \$8,990,615 for the year ended April 30, 2022 (2021 – \$200,133). A summary of variances is as follows:

	2022	2021	Variance
	\$	\$	\$
Administration	60,000	60,000	-
Consulting	338,915	287,264	51,651
Exploration and evaluation	5,549,898	3,492,606	2,057,292
Investor relations	387,859	644,167	(256,308)
Office and general	48,574	38,725	9,849
Professional fees	247,687	268,590	(20,903)
Regulatory fees and taxes	76,556	81,181	(4,625)
Share-based payments	2,246,032	3,963,250	(1,717,218)
Shareholders' communications	18,955	13,568	5,387
Transfer agent	29,379	35,316	(5,937)
Foreign exchange loss (gain)	179,208	(355,150)	534,358
Other income	(54,811)	(18,306)	(36,505)
(Gain) loss on settlement of debt	(137,637)	300,420	(438,057)
Share of loss in equity accounted investment	-	170,579	(170,579)
Gain on revaluation of investment in associate	-	(8,782,077)	8,782,077

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### E. Results of Operations, continued

As per its mandate to acquire, explore, and develop mineral resource properties, the Company continued drilling at Cerro Las Minitas with the aim of increasing the resource base, completed an initial drill program at El Sol and began a drill program at Oro. Preparations continue for drilling at Hermanas (*D - Summary of Mineral Properties*). Up until September 15, 2020, the Company's share of costs associated with exploration and other ancillary activities at Cerro Las Minitas were accounted for within Share of Loss in Equity Accounted Investment.

Consulting fees increased as a result of an appointment of a new director (*I - Related Party Transactions*). Other overhead costs fluctuate as promotional and related initiatives are undertaken.

Non-cash share-based payments expense fluctuates as stock options are granted and vest. Foreign exchange gains and losses fluctuate based on the US and Canadian dollar exchange rate and the extent of transactions and balances denominated in US dollars. Other income recognized mainly relates to interest income earned on cash reserves. A non-cash gain / loss on settlement of debt and non-cash gain on revaluation of investment in associate were realized as a result of the transaction with Electrum whereby the Company acquired an additional 60% indirect interest in the Cerro Las Minitas property.

### F. Summary of Quarterly Results

The Company earned no revenue due to the nature of current operations. The following financial data was derived from the Company's consolidated financial statements for the eight previous quarters:

	Apr 30, 2022 \$	Jan 31, 2022 \$	Oct 31, 2021 \$	July 31, 2021 \$	Apr 30, 2021 \$	Jan 31, 2021 \$	Oct 31, 2020 \$	July 31, 2020 \$
Net (income) loss	1,839,285	1,476,773	3,905,845	1,768,712	2,282,111	1,093,749	(3,663,693)	487,966
Basic (earnings) loss per share	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ -	\$ (0.02)	\$ -
Diluted (earnings) loss per share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.01)	\$ -

Quarterly fluctuations mainly relate to recognition of share-based payments which occur as stock options are granted and vest, foreign exchange gains and losses which vary with market rates, mineral property exploration expenses which occur as projects are identified or impairments which occur when indicators arise and share of losses in equity accounted investment. Significant share-based payments expense was recognized in the three months ended January 31, 2022, October 31, 2021 and October 31, 2020. A significant gain on revaluation of investment in associate was recognized in the three months ended October 31, 2020.

### G. Fourth Quarter

No unusual events affected the Company's financial performance or cash flows during the fourth quarter.

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### H. Summary of Annual Information

During the previous three fiscal years presented below, the Company earned no revenue and main operating costs have remained materially constant, subject to additional contracts for services entered into as required and costs incurred for financing or other ad-hoc projects as undertaken. The Company continues to invest in its mineral properties as resources have permitted and impairment charges are recognized as relevant indicators arise.

To date, the Company has not paid dividends and does not have any long-term financial liabilities.

	2022	2021	2020
	\$	\$	\$
<b>Net loss - equity holders</b>	(8,990,615)	(200,133)	(2,443,331)
<b>Basic and diluted loss per share - equity holders</b>	(0.03)	(0.00)	(0.02)
<b>Current assets</b>	11,588,430	7,825,461	3,763,806
<b>Other non-current assets</b>	136,945	-	4,571,121
<b>Mineral properties</b>	33,969,391	33,494,489	318,685
<b>Total assets</b>	45,694,766	41,319,950	8,653,612
<b>Total non-current financial liabilities</b>	-	-	-
<b>Cash dividends per common share</b>	-	-	-

### I. Related Party Transactions

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

(a) Pursuant to a service agreement between the Company and a private company controlled by a director and officer of the Company, until October 31, 2021, the Company was charged as:

- \$30,000 (2021 - \$60,000) for office space and general administration services;
- \$18,150 (2021 - \$36,300) for professional services;
- \$27,641 (2021 - \$47,784) for consulting services;
- \$75,720 (2021 - \$149,005) for investor relations services;
- \$68,185 (2021 - \$81,180) for geological services;
- \$nil (2021 - \$27,485) for geological and professional services (charged to associate); and
- \$3,821 (2021 - \$3,497) for the mark-up on out-of-pocket expenses.

