

SOUTHERN SILVER EXPLORATION CORP.
(the “Company”)

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS
(for the year ended April 30, 2017)

The following information is provided as required under Form 51-102F6V for Venture Issuers (the “Form”), as such term is defined in National Instrument 51-102.

For the purposes of this Form, “**named executive officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“**CEO**”);
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer (“**CFO**”);
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of the Form, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

During the year ended April 30, 2017, the Company had two NEOs: Lawrence Page, President (CEO), and Graham Thatcher, CFO.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation payable by the Company to each NEO and director of the Company for the two most recently completed financial years ended April 30, 2017 and April 30, 2016:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Lawrence Page <i>CEO & Director</i>	2017	112,320	Nil	Nil	Nil	Nil	112,320
	2016	112,320	Nil	Nil	Nil	Nil	112,320
Graham Thatcher <i>CFO</i>	2017	30,000	Nil	Nil	Nil	Nil	30,000
	2016	28,500	Nil	Nil	Nil	Nil	28,500
Roger Scammell <i>Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil

Eugene Spiering <i>Director</i>	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Nigel Bunting <i>Director</i>	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Larry Buchanan <i>Director</i>	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Peter Cheesbrough <i>Director</i>	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Donald Head ⁽¹⁾ <i>Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil

(1) Donald Head was appointed a director on May 16, 2016.

Narrative Discussion

Lawrence Page is party to a consulting agreement with the Company pursuant to which Mr. Page charges \$9,360 per month as the Company's President.

Mr. Page is the principal of Page Law Corporation and Lawrence Page Q.C. Law Corporation (now Alpey Investments Inc.). In the year ended 2017 the Company was charged \$52,766 (2016: \$nil) by Page Law Corporation and \$nil (2016: \$25,047) by Lawrence Page Q.C. Law Corporation for the provision of legal services to the Company.

Mr. Page is the principal of Manex Resource Group Inc. ("**Manex**"). Under a service agreement, Manex provides the Company with administrative, corporate, consulting, accounting and corporate development services. During the year ended April 30, 2017, Manex charged \$60,000 (2016 - \$60,000) for the provision of office space and administration services, \$278,684 (2016 - \$255,926) for the provision of consulting, professional and corporate development and geological services and \$7,043 (2016 - \$1,383) as a 15% mark-up on out-of-pocket expenses.

Pursuant to a consulting agreement, Graham Thatcher charged the Company \$1,000 per month for the provision of services as CFO. Effective June 1, 2015, the consulting agreement was amended to reflect an increased charge of \$2,500 per month for Mr. Thatcher's services as CFO.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted to each NEO and director by the Company for services provided, directly or indirectly, to the Company during the financial year ended April 30, 2017.

Compensation Securities							
Name and position	Type of Compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Lawrence Page ⁽¹⁾ <i>CEO & Director</i>	stock options	300,000	June 3, 2016	0.30	0.29	0.39	June 3, 2021
Graham Thatcher ⁽²⁾ <i>CFO</i>	stock options	100,000	June 3, 2016	0.30	0.29	0.39	June 3, 2021

Roger Scammell ⁽³⁾ <i>Director</i>	stock options	100,000	June 3, 2016	0.30	0.29	0.39	June 3, 2021
Eugene Spiering ⁽⁴⁾ <i>Director</i>	stock options	100,000	June 3, 2016	0.30	0.29	0.39	June 3, 2021
Nigel Bunting ⁽⁵⁾ <i>Director</i>	stock options	100,000	June 3, 2016	0.30	0.29	0.39	June 3, 2021
Larry Buchanan ⁽⁶⁾ <i>Director</i>	stock options	100,000	June 3, 2016	0.30	0.29	0.39	June 3, 2021
Peter Cheesbrough ⁽⁷⁾ <i>Director</i>	stock options	100,000	June 3, 2016	0.30	0.29	0.39	June 3, 2021
Donald Head ⁽⁸⁾ <i>Director</i>	stock options	200,000	June 3, 2016	0.30	0.29	0.39	June 3, 2021

- (1) As at April 30, 2017, Lawrence Page held 1,460,000 stock options of the Company entitling him to acquire, upon exercise, 1,460,000 common shares in the capital of the Company.
- (2) As at April 30, 2017, Graham Thatcher held 580,000 stock options of the Company entitling him to acquire, upon exercise, 580,000 common shares in the capital of the Company.
- (3) As at April 30, 2017, Roger Scammell held 543,000 stock options of the Company entitling him to acquire, upon exercise, 543,000 common shares in the capital of the Company.
- (4) As at April 30, 2017, Eugene Spiering held 100,000 stock options of the Company entitling him to acquire, upon exercise, 100,000 common shares in the capital of the Company.
- (5) As at April 30, 2017, Nigel Bunting held 600,000 stock options of the Company entitling him to acquire, upon exercise, 600,000 common shares in the capital of the Company.
- (6) As at April 30, 2017, Larry Buchanan held 600,000 stock options of the Company entitling him to acquire, upon exercise, 600,000 common shares in the capital of the Company.
- (7) As at April 30, 2017, Peter Cheesbrough held 600,000 stock options of the Company entitling him to acquire, upon exercise, 600,000 common shares in the capital of the Company.
- (8) As at April 30, 2017, Donald Head held 200,000 stock options of the Company entitling him to acquire, upon exercise, 200,000 common shares in the capital of the Company.

