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**Management's Discussion and Analysis  
For the Six Months Ended October 31, 2023  
Dated: December 20, 2023**

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# Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2023

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## A. Introduction

The following Management's Discussion and Analysis ("MD&A") of the consolidated operating results and financial condition of Southern Silver Exploration Corp. (the "Company") is for the six months ended October 31, 2023 and is dated December 20, 2023. This MD&A was prepared to conform to National Instrument ("NI") 51-102F1 and was approved by the Board of Directors prior to its release.

This analysis should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three and six months ended October 31, 2023, and the Company's audited consolidated financial statements for the years ended April 30, 2023 and 2022, and the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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

The Company's functional and reporting currency is the Canadian dollar and all dollar amounts included herein are in Canadian dollars, unless otherwise indicated.

Additional information relating to the Company is available at [www.southernsilverexploration.com](http://www.southernsilverexploration.com) and on SEDAR+ at <https://www.sedarplus.ca/>.

## B. Qualified Person

Robert W. J. Macdonald, P. Geo., is the qualified person as defined by National Instrument 43-101 responsible for the technical information included in this MD&A and the supervision of work done in association with the exploration and development programs. Mr. Macdonald graduated with a B.Sc. degree from Memorial University of Newfoundland and a M.Sc. from the University of British Columbia. His work has focused on vein and intrusive-related gold systems and massive sulphide deposits.

## C. Foreign Exchange Information and Conversion Tables

For ease of reference, the following information is provided:

| Canadian Dollars per US Dollar |                  |        | Conversion Table   |   |                     |
|--------------------------------|------------------|--------|--------------------|---|---------------------|
|                                | Six Months Ended |        |                    |   |                     |
|                                | October 31       |        | Imperial           |   | Metric              |
|                                | 2023             | 2022   |                    |   |                     |
| Rate at end of period          | 1.3883           | 1.3644 | 1 acre             | = | 0.404686 hectares   |
| Average rate for period        | 1.3466           | 1.3321 | 1 foot             | = | 0.304800 meters     |
|                                |                  |        | 1 mile             | = | 1.609344 kilometres |
|                                |                  |        | 1 ton              | = | 0.907185 tonnes     |
|                                |                  |        | 1 Ounce (troy)/ton | = | 34.285700 g/t       |

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

| Precious metal units and conversion factors |                         |               |   |              |                 |
|---|-------------------------|---------------|---|--------------|-----------------|
| ppb   | - Part per billion      | 1 ppb         | = | 0.0010 ppm   | = 0.000030 oz/t |
| ppm   | - Part per million      | 100 ppb       | = | 0.1000 ppm   | = 0.002920 oz/t |
| oz  | - Ounce (troy)          | 10,000 ppb    | = | 10.0000 ppm  | = 0.291670 oz/t |
| oz/t  | - Ounce per ton (avdp.) | 1 ppm         | = | 1.0000 ug/g  | = 1.000000 g/t  |
| g   | - Gram                  |               |   |              |                 |
| g/t   | - gram per metric ton   | 1 oz/t        | = | 34.2857 ppm  |                 |
| mg  | - milligram             | 1 Carat       | = | 41.6660 mg/g |                 |
| kg  | - kilogram              | 1 ton (avdp.) | = | 907.1848 kg  |                 |
| ug  | - microgram             | 1 oz (troy)   | = | 31.1035 g    |                 |

### D. Summary of Mineral Properties

The Company's principal business activities include the acquisition, exploration, and development of natural resource properties for enhancement of value and disposition pursuant to sales agreements or development by way of third-party option and/or joint venture agreements.

The Company is continuing to advance its core asset - Cerro Las Minitas - a silver-lead-zinc property located in Durango State, Mexico. The property is a large land position and lies within the prolific Faja de Plata (Belt of Silver) of north central Mexico.

The Company also continues to advance (i) Oro, a gold-silver-copper-lead-zinc property located in New Mexico, USA, that features a classic porphyry zonation within the highly prospective Laramide Porphyry belt of the southern USA; (ii) Hermanas, located approximately 40km east of Oro which covers an area of epithermal quartz veining approximately 4km by 3km; and (iii) the El Sol silver-lead-zinc claim which covers the northwest projection of the Blind and El Sol zones at the Cerro Las Minitas project.

