

**SOUTHERN SILVER EXPLORATION CORP.**

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**MANAGEMENT INFORMATION CIRCULAR  
AS AT AND DATED AUGUST 17, 2023  
(unless otherwise noted)**

This Management Information Circular (“Information Circular”) accompanies the Notice of the Annual General Meeting (“Notice of Meeting”) of holders of common shares (“shareholders”) of Southern Silver Exploration Corp. (the “Company”) scheduled to be held on Tuesday, September 26, 2023 (the “Meeting”), and is furnished in connection with a solicitation of proxies for use at that Meeting and at any adjournment or postponement thereof.

**PERSONS OR COMPANIES MAKING THE SOLICITATION**

**THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR  
IS BEING SOLICITED BY MANAGEMENT OF THE COMPANY**

Solicitations will be made by mail and possibly supplemented by telephone, electronic means or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company may reimburse shareholders’ nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy. It is not anticipated that any solicitation will be made by specially engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the Information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

**APPOINTMENT OF PROXYHOLDER**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Those shareholders so desiring may be represented by proxy at the Meeting. The persons named in the form of proxy accompanying this Information Circular are directors and/or officers of the Company (“Management Appointees”). **A shareholder has the right to appoint a person or company (who need not be a shareholder) to attend and act on the shareholder’s behalf at the Meeting other than the Management Appointees.** To exercise this right, the shareholder must either insert the name of the desired person in the blank space provided in the form of proxy accompanying this Information Circular and strike out the names of the Management Appointees or submit another proper form of proxy.

**NON-REGISTERED SHAREHOLDERS**

**Only shareholders whose names appear on the records of the Company (“registered shareholders”) or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are not registered shareholders because the shares they own are not registered in their names.** More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares including, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant. In accordance with current securities regulatory policy, the Company has distributed copies of the Notice of Meeting, this Information Circular and the form of proxy accompanying this Information Circular (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries.

Current securities regulatory policy requires Intermediaries to forward the Meeting Materials to, and to seek voting instructions from, Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will often use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete this form of proxy and **submit it to the Company, c/o Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, fax number: (416) 263-9261; or**
- (b) more typically, be given a voting instruction or proxy authorization form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company,**

(such as Broadridge Financial Solutions Inc.), will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for this proxy form to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the proxy form, properly complete and sign the proxy form and return it to the Intermediary or its service company, or otherwise communicate voting instructions to the Intermediary or its service company (by way of telephone or Internet, for example) in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Holder cannot use a proxy authorization form to vote shares directly at the Meeting.**

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own.

The Meeting Materials are being sent to both registered and non-registered owners of shares. If you are a Non-Registered Holder and the Company or its agent has sent the Meeting Materials directly to you as a non-objecting beneficial owner under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding shares on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding shares on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Management of the Company does not intend to pay for Intermediaries to forward to objecting beneficial owners under NI 54-101 the Meeting Materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the Meeting Materials unless the Intermediary holding shares on behalf of the objecting beneficial owner assumes the cost of delivery.

**Non-Registered Holders cannot be recognized at the Meeting for purposes of voting their shares in person or by way of depositing a form of proxy.** If you are a Non-Registered Holder and wish to vote in person at the Meeting, please see the voting instructions you received or contact your Intermediary well in advance of the Meeting to determine how you can do so.

**Non-Registered Holders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their shares voted at the Meeting.**

#### DEPOSIT AND VOTING OF PROXIES

To be effective, the instrument of proxy must be dated and signed and, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, deposited at the office of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment or postponement thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in the Chairman’s discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

THE SHARES REPRESENTED BY A PROPERLY EXECUTED AND DEPOSITED PROXY WILL BE VOTED OR WITHHELD FROM VOTING ON EACH MATTER REFERRED TO IN THE NOTICE OF MEETING IN ACCORDANCE WITH THE INSTRUCTIONS GIVEN (PROVIDED SUCH INSTRUCTIONS ARE CERTAIN) ON ANY BALLOT THAT MAY BE CALLED FOR AND, IF A CHOICE IS SPECIFIED WITH RESPECT TO ANY MATTER TO BE ACTED UPON AT THE MEETING, THE SHARES SHALL BE VOTED OR WITHHELD FROM VOTING ACCORDINGLY. **WHERE NO CHOICE IS SPECIFIED IN RESPECT OF ANY MATTER TO BE ACTED UPON AND ONE OF THE MANAGEMENT APPOINTEES IS NAMED IN THE FORM OF PROXY TO ACT AS THE SHAREHOLDER’S PROXYHOLDER, THE SHARES REPRESENTED BY THE PROXY WILL BE VOTED IN FAVOUR OF ALL SUCH MATTERS.** THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR GIVES THE PERSON OR COMPANY NAMED AS PROXYHOLDER DISCRETIONARY AUTHORITY REGARDING AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE MEETING. IN THE EVENT THAT AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING ARE PROPERLY BROUGHT BEFORE THE MEETING OR ANY OTHER BUSINESS IS PROPERLY BROUGHT BEFORE THE MEETING, IT IS THE INTENTION OF THE MANAGEMENT APPOINTEES TO VOTE IN ACCORDANCE WITH THEIR BEST JUDGMENT ON SUCH MATTERS OR BUSINESS ON ANY BALLOT THAT MAY BE CALLED FOR. AT THE TIME OF PRINTING THIS INFORMATION CIRCULAR, MANAGEMENT KNOWS OF NO SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS WHICH MAY BE BROUGHT BEFORE THE MEETING.

#### REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the registered shareholder or the registered shareholder’s attorney authorized in writing, or if the registered shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, or, as to any matter in respect of which a vote shall not already have been cast pursuant to such proxy, with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, and upon either of such deposits the proxy is revoked.

Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must arrange for their Intermediaries to revoke the proxy on their behalf.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company's authorized share structure consists of an unlimited number of common shares without par value. There is one class of shares only and there are 291,546,757 common shares issued and outstanding. The directors have determined that all shareholders of record as of the 17th day of August, 2023 will be entitled to receive notice of and to vote at the Meeting.

At a General Meeting of the Company, on a show of hands, every registered shareholder present in person and entitled to vote and every proxyholder duly appointed by a registered shareholder who would have been entitled to vote shall have one vote and, on a poll, every registered shareholder present in person or represented by proxy or other proper authority and entitled to vote shall have one vote for each share of which such shareholder is the registered holder. Shares represented by proxy will only be voted as to the number of shares represented if a poll or ballot is called for. A poll or ballot may be requested by a registered shareholder or proxyholder present and entitled to vote at the Meeting or required because the number of votes attached to shares represented by proxies that are to be voted against a matter is greater than 5% of the votes attached to all shares that are entitled to be voted and to be represented at the Meeting.

