

51-102F3 MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Southern Silver Exploration Corp. (the “Company”)
1100 – 1199 West Hastings Street
Vancouver, BC V6E 3T5

Item 2 Date of Material Change

September 15, 2020

Item 3 News Release

A news release was issued in Vancouver, British Columbia on September 16, 2020 and distributed through Newsfile Corp.

Item 4 Summary of Material Change

The Company closed the previously announced transaction to acquire a 100% interest in the Cerro Las Minitas project.

Item 5 Full Description of Material Change

The Company closed the transaction with Electrum Global Holdings L.P. (“Electrum”) to acquire Electrum’s 60% indirect working interest (for a total 100% interest) in the Cerro Las Minitas project (the “CLM Project”) located in Durango, Mexico (the “Transaction”). As consideration for the acquisition, the Company must pay Electrum an aggregate US\$15 million in a combination of cash and common shares, of which US\$5 million and 2,336,590 common shares (valued at US\$1,006,403 which, together with a credit of C\$1,350,000 deposit paid, represents the US\$2,000,000 share equivalent payment) have now been paid. The remaining consideration must be paid on or before:

- March 15, 2021: US\$2 million and common shares equal to US\$2 million (based on the greater of the 20-day volume weighted average trading price of the Company’s shares on the TSX Venture Exchange (“VWAP”) and the Discounted Market Price (as that term is defined in the policies of the TSX Venture Exchange) of the shares (the “DMP”)); and
- September 15, 2021: US\$2 million and common shares equal to US\$2 million (based on the greater of the prior 20-day VWAP and the DMP).

The Company has the option to pay all cash in lieu of shares. To secure above noted payments, the Company has pledged to Electrum the shares representing Electrum’s 60% indirect working interest in the CLM Project. The Company has received both shareholder and TSX Venture Exchange approval of the Transaction.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

This report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

The following officer of the Company is knowledgeable about the material change disclosed in this report: Lawrence Page, President, Tel: (604) 684-9384

Item 9 Date of Report

September 18, 2020