

Form 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Not applicable.

ITEM 1 – SECURITY AND REPORTING ISSUER

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Security Designation: (i) common shares in the capital of the issuer (the “**Common Shares**”) and; (ii) common share purchase warrants (collectively, the “**Warrants**”).

Issuer: Southern Silver Exploration Corp. (the “**issuer**”)
1100 – 1199 West Hastings Street
Vancouver, BC
V6E3T5

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable.

ITEM 2 – IDENTITY OF THE ACQUIROR

2.1 State the name and address of the acquiror.

Electrum Global Holdings L.P. (“**Offeror**”)
535 Madison Avenue
12th Floor, New York, NY 10022

The Offeror is organized under the laws of the Cayman Islands. The Offeror is engaged in the business of investing in securities.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On September 15, 2020, the Offeror acquired 2,336,590 Common Shares in connection with the first closing (the “**First Closing**”) of the previously announced sale (the “**Disposition**”) of the Offeror’s 60% interest in a subsidiary of the issuer, South Silver Holdings Limited (“**Southern BVI**”), to the issuer pursuant to the terms of the purchase agreement entered into among the Offeror, the issuer and Southern BVI dated June 19, 2020 (the “**Purchase Agreement**”). The aggregate value of the Common Shares acquired by the Offeror pursuant to the completion of the First Closing is CAD\$1,332,596, or CAD\$0.566 per Common Share. As a result of the completion of the First Closing, the Offeror owns 54,096,183 Common Shares and 11,000,000 Warrants of the issuer.

2.3 State the names of any joint actors.

GRAT Holdings LLC (“**Holdings**”), Leopard Holdings LLC (“**Leopard**”), The Electrum Group LLC (“**TEG Services**”) and TEG Global GP Ltd. (“**Global GP**”) (collectively, the “**Joint Actors**”).

ITEM 3 – INTEREST IN SECURITIES OF THE REPORTING ISSUER

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s securityholding percentage in the class of securities.

As a result of the completion of the First Closing, the Offeror owns 54,096,183 Common Shares and 11,000,000 Warrants, representing approximately 24.71% of the issued and outstanding Common Shares or approximately 28.32% upon exercise of the Warrants (assuming the exercise of all of the Warrants beneficially owned by the Offeror, and that no other securities, including those convertible into, or exercisable for, the issuer’s securities, are issued, converted or exercised).

As at the date of the filing of the Offeror’s last Form 62-103F1 relating to its securityholdings of the issuer (the “**Last Filing**”), being June 22, 2020, the Offeror owned 51,759,593 Common Shares and 11,000,000 Warrants, representing approximately 36.64% of the issued and outstanding Common Shares or approximately 41.22% upon the exercise of the Warrants (assuming the exercise of all of the Warrants beneficially owned by the Offeror, and that no other securities, including those convertible into, or exercisable for, the issuer’s securities, were issued, converted or exercised).¹

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

3.3 As a result of the completion of the First Closing, the Offeror owns 54,096,183 Shares and 11,000,000 Warrants, representing approximately 24.71% of the issued and outstanding Common Shares or approximately 28.32% upon exercise of the Warrants.

3.4 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

As a result of the completion of the First Closing, the Offeror owns 54,096,183 Common Shares and 11,000,000 Warrants, representing approximately 24.71% of the issued and outstanding

¹ Immediately prior to the completion of the First Closing, the Offeror’s securityholdings of the issuer, which had not changed in number since the Last Filing, represented approximately 23.90% of the issued and outstanding Common Shares or approximately 27.58% upon the exercise of the Warrants (assuming the exercise of all of the Warrants beneficially owned by the Offeror, and that no other securities, including those convertible into, or exercisable for, the issuer’s securities, were issued, converted or exercised). The decrease in the Offeror’s securityholdings percentage since the Last Filing and the date immediately prior to the completion of the First Closing was a result of certain equity issuances by the issuer as publicly disclosed by the issuer on SEDAR.

Common Shares or approximately 28.32% upon exercise of the Warrants (assuming the exercise of all of the Warrants beneficially owned by the Offeror, and that no other securities, including those convertible into, or exercisable for, the issuer's securities, are issued, converted or exercised).