To the knowledge of the directors and executive officers of the Company, as at the date of this Information Circular, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the outstanding voting rights of the Company, other than:

| Name  | Number of Shares | Percentage |
|---|------------------|------------|
| Electrum Global Holdings L.P.<br><i>(principally owned and controlled by GRAT Holdings LLC)</i> | 73,284,594       | 25%        |

## ELECTION OF DIRECTORS

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a director before then. **Unless such authority is withheld, the Management Appointees intend to vote the shares represented by proxy for the election of the nominees herein listed on any poll or ballot that may be called for.**

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES HEREIN LISTED WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY THE MANAGEMENT APPOINTEES, IF NAMED IN THE PROXY, TO VOTE THE SHARES REPRESENTED BY PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS UNLESS THE SHAREHOLDER HAS SPECIFIED THAT THE SHARES REPRESENTED BY PROXY ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

Management proposes that the number of directors for the Company be determined at seven (7) for the ensuing year, subject to such increases as may be permitted by the Articles of the Company, and that each of the following persons be nominated for election as a director of the Company for the ensuing year. Information concerning these persons, as furnished by the individual nominees, is as follows:

| Name, Jurisdiction of Residence and Position Held  | Director Since    | Number Of Shares Beneficially Owned, Or Controlled Or Directed, Directly Or Indirectly At August 17, 2023 | Principal Occupation And If Not At Present An Elected Director, Occupation During The Past Five (5) Years |
|--|-------------------|---|---|
| <b>Lawrence Page, K.C.</b> <sup>(1) (3)</sup><br>British Columbia, Canada<br>President, Director | October, 1999     | 4,187,879 <sup>(4)</sup>  | Barrister & Solicitor; President of the Company   |
| <b>David Roger Scammell</b> <sup>(3)</sup><br>Ontario, Canada<br>Director                        | October, 2002     | 269,500   | Geologist   |
| <b>Eugene Spiering</b> <sup>(2) (3)</sup><br>British Columbia, Canada<br>Director                | October, 2014     | 40,000  | Geologist   |
| <b>Nigel Bunting</b> <sup>(1) (2) (3)</sup><br>Ipswich, United Kingdom<br>Director               | December, 2014    | 1,040,000   | Corporate Director  |
| <b>Peter Cheesbrough</b> <sup>(2)</sup><br>Colorado, USA<br>Director                             | March, 2015       | 180,500   | President, Exploration Division of the Electrum Group LLC; CEO Sunshine Silver Mining & Refining Company  |
| <b>Ginalee Jones</b> <sup>(1)</sup><br>British Columbia, Canada<br>Director                      | December 19, 2019 | Nil   | Chief Financial Officer of PenderFund Capital Management Ltd.   |

| Name, Jurisdiction of Residence and Position Held    | Director Since  | Number Of Shares Beneficially Owned, Or Controlled Or Directed, Directly Or Indirectly At August 17, 2023 | Principal Occupation And If Not At Present An Elected Director, Occupation During The Past Five (5) Years   |
|--|-----------------|---|---|
| Russell Ball<br>British Columbia, Canada<br>Director | September, 2021 | Nil   | Managing Director at QDBS Resources Inc.; Former CEO and Director of Calibre Mining Corp; Former CFO and Executive Vice President of Corporate Development of Goldcorp Inc. |

- (1) Member of the Audit Committee.
- (2) Member of the Corporate Governance, Nomination and Compensation Committee.
- (3) Member of the Safety, Health, Security and Environment Committee.
- (4) Lawrence Page, K.C. directly holds 2,794,018 common shares and indirectly has control over 1,393,861 common shares.

To the knowledge of management of the Company, no proposed director (including any of their respective holding companies):

- (a) is, as at the date of this Information Circular, or has been, within the preceding 10 years, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to a cease trade or similar order (including a management cease trade order whether or not such person was named in the order) or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "Order") while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this Information Circular, or has been, within the preceding 10 years, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to:
  - (i) since December 31, 2000, any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or before December 31, 2000, the disclosure of which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director;
  - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director; or
- (e) is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

### STATEMENT OF EXECUTIVE COMPENSATION

"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 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, 2023, the Company had three NEOs: Lawrence Page, President (CEO), Killian Ruby, CFO, and Graham Thatcher, former 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, 2023 and April 30, 2022:

| 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 (\$) |
| <b>Lawrence Page, K.C.</b><br><i>CEO &amp; Director</i>    | 2023 | 156,000   | Nil        | Nil                            | Nil                       | Nil                                  | 156,000                 |
|  | 2022 | 156,000   | Nil        | Nil                            | Nil                       | Nil                                  | 156,000                 |
| <b>Killian Ruby</b> <sup>(1)</sup><br><i>CFO</i>           | 2023 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| <b>Graham Thatcher</b> <sup>(1)</sup><br><i>Former CFO</i> | 2023 | 27,500  | Nil        | Nil                            | Nil                       | Nil                                  | 27,500                  |
|  | 2022 | 30,000  | Nil        | Nil                            | Nil                       | Nil                                  | 30,000                  |
| <b>Roger Scammell</b><br><i>Director</i>                   | 2023 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
|  | 2022 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| <b>Eugene Spiering</b><br><i>Director</i>                  | 2023 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
|  | 2022 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| <b>Nigel Bunting</b><br><i>Director</i>                    | 2023 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
|  | 2022 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| <b>Peter Cheesbrough</b><br><i>Director</i>                | 2023 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
|  | 2022 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| <b>Ginalee Jones</b><br><i>Director</i>                    | 2023 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
|  | 2022 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| <b>Russell Ball</b> <sup>(2)</sup><br><i>Director</i>      | 2023 | 60,000  | Nil        | Nil                            | Nil                       | Nil                                  | 60,000                  |
|  | 2022 | 35,000  | Nil        | Nil                            | Nil                       | Nil                                  | 35,000                  |
| <b>Larry Buchanan</b> <sup>(3)</sup><br><i>Director</i>    | 2023 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
|  | 2022 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| <b>Donald Head</b> <sup>(4)</sup><br><i>Director</i>       | 2022 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |

(1) Graham Thatcher served as CFO until the appointment of Killian Ruby on March 30, 2023.

(2) Russell Ball was appointed a director on September 28, 2021.

(3) Larry Buchanan ceased to be a director on December 12, 2022.

(4) Donald Head ceased to be a director on September 28, 2021.

**Narrative Discussion**

Lawrence Page is the principal of Advocate Services Limited (“Advocate”). The Company is charged \$13,000 plus tax per month by Advocate for the provision of the services of Mr. Page to the Company.

Lawrence Page was the principal of Manex Resource Group Inc. (“Manex”) until October 31, 2021 when it was acquired by Malaspina Consultants Inc. (“Malaspina”), a company controlled by Killian Ruby. Under a service agreement, Manex provides the Company with administrative, corporate, consulting, accounting and corporate development services. During the year ended April 30, 2023, Manex charged \$50,000 (2022 - \$30,000) for the provision of office space and administration services, \$306,806 (2022 - \$189,696) for the provision of consulting, professional and corporate development and geological services and \$6,317 (2022 - \$3,821) as a 15% mark-up on out-of-pocket expenses, all plus tax. Mr. Page was also the principal of Page Law Corporation which provided the Company with legal services. During the year ended April 30, 2022, Page Law Corporation charged \$54,180 plus tax for legal services.