The following table sets out each exercise by NEOs and directors of compensation securities during the financial year ended April 30, 2017.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of Compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Lawrence Page <i>CEO & Director</i>	stock options	Nil	N/A	N/A	N/A	N/A	N/A
Graham Thatcher <i>CFO</i>	stock options	Nil	N/A	N/A	N/A	N/A	N/A
Roger Scammell <i>Director</i>	stock options	50,000	0.08	March 8, 2017	0.55	0.47	23,500
		31,000	0.08	March 24, 2017	0.53	0.45	13,950
Eugene Spiering <i>Director</i>	stock options	300,000	0.08	May 18, 2016	0.28	0.20	60,000
		100,000	0.08	September 27, 2016	0.405	0.325	32,500
		100,000	0.11	February 6, 2017	0.55	0.44	44,000

Nigel Bunting <i>Director</i>	stock options	Nil	N/A	N/A	N/A	N/A	N/A
Larry Buchanan <i>Director</i>	stock options	Nil	N/A	N/A	N/A	N/A	N/A
Peter Cheesbrough <i>Director</i>	stock options	Nil	N/A	N/A	N/A	N/A	N/A
Donald Head <i>Director</i>	stock options	Nil	N/A	N/A	N/A	N/A	N/A

Stock Option Plans and Other Incentive Plans

The Company has adopted a stock option plan (the “**Option Plan**”) for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and advancing the interests of the Company by affording such persons the opportunity to acquire an equity interest in the Company through rights granted under the Option Plan.

The Option Plan is a “rolling” plan that provides that the aggregate number of shares reserved for issuance under it, and all of the Company’s other previously established and outstanding stock option plans or grants, is 10% of the Company’s issued common shares at the time of the grant of a stock option under the Option Plan. “Rolling” stock option plans must receive shareholder approval yearly at the Company’s annual general meeting in accordance with the policies of the Exchange. The Option Plan was approved by shareholders at the Company’s last annual general meeting held on March 30, 2017.

The Option Plan provides that the option exercise price, as determined by the Board of Directors (“**Board**”), must not be less than the closing price of the Company’s common shares on the TSX Venture Exchange (the “**Exchange**”) on the day immediately preceding the date of grant, less the applicable discount permitted by the policies of the Exchange. The maximum term of the options granted under the Option Plan is ten years from the date of grant, however the normal term of the options is five years. The Board may determine the limitation period during which an option may be exercised and, notwithstanding that none may be required by the policies of the Exchange, whether a particular grant will have a minimum vesting period. In the event of resignation or termination of an optionee, such optionee may exercise options held by such optionee for a period of 90 days following the effective date of such resignation or for a time as otherwise determined by a directors’ resolution at the time of the grant of the options. In the event of an optionee’s death, the stock option may be exercised by a qualified successor until the earlier of a period of one year from the date of such death and the expiry date of the stock option. The granting of stock options under the Option Plan is restricted as follows: (a) the number of options granted to a consultant in a 12-month period must not exceed 2% of the issued shares of the Company at the time of grant of the stock option; and (b) the aggregate number of options granted to employees involved in investor relations activities must not exceed 2% of the issued shares of the Company in any 12-month period, at the time of grant of the stock option.

Employment, Consulting and Management Agreements

Management functions of the Company are not, to any substantial degree, performed by anyone other than by directors or NEOs of the Company.

Lawrence Page, Q.C. and the Company entered into a consulting agreement effective July 1, 2009 as renewed on June 30, 2014 for a period of 5 years. Pursuant to this consulting agreement, the Company pays Lawrence Page, Q.C. \$9,360 per month in consideration for his services as President of the Company. The Company may terminate the consulting agreement with no advance notice to Mr. Page due to default (as defined in the consulting agreement). Upon a change of control, as defined in the consulting agreement, Mr. Page has the right to terminate the consulting agreement and receive 100% of the compensation due to him for the unexpired term of the consulting agreement. Upon a change of control, and assuming the triggering event took place on the last business day of the Company’s most recently completed financial year the estimated payment to Mr. Page would be \$243,360.

Graham Thatcher provides the Company with the services of CFO for a monthly fee of \$2,500 plus applicable taxes. The Company entered into an amended and restated consulting agreement with Mr. Thatcher effective May 31, 2016

which replaced a consulting agreement dated May 31, 2013 which was amended effective June 1, 2015 to increase his monthly fee from \$1,000 to \$2,500. The consulting agreement provides that either party may terminate with 30 days prior written notice and the Company may terminate with no advance notice to Mr. Thatcher due to default (as defined in the consulting agreement).

Oversight and Description of Director and Named Executive Officer Compensation

For the years ended April 30, 2017 and 2016, the Board determined any compensation payable to the directors and officers. The Board assessed the compensation of directors and officers on an ongoing basis taking into account the responsibilities and obligations involved with such positions as well as the financial status of the Company.

No compensation is tied to one or more performance criteria or goals. No significant events have occurred during the most recently completed financial year that have significantly affected compensation.

The Company created a Corporate Governance, Nomination and Compensation committee on August 24, 2017, whose immediate mandate is to review and recommend any changes to compensation for the forthcoming financial year.

The Company is an exploration stage company engaged in the acquisition and exploration of mineral natural resource properties. The Company has no revenues from operations and often operates with limited financial resources to ensure that funds are available to complete scheduled programs. Accordingly, the granting of stock options is an important element of executive compensation which does not require cash disbursement by the Company. In determining compensation with respect to stock option grants, however, the Company is cognizant of the Exchange statement in its Policy 4.4 that: "Incentive stock options are a means of rewarding optionees for future services provided to the Issuer. They are not intended as a substitute for salaries or wages, or as a means of compensation for past services rendered." The Board, taking into consideration previous grants of stock options, determines the compensation in the form of stock options to its NEOs, as well as to its directors.

Pension Disclosure

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