#### Cerro Las Minitas - Durango, Mexico

The property is located about 70 kilometres to the northeast of the city of Durango in Durango State, Mexico, and is accessed easily by road. The property comprises twenty-five concessions totaling approximately 27,422 hectares in one of the most significant silver-producing regions in the world.

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

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### D. Summary of Mineral Properties, continued

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

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

The Bocona Deposit consists of several separate sub-zones – the Bocona Skarn Zone, the Muralla Zone and related hanging wall panels. The Bocona Skarn Zone is also localized on the outer edge of the skarn alteration zone surrounding the Central Monzonite Intrusion, wrapping around its Northeastern margin where it transitions into the North Felsite Deposit. The upper part of the Muralla zone is strongly oxidized and is the basis of the quoted oxide resource.

Mineralization occurs as massive-sulphide pipes, veins and replacements in sub-vertical structures that demonstrate good continuity between drill holes. Mineralization is open on-strike and at depth in a similar geological environment to that of major Mexican Carbonate Replacement Deposits (CRDs) such as Santa Eulalia (45Mt of 310g/t Ag, 7.1% Zn and 8.2% Pb) and Skarn deposits such as San Martin (60Mt of 118g/t Ag, 0.9% Pb and 3.9% Zn).

On March 22, 2023, the Company released an updated NI 43-101 mineral resource estimate for the sulphide resources on the project which, at a US\$60/t NSR cut-off, featured:

- **Indicated Mineral Resources** of 140 million ounces silver equivalent or 2.3 billion pounds zinc equivalent which includes 12.5 million tonnes averaging 106g/t Silver, 0.07g/t Gold, 0.2% Copper, 1.3% Lead and 3.3% Zinc (349g/t AgEq; 8.5% ZnEq) equaling a US\$130/t NSR value and containing: 42.7 million ounces of silver; 29 thousand ounces of gold; 46 million pounds of copper, 364 million pounds of lead; and 903 million pounds of zinc.
- **Inferred Mineral Resources** of 210 million ounces silver equivalent or 3.5 billion pounds zinc equivalent which includes 21.0 million tonnes averaging 118g/t Silver, 0.1g/t Gold, 0.2% Copper, 1.2% Lead and 2.2% Zinc (311g/t AgEq; 7.6% ZnEq) equaling a US\$123/t NSR value and containing 80.0 million ounces of silver; 85 thousand ounces of gold; 101 million pounds of copper, 571 million pounds of lead; and 1,029 million pounds of zinc.

The new Mineral Resource Estimate incorporates results from 26 additional drill holes totalling 11,801.5 metres which tested the north-western extension of the La Bocona deposit, known as the North Felsite zone. Mineralization was also identified in several holes specifically along the northern margin of the central intrusion that were not incorporated into the new resource update and, with further drilling, represent additional expansion opportunities.

A small oxide resource was identified within the upper 100 metres of surface in the La Bocona zone. The 2021 oxide resources, as reported on October 27, 2021, at a US\$60/t cut-off are:

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

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### D. Summary of Mineral Properties, continued

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

The updated Mineral Resource Estimate increases the size of the resource on a tonnage and silver-equivalency basis making it one of the largest and higher-grade undeveloped silver-based deposits in the world and, significantly, the property is not burdened with royalties, presenting potential financing opportunities for additional work on the property.

Since starting exploration on the project in 2011, the Company has completed, inclusive of the current drill program, 226 drill holes totaling over 97,384 metres. Mineralization remains open at depth, particularly on the eastern side of the Cerro which with further exploration can continue to add high margin mineralization early in the production scenario.

On August 29, 2022 the Company reported on results from its **Preliminary Economic Assessment** ("PEA"). The PEA is based on the October, 2021 Mineral Resource Estimate on the project and did not consider the oxide resource. Highlights include:

- **Robust Project Economics - Base Case:** after-tax NPV5% of US\$349M and IRR of 17.9% (using Ag- \$21.95/oz, Cu – \$3.78/lb, Pb – \$0.94/lb and Zn - \$1.33/lb);
- **Excellent Silver and Zinc Price Leverage - Base-case +15%:** after-tax NPV5% of US\$561M and IRR of 24.4% (Ag- \$25.24/oz, Cu – \$4.35/lb, Pb – \$1.08/lb and Zn - \$1.53/lb);
- **A Large-Scale Underground Mining Operation** with a **15-year mine life** with an annual average plant feed of **14.2 Mozs AgEq** (inc. 5.8 Mozs Ag) at an **AISC of \$13.27/oz AgEq sold**; and
- **A High-Revenue Project:** Base Case gross revenues total **US\$3.7B** with silver representing 42% of revenues, zinc representing 39% of revenues. The project has an **Initial Capital Expenditure of US\$341M** and an NPV-to-CapEx ratio of 1.0X.