Mr. Ball is the principal of QDBS Resources Inc. (“QDBS”). During the year ended April 30, 2023, the Company was charged \$60,000 plus tax (2022 - \$35,000) by QDBS for the provision of the services of Mr. Ball to the Company.

## 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, 2023.

| Compensation Securities  |                               |   |                        |  |  |   |             |
|--|-------------------------------|---|------------------------|--|--|---|-------------|
| Name and position  | Type of Compensation security | Number of compensation securities, number of underlying securities <sup>(1)</sup> , 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 |
| <b>Lawrence Page, K.C.</b> <sup>(2)</sup><br><i>CEO &amp; Director</i> | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| <b>Killian Ruby</b> <sup>(3)</sup><br><i>CFO</i>                       | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| <b>Graham Thatcher</b> <sup>(4)</sup><br><i>Former CFO</i>             | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| <b>Roger Scammell</b> <sup>(5)</sup><br><i>Director</i>                | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| <b>Eugene Spiering</b> <sup>(6)</sup><br><i>Director</i>               | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| <b>Nigel Bunting</b> <sup>(7)</sup><br><i>Director</i>                 | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| <b>Peter Cheesbrough</b> <sup>(8)</sup><br><i>Director</i>             | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| <b>Ginalee Jones</b> <sup>(9)</sup><br><i>Director</i>                 | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| <b>Russell Ball</b> <sup>(10)</sup><br><i>Director</i>                 | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| <b>Larry Buchanan</b> <sup>(11)</sup><br><i>Director</i>               | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |

- (1) Each outstanding stock option of the Company entitles the holder thereof to acquire, upon exercise, one common share in the capital of the Company.
- (2) As at April 30, 2023, Lawrence Page, K.C. held 2,190,000 stock options of the Company.
- (3) As at April 30, 2023, Killian Ruby held no stock options of the Company.
- (4) As at April 30, 2023, Graham Thatcher held 1,345,000 stock options of the Company.
- (5) As at April 30, 2023, Roger Scammell held 1,200,000 stock options of the Company.
- (6) As at April 30, 2023, Eugene Spiering held 1,100,000 stock options of the Company.
- (7) As at April 30, 2023, Nigel Bunting held 1,370,000 stock options of the Company.
- (8) As at April 30, 2023, Peter Cheesbrough held 1,370,000 stock options of the Company.
- (9) As at April 30, 2023, Ginalee Jones held 1,400,000 stock options of the Company.
- (10) As at April 30, 2023, Russell Ball held 700,000 stock options of the Company.
- (11) As at April 30, 2023, Larry Buchanan held no stock options of the Company.

No compensation securities were exercised by the NEOs or directors of the Company during the financial year ended April 30, 2023.

## 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. "Rolling" stock option plans must receive annual shareholder approval in accordance with the policies of the TSX Venture Exchange and, accordingly, the Option Plan was approved by shareholders at the Company's last annual general meeting held on September 26, 2022. A summary of the stock option plan is included under "Particulars of Other Matters to be Acted Upon – Stock Option Plan" herein.

## 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.

The Company is party to a consulting agreement dated October 1, 2017 with Lawrence Page, K.C. and Advocate Services Ltd. ("Advocate"), a company controlled by Mr. Page, whereby the Company has engaged Advocate to provide the services of Mr. Page to act

in the capacity of President. The consulting agreement was renewed on October 1, 2022 for a five-year term and provides for a monthly consulting fee of \$13,000 plus tax payable to Advocate. The Company may terminate the consulting agreement with no advance notice to Advocate due to default (as defined in the consulting agreement). Upon a change of control, as defined in the consulting agreement, Advocate and Mr. Page have the right to terminate the consulting agreement and receive an amount of money equal to the consulting fee for a period of 36 months. 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 \$468,000.

Graham Thatcher provided the Company with the services of CFO for a monthly fee of \$2,500 plus tax pursuant to an amended and restated consulting agreement effective May 31, 2016. This agreement was terminated effective March 30, 2023.

The Company is party to a consulting agreement dated October 1, 2021 with Russell Ball and QDBS Resources Inc. ("QDBS"), a company controlled by Mr. Ball, whereby the Company has engaged QDBS to provide the services of Mr. Ball to act in the capacity of consultant. The consulting agreement has a 3 year term and provides for a monthly consulting fee of \$5,000 plus tax payable to QDBS. The Company or QDBS may terminate the consulting agreement with 30 days' prior written notice. The Company may terminate the consulting agreement with no advance notice to QDBS due to default (as defined in the consulting agreement).

### **Oversight and Description of Director and Named Executive Officer Compensation**

The Company's Corporate Governance, Nomination and Compensation Committee assesses 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 and makes recommendations to the Board in this regard.

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." Based on the recommendations of the Company's Corporate Governance, Nomination and Compensation Committee, the Board determines the compensation in the form of stock options to its NEOs, as well as to its directors and certain consultants.

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, and no peer group analysis has been conducted in determining NEOs compensation.

### **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.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out the number of the Company's shares to be issued and remaining available for future issuance under the Company's Stock Option Plan at the end of the Company's most recently completed financial year ended April 30, 2023:

| <b>Plan Category</b>                                      | <b>Number of Securities to be issued upon exercise of outstanding options, warrants and rights<br/>(a)</b> | <b>Weighted-average exercise price of outstanding options, warrants and rights<br/>(b)</b> | <b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<br/>(c)</b> |
|---|--|--|--|
| Equity compensation plans approved by securityholders     | 25,170,000   | \$0.36   | 3,984,676  |
| Equity compensation plans not approved by securityholders | N/A  | N/A  | N/A  |
| <b>Total</b>  | <b>25,170,000</b>  | <b>\$0.36</b>  | <b>3,984,676</b>   |

The maximum number of Common shares reserved for issuance under the Company's Stock Option Plan is 10% of the issued and outstanding common shares of the Company on a rolling basis. See "Particulars of Other Matters to be Acted Upon - Stock Option Plan" below for a general description of the Company's Stock Option Plan.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the current or former directors, executive officers or employees of the Company or any of its subsidiaries, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of them is or has been indebted to the Company or any of its subsidiaries at any time since the beginning of the Company's last completed financial year nor has any such person been indebted to

any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

## CORPORATE GOVERNANCE

*National Instrument 58-101 – Disclosure of Corporate Governance Practices* (“NI 58-101”), adopted by the Canadian Securities Administrators, requires issuers to disclose their governance practices in accordance with that instrument. The Company is a “venture issuer” within the meaning of NI 58-101. A discussion of the Company’s governance practices within the context of NI 58-101 is set out below.

### Board of Directors

The Board of Directors of the Company (the “Board”) facilitates its exercise of independent supervision over management by ensuring that a majority of its members are independent of the Company. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. The independent members of the Board are Nigel Bunting, Peter Cheesbrough, Ginalee Jones, Roger Scammell and Eugene Spiering. Lawrence Page, K.C. is considered non-independent as he is the President of the Company. Russell Ball is considered non-independent as he provides consulting services to the Company.