As at the date of the filing of the Last Filing, the Offeror owned 51,759,593 Common Shares and 11,000,000 Warrants, representing approximately 36.64% of the issued and outstanding Common Shares or approximately 41.22% upon the exercise of the Warrants (assuming the exercise of all of the Warrants beneficially owned by the Offeror, and that no other securities, including those convertible into, or exercisable for, the issuer's securities, were issued, converted or exercised).²

3.6 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

The Offeror, together with its Joint Actors, owns 54,096,183 Common Shares and 11,000,000 Warrants, representing approximately 24.71% of the issued and outstanding Common Shares or approximately 28.32% upon exercise of the Warrants (assuming the exercise of all of the Warrants beneficially owned by the Offeror, and that no other securities, including those convertible into, or exercisable for, the issuer's securities, are issued, converted or exercised).

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.7 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not Applicable.

3.8 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under

² Immediately prior to the completion of the First Closing, the Offeror's securityholdings of the issuer, which had not changed in number since the Last Filing, represented approximately 23.90% of the issued and outstanding Common Shares or approximately 27.58% upon the exercise of the Warrants (assuming the exercise of all of the Warrants beneficially owned by the Offeror, and that no other securities, including those convertible into, or exercisable for, the issuer's securities, were issued, converted or exercised). The decrease in the Offeror's securityholdings percentage since the Last Filing and the date immediately prior to the completion of the First Closing was a result of certain equity issuances by the issuer as publicly disclosed by the issuer on SEDAR.

this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

- 3.9 State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.10 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

ITEM 4 – CONSIDERATION PAID

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The aggregate value of the Common Shares acquired by the Offeror pursuant to the completion of the First Closing is CAD\$1,332,596, or CAD\$0.566 per Common Share.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

The aggregate value of the Common Shares acquired by the Offeror pursuant to the completion of the First Closing is CAD\$1,332,596, or CAD\$0.566 per Common Share.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

ITEM 5 – PURPOSE OF THE TRANSACTION

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer.

The securities referred to above are held for investment purposes.

Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) **the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The Offeror and/or any of its Joint Actors or affiliates may, depending on market and other conditions, increase or decrease its beneficial ownership of Common Shares or other securities of the issuer whether in the open market, by privately negotiated agreement or otherwise.

Pursuant to the terms and conditions of the Purchase Agreement, the closing of the Disposition is to be completed in three tranches, the First Closing being the first such tranche. Two subsequent closings are expected to be completed on the 6th and 12th month anniversary of the date of the First Closing (each, a "**Subsequent Closing**"), respectively, pursuant to the terms of the Purchase Agreement. The consideration due to the Offeror upon the completion of each Subsequent Closing, which includes the potential issuance of additional Common Shares to the Offeror, is set out in the management information circular of the issuer dated July 31, 2020 and available on SEDAR.

Except as provided herein, while the Offeror has no currently plans or intentions that relate to or would result in the items listed in (a) through (k) above, depending on various factors including, without limitation, the issuer's financial position, the price levels of the Common Shares, conditions in the securities markets and general economic and industry conditions, the issuer's business or financial condition and other factors and conditions the Offeror deems appropriate, the Offeror and/or any of its Joint Actors or affiliates may develop such plans in future.

ITEM 6 – AGREEMENTS, ARRANGEMENTS, COMMITMENTS OR UNDERSTANDINGS WITH RESPECT TO SECURITIES OF THE REPORTING ISSUER

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Holdings is the owner of, and has control over, Leopard. Leopard, in turn, has direct and/or indirect control over Global GP, the Offeror and TEG Services. Global GP is the sole general partner of, and TEG Services is the investment adviser to, the Offeror. TEG Services possesses voting and investment discretion with respect to assets of the Offeror, including the securities reported herein. The investment committee of Holdings exercises voting and investment decisions on behalf of Holdings, including decisions on behalf of Holdings with respect to the securities reported herein.

ITEM 7 – CHANGE IN MATERIAL FACT

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

ITEM 8 – EXEMPTION

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

ITEM 9 – CERTIFICATION

The acquiror must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

The certificate must state the following:

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: September 16, 2020

ELECTRUM GLOBAL HOLDINGS L.P.

By: TEG Global GP Ltd., its General Partner

By: The Electrum Group LLC, attorney-in-fact

By: “Michael H. Williams”

Name: Michael H. Williams

Title: Senior Managing Director