The results of the PEA mark a significant milestone in the development of the property. Work on project economics continues with a focus on adding value early in the production timeline for maximum economic benefit. This includes: the scheduling of the recently added mineral resources, approximately 1.5 million tonnes, into the economic modelling; further engineering upgrades to the project design; a detailed review of the capital expenditures; and pre-concentration to improve the project economics.

*The PEA is preliminary in nature, it may include mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves have not demonstrated economic viability. The mineral resources may be affected by subsequent assessment of mining, environmental, processing, permitting, taxation, socio-economic, and other factors.*

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

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

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

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

In mid-2019, the Company collected additional sample material from the Skarn Front zone including +200kg of sample for lock-cycle testing on a master composite and variability testing on seven additional smaller sub-sets of the Skarn Front mineralization. The locked-cycle test work, as reported in January 2020, was based on the open circuit flowsheet established in the earlier batch test work. Results from the locked-cycle test were combined with copper cleaner test work to create an overall metallurgical projection for the Skarn Front composite as follows:

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

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

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

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

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

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

Earlier work on the CLM project did not consider the potential contribution of gold in the financial modelling mainly due to low gold grades in the Skarn Front mineralization which made up the majority of the mineral resources on the project at that time. The identification of new, more gold-enriched mineral resources represented untapped value to be assessed. In Q2 2023 the Company initiated a metallurgical test program to understand gold deportment in both the sulphide and oxide resources. Metallurgical scoping tests confirmed the technical feasibility of recovering both free cyanide-leachable gold and refractory gold from pyritic material through a process of fine grinding and hot atmospheric pressure oxidation followed by cyanide leaching.

Both sulphide and oxide composites were tested as part of the metallurgical program. Mass balance reconciliations on the sulphide composite test work indicate that 50% of the total gold is recoverable by hot atmospheric pressure oxidation prior to cyanide leaching at an overall 83.9% recovery. An additional 21.5% of gold is recovered into a copper concentrate at payable grades for a total of 71.5% recovery of gold. The oxide composite was treated with standard cyanide-leach over a 48-hour period at increasingly finer grinds. Leach extraction successfully returned 70.2% recovery at a p80 of 75 microns grain size; 74.0% recovery at p80 of 53 microns; and 75.1% recovery at a p80 of 38 microns.

The results are significant as it allows the incorporation of +70% recoveries of gold from both oxide and sulphide mineralization new gold revenues in future economic modelling of the CLM Project. Of the three commercially proven oxidation techniques, the atmospheric leach has demonstrated what is likely the most cost-effective gold extraction technique which can be easily incorporated into future financial modelling of the project.

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### D. Summary of Mineral Properties, continued