### Directorships

Certain of the Company’s directors are also directors of other reporting issuers (or equivalent), as disclosed in the following table:

| Name of Director    | Directorship(s) held in other Reporting Issuers                                 |   |
|---------------------|---|---|
| Lawrence Page, K.C. | Bravada Gold Corporation<br>Equity Metals Corporation                           | Valterra Resource Corporation   |
| Eugene Spiering     | Arizona Silver Exploration Inc.   | Nuclear Fuels Inc.  |
| Nigel Bunting       | Anglia Registrars Ltd.<br>Bravada Gold Corporation<br>Equilibrium Pensions Ltd. | MFB Corporate Member Ltd.<br>OAM Holdings Ltd.<br>Palliser Road RTM Co Ltd. |
| Russell Ball        | Faraday Copper Corp.  | Trevali Mining Corporation  |

### Orientation and Continuing Education

The Company does not provide formal continuing education to its Board members, but does encourage them to communicate with management, auditors and technical consultants. Board members have full access to Company policies, corporate governance documents, technical data and financial information.

### Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics (the “Code”) which addresses compliance with laws, conflicts of interest, honesty and integrity, fair dealing, discrimination and harassment, safety and health, honest and accurate record keeping, and specifically ethical conduct for financial managers. A copy of the Code is available on the Company’s webpage at [www.southernsilverexploration.com](http://www.southernsilverexploration.com) and has also been provided to the Company’s directors, officers and employees. Company personnel are encouraged to speak with their supervisors or other management to obtain guidance in complying with the Code or to report any violations of the Code.

The Company has also established a whistleblower policy to provide Company personnel with a channel to report serious concerns relating to financial reporting or unethical or illegal conduct.

The Board takes steps to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest. The Board ensures that the directors are familiar with the Code as well as their obligations to disclose any material interest in a transaction or contract and to abstain from voting on any resolution to approve such transaction or contract.

### Nomination and Compensation of Directors

The Company has a Corporate Governance, Nomination and Compensation Committee (“Governance Committee”) which is appointed by and acts on behalf of the Board. The Governance Committee acts pursuant to the Corporate Governance Nomination Compensation Committee Charter. The Governance Committee is responsible for:

- 1) developing and recommending to the Board a set of corporate governance guidelines applicable to the Company and for periodically reviewing such guidelines;
- 2) identifying individuals qualified to become Board members;

- 3) recommending that the Board select the director nominees for the next annual meeting of shareholders;
- 4) overseeing the Board's annual evaluation of its performance, and
- 5) reviewing and recommending to the Board on major compensation plans, policies and programs of the Company. The Governance Committee approves the compensation of named executive officers and certain senior management, takes specific actions with respect to such compensation and has oversight responsibility over the Company's management development programs, performance assessment of senior executives and succession planning.

The members of the Governance Committee are Eugene Spiering (Chair), Nigel Bunting and Peter Cheesbrough, the majority of whom are independent directors, applying the definition set out in Section 1.4 of National Instrument 52-110 *Audit Committees*.

#### **Other Board Committees**

In addition to the Audit Committee and Governance Committee, the Company has a Safety, Health, Security and Environment Committee (the "SHSE Committee") that has been established to assist the Board in fulfilling its responsibilities relating to health, safety, security and the environment. The responsibilities of the Committee are as follows:

- 1) review and recommend, as appropriate, changes to the safety, health, security and environmental policies of the Company;
- 2) monitor the status of compliance with the Company policies and applicable laws and regulations in the areas of safety, health, security and environment based on written reports from management;
- 3) review the performance of the Company in the area of safety, health, security and environment;
- 4) in the event of the occurrence of a material safety, health, security or environmental incident where the occurrence is required to be reported to the appropriate authorities, the SHSE Committee will receive and review as soon as practicable a report from management detailing the nature of the incident and describing the remedial action being taken; and
- 5) periodically report to the Board on safety, health, security and environment issues affecting the Company.

The members of the SHSE Committee are Eugene Spiering (Chair), Roger Scammell, Lawrence Page, K.C. and Nigel Bunting.

#### **Assessments**

The Company does not have a formal process to review the performance of the Board, its committees and individual directors. The Board conducts ongoing informal assessments and evaluations, including considering the skills and experiences of each director individually and as part of a team. Particular consideration is given to the composition of the Audit Committee with skilled members that are both financially literate and independent.

#### **AUDIT COMMITTEE**

The Audit Committee of the Board of Directors of the Company is comprised of Ginalee Jones (Chair), Nigel Bunting and Lawrence Page, K.C., a majority of whom are "independent" and considered to be "financially literate", as those terms are defined in National Instrument 52-110 *Audit Committees*. The education and experience of each member relevant to the performance of such member's responsibilities as an Audit Committee member are as follows:

Ginalee Jones: Ms. Jones is the Chief Financial Officer and Chief Compliance Officer of PenderFund Capital Management Ltd. and the Chief Financial Officer of Pender Growth Fund Inc., a public company listed on the TSX Venture Exchange. Previously, Ms. Jones was the Chief Operating Officer and Chief Financial Officer of an independent brokerage firm in Vancouver, as well as CFO for its US subsidiary. Prior to that, she was CFO at two Vancouver investment dealers. Ginalee Jones holds a Bachelor of Commerce degree from UBC, articulated with PricewaterhouseCoopers LLP, and is a CPA, CA and CF, a Chartered Professional Accountant with Corporate Finance specialty designation. She holds the ICD.D designation from the Institute of Corporate Directors.

Nigel Bunting: Mr. Bunting is an active participant in a number of overseas resource ventures, both public and private. He is a Director of Anglia Registrars, trading as Inform Direct, which is one of the UK's leading cloud-based technology relating to company formation, administration and secretarial services. He is also a Director of MFB Corporate Member Ltd, an insurance underwriter at Lloyds of London. Mr. Bunting identifies early stage opportunities in the resource sector and arranges financings to advance projects to the public market. He is also a Director of Bravada Gold Corporation on the TSX Venture Exchange. Mr. Bunting has an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of the Company and its operating results.

Lawrence Page, K.C.: Mr. Page obtained his law degree from the University of British Columbia in 1964 and was called to the Bar of British Columbia in 1965. He has served as a director and officer of various public companies. In such positions, Mr. Page has been responsible for receiving financial information relating to his company and obtaining an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of the company and its operating results.

A copy of the Audit Committee Charter is attached hereto as Schedule "A".

The Audit Committee provides review and oversight of the Company's accounting and financial reporting process, and the audit process, including the selection, oversight, and compensation of the Company's external auditor. Since the commencement of the Company's

most recently completed financial year, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

#### *Pre-Approval Policies and Procedures*

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services but will review the engagement of all such services.

#### *Audit Fees*

For the year ended April 30, 2023, the Company's external auditor charged the Company \$35,000 plus GST in audit fees (\$33,000 plus GST for the year ended April 30, 2022).

#### *Audit-Related Fees*

For the year ended April 30, 2023, the Company's external auditor charged the Company \$nil in audit-related fees (\$nil for the year ended April 30, 2022).

#### *Tax Fees*

For the year ended April 30, 2023, the Company's external auditor charged the Company \$3,500 plus GST in tax fees, representing fees for the preparation of T2 corporation income tax return and related schedules and preparation of GIFI financial statements for the Canada Revenue Agency (\$3,500 plus GST for the year ended April 30, 2022).