Amounts payable as at April 30, 2022 were \$nil (2021 - \$29,732).

(b) Fees in the amount of \$156,000 (2021 - \$156,000) were charged by a company controlled by a director and officer of the Company. Amounts payable as at April 30, 2022 were \$13,650 (2021 - \$13,650).

(c) Fees in the amount of \$54,180 (2021 - \$118,479) were charged by a law firm controlled by a director and officer of the Company and included in professional fees, share issue costs, mineral property expenditures / acquisitions or charged to associate. Amounts payable as at April 30, 2022 were \$nil (2021 - \$12,118).

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### I. Related Party Transactions, continued

- (d) Fees in the amount of \$14,541 (2021 - \$nil) were charged by a law firm controlled by an officer of the Company and included in professional fees, share issue costs or mineral property expenditures. Amounts payable as at April 30, 2022 were \$nil (2021 - \$nil).
- (e) Fees in the amount of \$30,000 (2021 - \$30,000) were charged by an officer of the Company for consulting services. Amounts payable as at April 30, 2022 were \$2,625 (2021 - \$2,625).
- (f) Fees in the amount of \$58,000 (2021 - \$36,000) were charged by an officer of the Company for consulting services and included in consulting fees, mineral property expenditures or charged to associate. Amounts payable as at April 30, 2022 were \$5,250 (2021 - \$3,150).
- (g) Fees in the amount of \$35,000 (2021 - \$nil) were charged by a director of the Company for consulting services and included in consulting fees. Amounts payable as at April 30, 2022 were \$10,500 (2021 - \$nil).

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

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

	2022	2021
Short-term benefits	\$ 279,000	\$ 222,000
Share-based payments	1,375,713	2,563,396
Total	\$ 1,654,713	\$ 2,785,396

One executive officer is entitled to termination benefits in the event of a change of control equal to thirty-six months compensation. Upon a change of control, and assuming the triggering event took place on the year-end date, the payment would have been \$468,000.

### J. Financial Condition, Liquidity and Capital Resources

As at April 30, 2022, the Company had working capital of \$10,841,601 (2021 - \$2,329,697).

The Company does not yet generate any revenue from operations and, for the foreseeable future, will need to rely upon earn-in agreements and / or issue share capital to finance future exploration and administrative activities. Although the Company has been successful in its financing initiatives, there can be no assurance that the Company will be able to obtain adequate future financing. 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.

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### J. Financial Condition, Liquidity and Capital Resources, continued

On September 14, 2021, the Company completed the final payment required under the transaction to acquire Electrum's 60% interest in SSSL. In addition, during the fiscal period to date, the Company closed brokered and non-brokered private placements for gross proceeds of \$12,000,000 and received \$2,641,625 from stock option and share purchase warrant exercises.

Net proceeds from these activities have been and are being used for: exploration at CLM, including a mineral resource update on the project; payment of the remaining balance due to Electrum; new green fields drilling at El Sol; drilling at Oro; acquisition of Hermanas and general working capital purposes.

### K. Outstanding Equity and Convertible Securities

#### i) Issued and Outstanding Shares

As at August 22, 2022, the Company had 291,546,757 common shares issued and outstanding.

#### ii) Share Purchase Warrants

Share purchase warrants outstanding as at August 22, 2022 were:

Exercise Price	Expiry Date	Balance		Balance
		April 30, 2022	Expired	August 22, 2022
\$0.55	June 13, 2022	6,372,500	6,372,500	-
\$0.55	August 31, 2022	1,170,000	-	1,170,000
\$0.55	September 29, 2022	1,254,500	-	1,254,500
\$0.25	August 13, 2024	9,525,262	-	9,525,262
\$0.25	September 4, 2024	4,447,600	-	4,447,600
\$0.30	* August 14, 2023	16,447,500	-	16,447,500
\$0.33	* August 14, 2023	9,258,977	-	9,258,977
\$0.50	September 11, 2023	1,200,000	-	1,200,000
\$0.75	June 16, 2023	9,000,000	-	9,000,000
\$0.50	June 16, 2023	360,000	-	360,000
\$0.75	June 21, 2023	3,000,000	-	3,000,000
\$0.75	June 21, 2023	303,500	-	303,500
\$0.50	June 16, 2023	120,000	-	120,000
		<b>62,459,839</b>	<b>6,372,500</b>	<b>56,087,339</b>
Weighted average exercise price		\$0.42	\$0.55	\$0.41
Weighted average remaining life in years		1.33		1.16

\* Exercise price is \$0.25 during the first year, increasing to \$0.30 in year two and \$0.35 in year three.

\*\* Exercise price is \$0.28 during the first year, increasing to \$0.33 in year two and \$0.38 in year three.