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

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

| Indicated Resources |               | Average Grade   |              |               |              |             |                |              |              |                 |
|---------------------|---------------|-----------------|--------------|---------------|--------------|-------------|----------------|--------------|--------------|-----------------|
| Zone                | Tonnes (Kt)   | Ag (g/t)        | Au (g/t)     | Pb (%)        | Zn (%)       | Cu (%)      | AgEq (g/t)     | ZnEq (%)     | NSR (US\$/t) |                 |
| Blind Zone          | 2,347         | 97              | 0.04         | 1.9           | 2.1          | 0.11        | 295            | 7.2          | 108          |                 |
| El Sol Zone         | 1,154         | 80              | 0.04         | 2.2           | 2.0          | 0.09        | 279            | 6.8          | 100          |                 |
| Skarn Front Zone    | 7,254         | 108             | 0.06         | 0.8           | 4.2          | 0.19        | 383            | 9.3          | 140          |                 |
| Bocona Zone         | 1,755         | 130             | 0.18         | 2.2           | 1.7          | 0.21        | 326            | 7.9          | 136          |                 |
| <b>Total</b>        | <b>12,510</b> | <b>106</b>      | <b>0.07</b>  | <b>1.3</b>    | <b>3.3</b>   | <b>0.17</b> | <b>349</b>     | <b>8.5</b>   | <b>130</b>   |                 |
| Inferred Resources  |               | Average Grade   |              |               |              |             |                |              |              |                 |
| Zone                | Tonnes (Kt)   | Ag (g/t)        | Au (g/t)     | Pb (%)        | Zn (%)       | Cu (%)      | AgEq (g/t)     | ZnEq (%)     | NSR (US\$/t) |                 |
| Blind Zone          | 1,347         | 83              | 0.14         | 1.4           | 1.8          | 0.06        | 248            | 6.0          | 88           |                 |
| El Sol Zone         | 863           | 65              | 0.03         | 1.8           | 2.3          | 0.05        | 263            | 6.4          | 90           |                 |
| Las Victorias Zone  | 1,083         | 148             | 0.66         | 2.1           | 2.6          | 0.14        | 431            | 10.5         | 145          |                 |
| Skarn Front Zone    | 11,466        | 115             | 0.05         | 0.7           | 2.7          | 0.32        | 318            | 7.7          | 126          |                 |
| South Skarn Zone    | 3,789         | 140             | 0.18         | 2.0           | 1.3          | 0.09        | 309            | 7.5          | 130          |                 |
| Bocona Zone         | 2,481         | 125             | 0.17         | 1.8           | 1.3          | 0.13        | 285            | 6.9          | 120          |                 |
| <b>Total</b>        | <b>21,030</b> | <b>118</b>      | <b>0.12</b>  | <b>1.2</b>    | <b>2.2</b>   | <b>0.22</b> | <b>311</b>     | <b>7.6</b>   | <b>123</b>   |                 |
| Indicated Resources |               | Contained Metal |              |               |              |             |                |              |              |                 |
| Zone                | Tonnes (Kt)   | Ag (000's)      | TrOz (000's) | u TrO: (Mlbs) | Pb (Mlbs)    | Zn (Mlbs)   | Cu Lbs (Mlbs)  | AgEq (000's) | TrOz (Mlbs)  | ZnEq Lbs (Mlbs) |
| Blind Zone          | 2,347         | 7,350           | 3            | 99            | 109          | 5.5         | 22,291         | 371          |              |                 |
| El Sol Zone         | 1,154         | 2,956           | 2            | 55            | 51           | 2.2         | 10,337         | 172          |              |                 |
| Skarn Front Zone    | 7,254         | 25,106          | 14           | 126           | 678          | 30.7        | 89,421         | 1,490        |              |                 |
| Bocona Zone         | 1,755         | 7,331           | 10           | 84            | 65           | 8.0         | 18,406         | 307          |              |                 |
| <b>Total</b>        | <b>12,510</b> | <b>42,742</b>   | <b>29</b>    | <b>364</b>    | <b>903</b>   | <b>46</b>   | <b>140,455</b> | <b>2,341</b> |              |                 |
| Inferred Resources  |               | Contained Metal |              |               |              |             |                |              |              |                 |
| Zone                | Tonnes (Kt)   | Ag (000's)      | TrOz (000's) | u TrO: (Mlbs) | Pb (Mlbs)    | Zn (Mlbs)   | Cu Lbs (Mlbs)  | AgEq (000's) | TrOz (Mlbs)  | ZnEq Lbs (Mlbs) |
| Blind Zone          | 1,347         | 3,582           | 6            | 40            | 55           | 2           | 10,749         | 179          |              |                 |
| El Sol Zone         | 863           | 1,816           | 1            | 35            | 43           | 1           | 7,283          | 121          |              |                 |
| Las Victorias Zone  | 1,083         | 5,152           | 23           | 51            | 62           | 3           | 15,006         | 250          |              |                 |
| Skarn Front Zone    | 11,466        | 42,462          | 18           | 177           | 687          | 80          | 117,065        | 1,951        |              |                 |
| South Skarn Zone    | 3,789         | 17,007          | 22           | 167           | 112          | 7           | 37,660         | 628          |              |                 |
| Bocona Zone         | 2,481         | 9,977           | 14           | 100           | 71           | 7           | 22,702         | 378          |              |                 |
| <b>Total</b>        | <b>21,030</b> | <b>79,997</b>   | <b>85</b>    | <b>571</b>    | <b>1,029</b> | <b>101</b>  | <b>210,464</b> | <b>3,507</b> |              |                 |