#### *All Other Fees*

For the year ended April 30, 2023, the Company's external auditor charged the Company \$427 plus GST (\$403 plus GST for the year ended April 30, 2022).

#### *Exemption*

The Company, as a "venture issuer", is relying on the exemption in section 6.1 of National Instrument 52-110 *Audit Committees* which provides that the Company is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of National Instrument 52-110.

### **APPOINTMENT OF AUDITOR**

It has been proposed that Smythe LLP, Chartered Accountants, be re-appointed as Auditor of the Company for the ensuing year.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, or controls or directs, directly or indirectly, or a combination of both, common shares of the Company, carrying more than ten percent of the voting rights attached to the outstanding common shares of the Company (an "Insider"); (c) director or executive officer of a person or company that is itself an Insider or subsidiary of the Company; or (d) any associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year, or in any proposed transaction that has materially affected or would materially affect the Company, except with respect to an interest arising from the ownership of common shares of the Company where such person or company will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of common shares of the Company.

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Except as otherwise set out herein, none of the directors or executive officers of the Company, no management proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

### **MANAGEMENT CONTRACTS**

There are no management functions of the Company, which are, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

### **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

#### **Stock Option Plan**

At the Meeting, shareholders will be asked to approve the Company's proposed 2023 10% rolling incentive stock option plan (the "Plan").

The purpose of the proposed Plan is to provide the Company's directors, officers, employees and management company employees of, or consultants to, the Company and its subsidiaries with an opportunity to purchase shares of the Company and benefit from any appreciation in the value of the Company's shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Company, thus enhancing the value of the Company's shares for the benefit of all the shareholders and increasing the ability of the Company and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Company.

The following is a description of the key terms of the Plan, which is qualified in its entirety by reference to the full text of the Plan, a copy of which will be available for inspection at the Meeting:

- (a) Eligible Persons: Directors, officers, employees, management company employees of, or consultants to, the Company and its subsidiaries are eligible to participate in the Plan. The Board of Directors, in its discretion and based on the recommendations of the Company's Corporate Governance, Nomination and Compensation Committee, determines when and whether to grant options under the Plan to eligible persons.
- (b) Number of Shares Reserved: The 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 security based compensation plans, is 10% of the Company's issued common shares at the time of the grant of a stock option under the Plan. As at the date of this Information Circular, the Company has 25,170,000 options granted with a remaining balance of 3,984,676 options eligible for future grants under the Plan. Options that expire or terminate without being exercised will again be available under the Plan.
- (c) Limitations: The maximum aggregate number of shares issuable pursuant to all of the Company's security based compensation, including the Plan, in any 12 month period to any one consultant must not exceed 2% of the issued shares of the Company, calculated as at the date any security based compensation is granted or issued to the consultant. The aggregate number of options granted to investor relations service providers in any 12 month period must not exceed 2% of the issued shares of the Company, calculated at the time of grant of the stock option.
- (d) Disinterested Shareholder Approval: Disinterested Shareholder Approval (as defined in the Plan) is required for any amendment to options held by insiders that would have the effect of decreasing the exercise price of such options or that results in a benefit to an insider. Unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of shares issuable pursuant to all of the Company's security based compensation, including this Plan, granted or issued to:
  - (i) any one optionee in any 12 month period must not exceed 5% of the issued shares, calculated as at the date any security based compensation is granted or issued;
  - (ii) insiders (as a group) must not exceed 10% of the issued shares at any point in time; and
  - (iii) insiders (as a group) in any 12 month period must not exceed 10% of the issued shares, calculated as at the date any security based compensation is granted or issued.
- (e) Exercise Price: The Plan provides that the option exercise price, as determined by the Board of Directors, must not be less than the last closing price of the Company's common shares on the TSX Venture Exchange ("Exchange") before the date of grant, less the applicable discount permitted by the policies of the Exchange.
- (f) Term: The term of any option granted under the Plan will be determined by the Board of Directors and, subject to any applicable blackout extension as noted below, shall not be greater than 10 years from the date of grant.
- (g) Vesting: The vesting of options is at the discretion of the Board of Directors. Options granted to any investor relations service providers shall vest in 4 stages over 12 months with no more than one-quarter of such options vesting no sooner than 3 months after the date of grant and, thereafter, no more than one-quarter of such options vesting no sooner than on each of the 6, 9, and 12 month anniversaries of the date of grant. Subject to the approval of the Exchange, if required, the Board of Directors shall have the right to accelerate the date of vesting of any portion of any option which remains unvested. Upon a Change in Control, as defined in the Plan, all options shall become immediately exercisable, notwithstanding any contingent vesting provisions.
- (h) Expiry and Termination: An option shall terminate at the earliest of the following dates:
  - (i) the expiry date specified in the option agreement, subject to any applicable blackout extension;
  - (ii) in the event of death, any options held by the deceased optionee shall pass to a qualified successor and be exercisable until the earlier of 12 months following the date of death and the expiry of the option term;
  - (iii) upon an optionee's employment or engagement as a service provider being terminated for cause, or if an optionee is a director or officer and is removed from office, any options not then exercised shall terminate immediately. If an optionee becomes permanently disabled, any options shall be exercisable until the earlier of 6 months after the date of disability and the expiry of the option term. If an optionee's employment, office, term as a director, or engagement as a service provider is ended or expires otherwise than by reason of termination for cause or by removal, such optionee's option shall be exercisable until the earlier of 90 days after such termination and the expiry of the option term;

- (iv) in the event the Company proposes to amalgamate, merge, or consolidate or to liquidate, dissolve or wind up, or in the event an offer to purchase shares of the Company is made to all shareholders, the Company shall have the right to provide written notification to all optionees of the expiry of all options within 30 days; and
  - (v) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such option in violation of the terms of the stock option plan.
- (i) **Blackout Extension:** If an option expires during a formal blackout period self-imposed by the Company pursuant to its internal trading policies, then the option shall expire 10 days after the blackout period is lifted by the Company; provided that, such automatic extension is not applicable if the Company or optionee is subject to a cease trade order or similar trading restriction.
  - (j) **Cashless Exercise:** The Plan allows for “cashless exercise” which is an arrangement that the Company has with a brokerage firm pursuant to which the brokerage firm will loan money to the optionee to purchase the common shares that are subject to the option. The brokerage firm then sells a sufficient number of shares to cover the option price in order to repay the loan made to the optionee. The brokerage firm receives an equivalent number of shares from the exercise of the option and the optionee then receives the balance of shares, or the cash proceeds from the balance of such shares, from the exercise of the option.
  - (k) **Amendments:** Subject to approval of the Exchange, if required, the Board may terminate, suspend or discontinue the Plan, or amend or revise the terms of the Plan or an outstanding option, provided that for certain amendments, the Board of Directors must obtain shareholder approval.

The Exchange requires that this Plan be approved by the Company's shareholders every year at the Company's annual general meeting. If shareholder approval of the proposed Plan or a modified version thereof is not obtained, the Company will not proceed to implement the proposed Plan nor grant options under it. Even if approved, the directors may determine not to proceed with the proposed Plan.