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### K. Outstanding Equity and Convertible Securities, continued

#### iii) Stock Options

Stock options outstanding and exercisable as at August 22, 2022 were:

Exercise Price	Expiry Date	Balance		
		April 30, 2022	Granted	Balance August 22, 2022
\$0.34	October 2, 2022	2,450,000	-	2,450,000
\$0.34	February 1, 2023	150,000	-	150,000
\$0.17	September 27, 2023	520,000	-	520,000
\$0.27	October 1, 2024	2,950,000	-	2,950,000
\$0.20	December 20, 2024	100,000	-	100,000
\$0.12	April 3, 2025	1,500,000	-	1,500,000
\$0.51	September 24, 2025	9,500,000	-	9,500,000
\$0.58	October 19, 2025	100,000	-	100,000
\$0.50	February 11, 2026	200,000	-	200,000
\$0.40	August 13, 2026	200,000	-	200,000
\$0.31	September 29, 2026	10,050,000	-	10,050,000
\$0.48	November 5, 2023	100,000	-	100,000
\$0.29	December 6, 2024	300,000	-	300,000
\$0.335	May 5, 2024	-	150,000	150,000
\$0.255	May 24, 2025	-	500,000	500,000
		<b>28,120,000</b>	<b>650,000</b>	<b>28,770,000</b>
Weighted average exercise price		\$0.37	\$0.27	\$0.36
Weighted average remaining life in years		3.32		3.00

#### iv) Compensation Options

Compensation options outstanding as at August 22, 2022 were:

Exercise Price	Expiry Date	Balance	
		April 30, 2022	Balance August 22, 2022
\$0.20	August 14, 2023	2,130,418	2,130,418
\$0.50	June 16, 2023	1,260,000	1,260,000
		<b>3,390,418</b>	<b>3,390,418</b>
Weighted average exercise price		\$0.31	\$0.31
Weighted average remaining life in years		1.23	0.92



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### L. Financial Instruments

The Company's financial instruments include cash and cash equivalents, other receivables, accounts payable and accrued liabilities and amounts due to related parties. The Company has classified its financial instruments into the following categories:

Financial Instrument	Category	Carrying Value
Cash and Cash Equivalents	Financial Asset	Amortized Cost
Other Receivables	Loans and Receivables	Amortized Cost
Reclamation Bond	Financial Asset	Amortized Cost
Accounts Payable and Accrued Liabilities	Financial Liabilities	Amortized Cost
Due to Related Parties	Financial Liabilities	Amortized Cost

The carrying values of all the above financial instruments approximate their fair values due to the short period to maturity. The main risks these financial instruments are exposed to are credit risk and foreign currency risk with respect to assets and liabilities denominated in US dollars and Mexican Pesos. The Company's risk management policies require significant cash deposits or any short-term investments be invested with Canadian chartered banks rated BBB or better, or commercial paper issuers R1/A2/P2 or higher. All investments must be less than one year in duration. Based on relatively stable historical and forecast exchange rates, the Company does not manage currency risks through hedging or other currency management tools. The Company does not believe any of these risks to be material.

### M. Events After the Reporting Period and Outlook

There are no other material events subsequent to the end of the reporting period. The Company plans to continue to explore its properties and activities over the ensuing year will focus on this. The Company expects to continue its strategy of collaborating with experienced mining companies to acquire and develop other properties and to advance them to production.

### N. 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.

### O. 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, two of whom are independent, 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.

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### **O. Disclosure Controls and Procedures, continued**

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.

### **P. 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.

#### *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. Therefore, it may not have sufficient financial resources to undertake, by itself, all of its planned exploration and administrative activities.

Historically, the Company has relied mainly upon the issuance of share capital to finance its activities. In the future, the Company will be required to rely on earn-in agreements and / or issue share capital to finance future exploration and administrative activities, 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.

## **Southern Silver Exploration Corp.**

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### **P. Risks and Uncertainties, continued**

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.

#### *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.

#### *Price Volatility and Lack of Active Market*

Securities markets in Canada and elsewhere continue to experience 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.

#### *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.

## **Southern Silver Exploration Corp.**

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### **P. Risks and Uncertainties, continued**

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 interests may be subject to prior unregistered agreements or transfers, aboriginal land claims or government expropriation and title may be affected by undetected defects.

#### *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.

#### *Other*

The COVID-19 global health pandemic that began in 2019 and continues today resulted in significant volatility and turmoil in world markets. The negative economic impact of measures to contain the virus have been mitigated to an extent by fiscal and monetary stimulus, by measures taken to reopen world economies and the development and rollout of vaccines. During February 2022, Russia launched a large military invasion of Ukraine leading to a disruption in the supply of energy resources, the imposition of sanctions on Russia, increased tension between the West and Russia and financial market uncertainty. These situations had an impact on many entities and the markets for the securities that they issue and the impacts may continue.

### **Q. Proposed Transactions**

Other than normal course review of monthly submittals, there are no other new acquisitions or proposed transactions contemplated as at the date of this report.

### **R. Forward-Looking Statements**

Some of the statements contained in this MD&A may be deemed "forward-looking statements."

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### **R. Forward-Looking Statements, continued**

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". 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.