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## D. Summary of Mineral Properties, continued

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

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

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

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

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

### El Sol - Durango, Mexico

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

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

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

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

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

Five core holes were completed in late 2021 and a further three holes in 2022 to test a series of targets defined by earlier surface mapping, rock and soil sampling and proximity to artisanal workings. Drill hole 21SOL-003 returned:

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

The highlight interval intersected down-dip of historic workings located on a northeast-southwest trending structure which has been traced on surface for up to 300 metres laterally before plunging under gravel cover. Work continues on the project to identify additional drill targets on the claim.

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

The Oro property consists of a contiguous block of Federal, State, and private land in the historic Eureka mining district in Grant County, New Mexico and is located approximately 80 kilometres southwest of the Silver City porphyry copper district. The claims surround a highly prospective zone of quartz-sericite-pyrite alteration, interpreted to overlie a series of unexposed porphyry centres. Classic porphyry system zonation is indicated by surface gold and copper mineralization associated with Laramide-age intrusions in this core area, flanked by lead-zinc skarn mineralization and distal sediment-hosted gold occurrences. In addition to bulk-tonnage porphyry copper-molybdenum-gold potential, the property also includes sediment-hosted gold mineralization at the Stockpond target located 3 kilometres to the northeast of the porphyry system and a recently staked, potentially similar, target identified by soil sampling beneath shallow gravel cover to the south of Stockpond.

In October 2017, the company completed the second phase of a 17-hole reverse circulation (RC) drill program on the Stockpond gold target, which intersected thick horizons of strongly silicified and hematite-rich sediments in eight of nine holes drilled, with the higher gold grades spatially associated with zones of strong silicification. The strongest values were obtained in hole SP16-004, which intersected a 41.2 metre interval of 0.42g/t Au (including a 9.1 metre interval of 0.75g/t Au). Offset drilling from this hole returned a 53.3 metre interval averaging 0.24g/t Au from drill hole SP17011 and a 39-metre interval averaging 0.17g/t Au from drill hole SP17-010. Historic gravity data indicates shallow gravel cover exists to the south of Stockpond where attractive host-rocks project into an area with a broad ZTEM anomaly and anomalous values of gold in soil samples. Two drill sites are being permitted to test this area of shallow gravel cover.

The Company previously completed a 300 line-kilometre airborne Z-TEM survey over the entire property at 200-metre line spacing as part of a larger evaluation of the property to identify new targets for drill testing Cu-Mo porphyry and skarn potential. Several potential high-quality Cu-Au porphyry and skarn targets were identified, and six initial sites were permitted for drilling.

A 4,050-metre core hole program was conducted on the property between February and November 2022. Three of the holes focused on a porphyry target and intersected copper porphyry-style alteration and metal zoning, but with sub-economic concentrations of copper.

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

#### **Oro, New Mexico, USA, continued**

One hole, OR22-012, tested part of a strong ZTEM geophysical anomaly in an area believed to be relatively high in the metal system, and where Cretaceous-age carbonate host rocks were expected to lie at relatively shallow depths beneath Laramide-age andesite volcanic rocks. The hole intersected veins with strongly anomalous gold (12.4 g/t Au over 0.8 metres at 495.7 metres depth) in a banded anhydrite+pyrite+calcite breccia vein and, deeper in the hole, intersected anomalous silver and lead (908 g/t Ag and 10.4% Pb over 0.2 metres at 594.6 metres depth) in a barite+galena vein, consistent with expected metal zoning. Favourable carbonate host rocks were intersected with abundant sulfide minerals below a 6-metre-thick massive anhydrite vein at roughly 590-metres depth. The 427.2-metres interval from 578.6 to 1,005.8 metres averages 0.15% CuEq (0.08% Cu, 0.01% Mo, and 1.4g/t Ag), with variable mineralization continuing to the end of the hole at 1,006 metres depth. The strongest mineralization is 9.1 metres of 0.59% Cu, 0.01% Mo, 0.3 g/t Au, and 2.3g/t Ag (0.92% CuEq) from 834.5 to 843.7 metres in a carbonate replacement zone with abundant magnetite, specular hematite, and epidote with minor pyrite, calcite, and anhydrite. Dikes ranging from unaltered to strongly altered are common throughout the hole.