The directors recommend that the shareholders approve the proposed Plan.

The Management Appointees named in the accompanying Instrument of Proxy intend (in the absence of direction to the contrary) to vote FOR the above resolution at the Meeting.

#### **Ratification of Shareholder Rights Plan**

The Company adopted a shareholder rights plan effective September 4, 2020 with Computershare Investor Services Inc. as rights agent (the “Rights Plan”). The Rights Plan was approved by the shareholders of the Company at its annual general meeting held on September 4, 2020 and must be ratified by the shareholders at every third annual meeting of the Company's shareholders.

Accordingly, shareholders of the Company will be asked at the Meeting to pass an ordinary resolution to ratify and confirm the Rights Plan for an additional three years (until the conclusion of the 2026 annual meeting of shareholders). If such resolution is not passed at the Meeting, the Rights Plan will terminate at the conclusion of the Meeting. The Company is not currently aware of any shareholder whose votes will be ineligible to be counted towards the ordinary resolution to ratify and confirm the Rights Plan.

The TSX Venture Exchange (“Exchange”) initially accepted the Rights Plan for filing on September 15, 2020. This renewal of the Rights Plan is subject to Exchange approval.

A copy of the Rights Plan is available under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **Purpose of the Rights Plan**

The objectives of the Rights Plan are to ensure, to the extent possible, that all shareholders are treated equally and fairly in connection with any take-over bid or similar proposal to acquire common shares of the Company.

Take-over bids may be structured in such a way as to be coercive or discriminatory in effect, or may be initiated at a time when it will be difficult for the Board of Directors of the Company to prepare an adequate response. Such offers may result in shareholders receiving unequal or unfair treatment, or not realizing the full or maximum value of their investment in the Company.

The Rights Plan discourages the making of any such offers by creating the potential of significant dilution to any offeror who does so. This potential is created through the issuance to all shareholders of contingent rights to acquire additional common shares of the Company at a significant discount to then prevailing market prices, which could, in certain circumstances, become exercisable by all shareholders other than an offeror and its associates, affiliates and joint actors.

An offeror can avoid that potential by making an offer that either: (i) qualifies as a “Permitted Bid” under the Rights Plan, and therefore meets certain specified conditions (including a minimum deposit period of 105 days) which aim to ensure that all shareholders are treated fairly and equally; or (ii) does not qualify as a “Permitted Bid” but is negotiated with the Company and has been exempted by the Board of Directors from the application of the Rights Plan in light of the opportunity to bargain for agreed terms and conditions to the offer that are believed to be in the best interests of shareholders.

Notwithstanding that there have been recent amendments to the current Canadian securities legislation which include, inter alia, an increased minimum deposit period from 35 days to 105 days, the Board of Directors believes that the Rights Plan remains in the best interests of the Company and will ensure that all shareholders have an equal opportunity to participate in a change of control transaction.

The Rights Plan was not proposed in response to, or in anticipation of, any pending, threatened or proposed acquisition or take-over bid known to the management of the Company. The Rights Plan is also not intended as a means to prevent a take-over of the Company, to secure the continuance of management or the directors in their respective offices, or to deter fair offers for the common shares of the Company.

For a summary of the key terms and conditions of the Rights Plan, please see Schedule "B" to this Information Circular. Shareholders are urged to carefully review the summary in its entirety.

#### Shareholder Approval

At the Meeting, shareholders of the Company will be asked to consider, and if thought fit, to approve the following ordinary resolution:

"BE IT RESOLVED, as an ordinary resolution of the holders of common shares of Southern Silver Exploration Corp. (the "Company"), that:

1. the shareholder rights plan containing the terms and conditions set forth in the shareholder rights plan agreement dated September 4, 2020 between the Company and Computershare Investor Services Inc. is hereby ratified and confirmed; and
2. any one director or officer of the Company is hereby authorized and directed to execute and deliver all such documents and to do or cause to be done all such other acts and things as they may deem necessary or desirable to give effect to or carry out the intent of this resolution, including compliance with all securities laws and regulations and rules and policies of the TSX Venture Exchange."

The Board of Directors recommends that you vote FOR the ordinary resolution to ratify and confirm the Rights Plan.

The Management Appointees named in the accompanying Instrument of Proxy intend (in the absence of direction to the contrary) to vote FOR the above resolution at the Meeting.

MANAGEMENT IS NOT AWARE OF ANY OTHER MATTER TO COME BEFORE THE MEETING OTHER THAN AS SET FORTH IN THE NOTICE OF MEETING. IF ANY OTHER MATTER PROPERLY COMES BEFORE THE MEETING, IT IS THE INTENTION OF THE MANAGEMENT APPOINTEES TO VOTE THE SHARES REPRESENTED BY THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR ON ANY BALLOT THAT MAY BE CALLED FOR IN ACCORDANCE WITH THEIR BEST JUDGMENT ON SUCH MATTER.

#### **GENERAL**

**Unless otherwise directed, it is the intention of the Management Appointees to vote proxies in favour of the resolutions set forth herein.** All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the shareholders. All special resolutions require, for the passing of the same, a 2/3 majority of the votes cast at the Meeting by the shareholders.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company can be found at [www.sedarplus.ca](http://www.sedarplus.ca) and at the Company's website at [www.southernsilverexploration.com](http://www.southernsilverexploration.com). A copy of the following documents may be obtained, without charge, upon request to the President of the Company at 1100 – 1199 West Hastings Street, Vancouver, BC V6E 3T5, Phone: (604) 806-0626, Email: [info@mnxlimited.com](mailto:info@mnxlimited.com):

- (a) the comparative financial statements of the Company for the financial year ended April 30, 2023 together with the accompanying report of the auditor thereon and related Management's Discussion and Analysis and any interim financial statements of the Company for periods subsequent to April 30, 2023 and related Management's Discussion and Analysis; and
- (b) this Information Circular.

#### **BY ORDER OF THE BOARD OF DIRECTORS OF SOUTHERN SILVER EXPLORATION CORP.**

*"Lawrence Page, K.C."*

Lawrence Page, K.C.  
President

## SCHEDULE "A"

### AUDIT COMMITTEE CHARTER

*(Adopted by the Board of Directors of Southern Silver Exploration Corp. on October 10, 2004)*

#### A. PURPOSE

An audit committee is a committee of a board of directors to which the board delegates its responsibility for oversight of the financial reporting process. Traditionally, the audit committee has performed a number of roles, including:

- (a) helping directors meet their responsibilities;
- (b) providing better communication between directors and the external auditors;
- (c) enhancing the independence of the external auditor;
- (d) increasing the credibility and objectivity of financial reports; and
- (e) strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor.

Multilateral Instrument 52-110 *Audit Committees* ("MI 52-110") requires that the audit committee also be responsible for managing, on behalf of the shareholders, the relationship between the issuer and its external auditors. In particular, it provides that an audit committee must have responsibility for:

- (a) overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or related work; and
- (b) recommending to the board of directors the nomination and compensation of the external auditors.

Although under corporate law, an issuer's external auditors are responsible to the shareholders, in practice, shareholders have often been too dispersed to effectively exercise meaningful oversight of the external auditors. As a result, management has typically assumed this oversight role. However, the auditing process may be compromised if the external auditors view their main responsibility as serving management rather than the shareholders. By assigning these responsibilities to an independent audit committee, MI 52-110 ensures that the external audit will be conducted independently of the issuer's management.

MI 52-110 provides that an audit committee must be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditors regarding financial reporting. Notwithstanding this responsibility, the external auditors are retained by, and are ultimately accountable to, the shareholders. As a result, MI 52-110 does not detract from the external auditors' right and responsibility to also provide their views directly to the shareholders if they disagree with an approach being taken by the audit committee.

The Board of Directors (the "Board") of Southern Silver Exploration Corp. (the "Company") is responsible for the management of the business and affairs of the Company. The Audit Committee (the "Committee") is appointed by the Board as an independent and objective party to assist in fulfilling the Board's responsibility for oversight of the Company's financial reporting process.

The Company must comply with the applicable requirements of MI 52-110 which includes having a written charter that sets out the Committee's mandate and responsibilities. As of the date above, the Company is a Venture Issuer as that term is defined under MI 52-110. Accordingly, it is exempt from the requirements of Part 3: Composition of the Audit Committee and Part 5: Reporting Obligations of MI 52-110. The Board may, at any time, amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

#### B. AUTHORITY

1. The Committee, through its Chair, may directly contact any officer or employee of the Company as it deems necessary or advisable to fulfill its duties and responsibilities, and any officer or employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions;
2. The external auditors will report directly to the Committee. The external auditors shall have a direct line of communication to the Committee through its Chair and may bypass management if deemed necessary; and
3. The Committee may engage, at the Company's expense, outside legal counsel or other advisors as the Committee considers necessary to fulfill its duties and responsibilities and to negotiate compensation arrangements for any such advisors.

### **C. COMPOSITION AND MEETINGS**

1. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee;
2. The Committee shall be composed of three or more members of the Board, a majority of whom are not officers or employees of the Company or of an affiliate of the Company. The members of the Committee shall appoint from among themselves a Chair of the Committee. The Chair shall have responsibility for ensuring that the Committee fulfills its principal duties and responsibilities effectively;
3. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone or other telecommunication device at a Committee meeting shall constitute a quorum;
4. If and whenever a vacancy shall exist in a Committee meeting, the remaining members of the Committee may exercise all of its powers and responsibilities provided a quorum has been established;
5. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a Committee meeting called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a Committee meeting called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation;
6. The time and place at which a Committee meeting shall be held, and procedures at such meetings shall be determined from time to time by the Committee. A Committee meeting may be called by email, telephone, facsimile, letter or other communication means, by giving at least 48 hours notice. Notice of a Committee meeting shall not be necessary if all of the members are present either in person or by telephone or other telecommunication device or if those absent have waived notice or otherwise signified their consent to the holding of such meeting;
7. The Committee may invite such officers, directors and employees of the Company and its subsidiaries as it may see fit, from time to time, to attend at Committee meetings;
8. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at Committee meetings;
9. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required. Any member of the Committee or the external auditors may request a meeting of the Committee; and
10. The external auditors shall receive notice of and have the right to attend all Committee meetings.

### **D. PRINCIPAL DUTIES AND RESPONSIBILITIES**

1. The overall duties and responsibilities of the Committee shall be as follows:
  - (a) assist the Board in the discharge of its responsibilities relating to the Company's accounting principles and reporting practices including its approval of the Company's annual and quarterly consolidated financial statements and corresponding management's discussion and analysis ("MD&A");
  - (b) establish and maintain a direct line of communication with the Company's external auditors and assess their performance;
  - (c) ensure that the management of the Company has designed, implemented and is maintaining an effective financial reporting system;
  - (d) ensure compliance with MI 52-110; and
  - (e) report regularly to the Board on the fulfillment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
  - (a) verify the independence of external auditors and recommend to the Board a firm of external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company;
  - (b) monitor the independence of the external auditors and confirm their independence to the Board on an annual basis;
  - (c) recommend to the Board the compensation of the external auditor;
  - (d) oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
  - (e) pre-approve all non-audit services to be provided to the Company by the external auditors unless otherwise provided for in MI 52-110;
  - (f) review the audit plan of the external auditors prior to the commencement of the audit;
  - (g) review with the external auditors any changes or proposed changes in accounting policies, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to the Company's financial reporting;
  - (h) discuss with the external auditors the quality and appropriateness of the Company's accounting principles;
  - (i) review with the external auditors, upon completion of their audit:
    - (i) contents of their report including the scope and quality of the audit work performed;
    - (ii) adequacy of the Company's financial and auditing personnel;
    - (iii) co-operation received from the Company's personnel during the audit;
    - (iv) internal resources used;

- (v) significant transactions outside of the normal business of the Company;
  - (vi) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
  - (vii) the non-audit services provided by the external auditors; and
  - (j) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the external auditors have been implemented.
3. The Committee shall review and discuss with Management and the Auditors, where appropriate, the following financial documents and reports prior to public disclosure:
- (a) the annual report, including the audited financial statements and the Auditors' report to the shareholders of the Company, and quarterly financial statements and corresponding MD&A;
  - (b) all press releases containing financial information extracted or derived from the Company's financial statements or MD&A;
  - (c) all certifications that may be made by Management on the annual or quarterly financial results, disclosure controls and procedures and internal controls over financial reporting;
  - (d) any legal, tax or regulatory matters that may have a material impact on the Company's operations and financial statements; and
  - (e) all financial information contained in any prospectus, information circular or other disclosure documents or regulatory filings containing financial information of the Company.
4. The Committee shall recommend to the Board the amendment or approval of all annual and interim financial statements and MD&A and any other documents that may be reviewed by the Committee.
5. Other duties and responsibilities of the Committee shall be as follows:
- (a) ensure that procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, such as press releases, and periodically assess the adequacy of the procedures;
  - (b) implement procedures for:
    - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
    - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
  - (c) review and approve the Company's hiring policies regarding partners, employees or former partners and employees of the present and former external auditors of the Company; and
  - (d) make recommendations to the Board with respect to any changes or improvements to the financial reporting process including this Charter.

## **SCHEDULE “B”**

### **SUMMARY OF THE RIGHTS PLAN**

Please see “Ratification of Shareholder Rights Plan” in the Information Circular to which this Schedule is attached for a discussion of the Rights Plan and the reasons for the Board of Directors recommending its ratification.

Capitalized terms used but not specifically defined in this Schedule shall have the meanings ascribed thereto in the Information Circular.

The following summary of the Rights Plan is qualified in its entirety by reference to the complete text of the Shareholder Rights Plan Agreement dated September 4, 2020 between the Company and Computershare Investor Services Inc. as rights agent. The Shareholder Rights Plan Agreement shall govern in the event of any conflict between the provisions thereof and this summary. A copy of the Shareholder Rights Plan Agreement is available under the Company’s profile at [www.sedarplus.ca](http://www.sedarplus.ca) or by contacting the Secretary of the Company at 1100-1199 West Hastings Street Vancouver, British Columbia, V6E 3T5.

#### ***Term***

If ratified and confirmed at the Meeting, the Rights Plan will (subject to earlier termination in accordance with its terms) remain in effect until termination of the annual meeting of shareholders in 2026 unless the shareholders vote by ordinary resolution at that meeting to ratify and confirm the Rights Plan. If shareholders do not ratify and confirm the Rights Plan at the Meeting, the Rights Plan will terminate at the conclusion of the Meeting.

#### ***Issue of Rights***

One right (a “Right”) was issued by the Company in respect of each common share of the Company outstanding at the close of business on September 4, 2020, being the effective date of the Shareholder Rights Plan Agreement (the “Record Time”). One Right has and will also be issued for each additional common share (or other voting share of the Company) issued after the Record Time and prior to the earlier of the Separation Time (as defined below) and the time at which the Rights expire and terminate.

The issuance of the Rights is not dilutive and will not affect reported earnings or cash flow per share unless the Rights separate from the underlying shares in connection with which they were issued and become exercisable or are exercised.

The issuance of the Rights will also not change the manner in which shareholders currently trade their common shares, and is not intended to interfere with the Company’s ability to undertake equity offerings in the future.

#### ***Separation Time / Ability to Exercise Rights***

The Rights are not exercisable, and are not separable from the shares in connection with which they were issued, until the “Separation Time”, being the close of business on the date that is 10 business days after the date a person becomes an Acquiring Person (as defined below) or announces an intention to make a take-over bid that does not qualify as a Permitted Bid (as defined below), or such later time as the Board of Directors may determine.

#### ***Acquiring Person***

A person will be considered to be an Acquiring Person for the purposes of the Rights Plan if they, together with their associates, affiliates and joint actors, acquire beneficial ownership (within the meaning of the Rights Plan) over 20% or more of the outstanding voting shares of the Company other than pursuant to a Permitted Bid or another type of transaction that is excepted under the Rights Plan.

In general terms, a person will not be considered to be an Acquiring Person for the purposes of the Rights Plan if it becomes the holder of 20% or more of the voting shares by reason of: (i) a reduction of the number of voting shares outstanding; (ii) an acquisition under a Permitted Bid (as defined below); (iii) an acquisition in respect of which the Board of Directors of the Company has waived the application of the Rights Plan; (iv) an acquisition under a dividend or interest reinvestment plan or a stock dividend or similar pro rata event; (v) an acquisition from treasury that does not result in an increase in the person’s proportionate shareholdings; or (vi) the exercise of convertible securities that were themselves received by the person pursuant to such a transaction; provided, however, that any subsequent increase by 1% or more in the person’s shareholdings (other than pursuant to an exempt transaction) will cause the person to be an Acquiring Person for the purposes of the Rights Plan.

#### ***Consequences of a Flip-in Event***

A “Flip-in Event” refers to any transaction or event pursuant to which a person becomes an Acquiring Person. Following the occurrence of a Flip-in Event as to which the Board of Directors has not waived the application of the Rights Plan, each Right held by:

- (a) an Acquiring Person (or any of its associates, affiliates or joint actors) on or after the earlier of the Separation Time or the first date of public announcement that an Acquiring Person has become such, shall become null and void; and
- (b) any other shareholder shall entitle the holder thereof to purchase additional common shares from the Company at a substantial discount to the prevailing market price at the time.

### ***Permitted Bid Requirements***

An offeror may make a take-over bid for the Company without becoming an Acquiring Person (and therefore subject to the consequences of a Flip-in Event described above) if it makes a take-over bid (a "Permitted Bid") that meets certain requirements, including that the bid must be:

- (a) made pursuant to a formal take-over bid circular under applicable securities laws;
- (b) made to all registered holders of voting shares (other than the offeror); and
- (c) subject to irrevocable and unqualified provisions that:
  - i. the bid will remain open for acceptance for at least 105 days from the date of the bid;
  - ii. the bid will be subject to a minimum tender condition of more than 50% of the voting shares held by independent shareholders;
  - iii. the bid will be extended for at least 10 business days if more than 50% of the voting shares held by independent shareholders are deposited to the bid (and the offeror shall make a public announcement of that fact); and
  - iv. any shares deposited can be withdrawn until taken up and paid for.

A competing take-over bid that is made while a Permitted Bid is outstanding and satisfies all of the criteria for Permitted Bid status, except that it may expire on the same date (which may be less than 105 days after such bid is commenced) as the Permitted Bid that is outstanding (subject to a minimum bid period of 35 days from commencement), will be considered to be a "Permitted Bid" for the purposes of the Rights Plan.

### ***Certificates and Transferability***

Before the Separation Time, the Rights will be evidenced by a legend imprinted on share certificates issued after the effective date of the Shareholder Rights Plan Agreement. Although Rights will also be attached to common shares of the Company outstanding on the effective date, share certificates issued before the effective date will not (and need not) bear the legend. Shareholders will not be required to return their certificates to be entitled to the benefits of the Rights Plan.

From and after the Separation Time, Rights will be evidenced by separate certificates.

Before the Separation Time, Rights will trade together with, and will not be transferable separately from, the shares in connection with which they were issued. From and after the Separation Time, Rights will be transferable separately from the shares.

### ***Waiver***

A potential offeror for the Company that does not wish to make a Permitted Bid can nevertheless negotiate with the Board of Directors to make a formal take-over bid on terms that the Board of Directors considers fair to all shareholders, in which case the Board of Directors may waive the application of the Rights Plan. Any waiver of the Rights Plan's application in respect of a particular take-over bid will constitute a waiver of the Rights Plan in respect of any other formal take-over bid made while the initial bid is outstanding.

The Board of Directors may also waive the application of the Rights Plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered the Flip-in Event thereafter reduces its beneficial holdings below 20% of the outstanding voting shares of the Company within 14 days or such other date as the Board of Directors may determine.

With shareholder approval, the Board of Directors may waive the application of the Rights Plan to any other Flip-in Event prior to its occurrence.

***Redemption***

Rights are deemed to be redeemed following completion of a Permitted Bid (including a competing Permitted Bid) or any other take-over bid in respect of which the Board of Directors has waived the Rights Plan's application.

With requisite approval, the Board of Directors may also, prior to the occurrence of a Flip-in Event, elect to redeem all (but not less than all) of the then outstanding Rights at a nominal redemption price of \$0.00001 per Right.

***Directors' Duties***

The Rights Plan does not in any way lessen or affect the duty of the Board of Directors to act honestly and in good faith with a view to the best interests of the Company. In the event of a take-over bid or any other such proposal, the Board of Directors will still have the duty to take such actions and make such recommendations to shareholders as are considered appropriate.

***Amendments***

Amendments to the Rights Plan are subject to shareholder approval, unless to correct any clerical or typographical error or (subject to confirmation at the next meeting of shareholders) make amendments that are necessary to maintain the Rights Plan's validity as a result of changes in applicable legislation, rules or regulations. Any amendments will also be subject to any requisite approval of any stock exchange on which the shares of the Company are then trading.