Hole OR22-012 only tested a portion of the strong ZTEM anomaly in the area leaving a significant strike-length and width of the anomaly remaining for further drill testing. Additional Federal lode claims were staked to cover the possible extensions of the copper-rich skarn/CRD mineralization intersected in OR22-012 as well as other newly identified targets.

In November, 2023 the Company verified strong Rare Earth Element (REEs) enrichment in reconnaissance hole OR22-012. Thirty-nine pulps were selected from three enriched Light Rare Earth Element (LREE) zones for re-analyses by a more robust analytical method of fusion/ICPMS to confirm the initial test results and returned:

- **0.104% TREO\* (1,045 ppm) over 10.9m starting at 613.9m,**
- **0.091% TREO\* (913 ppm) over 33.8m starting at 647.4m, and**
- **0.128% TREO\* (1,285 ppm) over 24.4m starting at 794.0m.**

*\* Total Rare Earth Oxides*

The three zones occur in a broad 427.7 metre Cu-enriched mineralized zone averaging 0.15% CuEq (0.08% Cu, 0.01% Mo and 1.4g/t Ag starting at 578m downhole. These results are initially encouraging, and further geological and metallurgical work is required to establish any specific relationship to copper mineralization on the property and if there is potential for byproduct REEs at the property.

#### **Hermanas - New Mexico, USA**

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

The vendors collected 151 surface samples, with seven samples containing +4ppm Au (maximum 30.1ppm Au) and 22 samples containing +30ppm Ag (maximum 4,790ppm Ag).

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### D. Summary of Mineral Properties, continued

#### Hermanas - New Mexico, USA, continued

Verification sampling by the company contain anomalous gold and silver in seven of nine samples collected, including a sample from a small historic mine dump that assayed 6.7ppm Au & 150ppm Ag and a sample of outcropping banded quartz + carbonate vein that assayed 4.6ppm Au & 56ppm Ag. Detailed geologic mapping and additional sampling were conducted. In addition, historic drilling data and airborne geophysical data were identified and acquired.

Drill targets have been identified and permitting has been submitted for a planned drill program.

#### Acquisition Costs

Mineral property acquisition costs as at October 31, 2023 were:

|                                       | Cerro Las<br>Minitas | El Sol         | Oro            | Hermanas       | Total             |
|---------------------------------------|----------------------|----------------|----------------|----------------|-------------------|
|                                       | \$                   | \$             | \$             | \$             | \$                |
| Balance as at April 30, 2022          | 32,974,699           | 384,610        | 551,740        | 58,342         | 33,969,391        |
| Additions, net                        | 47,104               | -              | 166,007        | 38,072         | 251,183           |
| Balance as at April 30, 2023          | 33,021,803           | 384,610        | 717,747        | 96,414         | 34,220,574        |
| Additions, net                        | 26,698               | -              | 192,828        | 45,765         | 265,291           |
| <b>Balance as at October 31, 2023</b> | <b>33,048,501</b>    | <b>384,610</b> | <b>910,575</b> | <b>142,179</b> | <b>34,485,865</b> |

#### Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the six months ended October 31, 2023 and 2022 were:

|                              | Cerro Las Minitas |                  | El Sol     |              | Oro            |                  | Hermanas      |              | Total          |                  |
|------------------------------|-------------------|------------------|------------|--------------|----------------|------------------|---------------|--------------|----------------|------------------|
|                              | \$                | \$               | \$         | \$           | \$             | \$               | \$            | \$           | \$             | \$               |
|                              | 2023              | 2022             | 2023       | 2022         | 2023           | 2022             | 2023          | 2022         | 2023           | 2022             |
| Assays and geochemistry      | 48,803            | 119,486          | -          | -            | 24,778         | 92,129           | -             | 23           | 73,581         | 211,638          |
| Camp, utilities and supplies | 139,650           | 105,605          | -          | -            | 5,297          | 13,424           | -             | -            | 144,947        | 119,029          |
| Claim taxes                  | 116,571           | 82,058           | -          | 746          | -              | -                | -             | -            | 116,571        | 82,804           |
| Drilling                     | -                 | 427,618          | -          | -            | -              | 1,775,405        | -             | -            | -              | 2,203,023        |
| Geological and geophysics    | 261,344           | 321,198          | -          | -            | 49,099         | 164,141          | 11,341        | 6,640        | 321,784        | 491,979          |
| Project supervision          | 252,518           | 258,321          | 100        | 675          | 17,857         | 15,245           | 337           | -            | 270,812        | 274,241          |
| Travel                       | 2,316             | 4,234            | -          | -            | 11,447         | 92,238           | 2,655         | 313          | 16,418         | 96,785           |
| IVA                          | 40,660            | 113,961          | -          | -            | -              | -                | -             | -            | 40,660         | 113,961          |
| Other                        | 3,503             | 6,123            | -          | -            | -              | 883              | 93            | -            | 3,596          | 7,006            |
|                              | <b>865,365</b>    | <b>1,438,604</b> | <b>100</b> | <b>1,421</b> | <b>108,478</b> | <b>2,153,465</b> | <b>14,426</b> | <b>6,976</b> | <b>988,369</b> | <b>3,600,466</b> |

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### E. Results of Operations

The Company incurred a net loss for the six months ended October 31, 2023 of \$1,563,699 (2022 – \$4,417,558).

As per its mandate to acquire, explore, and develop mineral resource properties, the Company continued assessing results from drilling at Cerro Las Minitas and Oro. Preparations continue for drilling at Hermanas (*D - Summary of Mineral Properties*).

Administration costs increased compared with the prior period because of a credit received in the prior period. Consulting costs decreased because of certain contracts expiring. Investor relations were higher in the comparative period as a result of increased promotional and related initiatives in Europe. Professional fees increased due to costs incurred relative to appeals in place with respect to changes in mining laws in Mexico and timing of audit fee billing. Other overhead costs fluctuate as relevant activities are undertaken.

Non-cash share-based payments expense fluctuates as stock options are granted and vest. A number of stock options were granted in the prior period not repeated in the current period. Foreign exchange gains and losses fluctuate based on the US and Canadian dollar exchange rate and the extent of transactions and balances denominated in US dollars. Other income recognized mainly relates to interest income earned on cash reserves.

A summary of variances is as follows:

|                              | 2023     | 2022      | Variance    |
|------------------------------|----------|-----------|-------------|
|                              | \$       | \$        | \$          |
| Administration               | 30,000   | 20,000    | 10,000      |
| Consulting                   | 131,145  | 192,529   | (61,384)    |
| Exploration and evaluation   | 988,369  | 3,600,466 | (2,612,097) |
| Investor relations           | 200,417  | 285,255   | (84,838)    |
| Office and general           | 27,871   | 40,466    | (12,595)    |
| Professional fees            | 176,302  | 149,983   | 26,319      |
| Regulatory fees and taxes    | 31,104   | 23,966    | 7,138       |
| Share-based payments         | -        | 98,730    | (98,730)    |
| Shareholders' communications | 11,892   | 17,036    | (5,144)     |
| Transfer agent               | 31,722   | 22,152    | 9,570       |
| Foreign exchange loss (gain) | 13,299   | 34,183    | (20,884)    |
| Other income                 | (78,422) | (67,208)  | (11,214)    |

### F. Summary of Quarterly Results

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

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### F. Summary of Quarterly Results, continued

|                      | Oct 31,<br>2023 | July 31,<br>2023 | Apr 30,<br>2023 | Jan 31,<br>2023 | Oct 31,<br>2022 | July 31,<br>2022 | Apr 30,<br>2022 | Jan 31,<br>2022 |
|----------------------|-----------------|------------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|
|                      | \$              | \$               | \$              | \$              | \$              | \$               | \$              | \$              |
| Net loss             | 708,598         | 855,101          | 794,709         | 1,113,963       | 2,119,165       | 2,298,393        | 1,976,922       | 1,476,773       |
| Basic loss per share | \$ 0.00         | \$ 0.00          | \$ 0.00         | \$ 0.00         | \$ 0.01         | \$ 0.01          | \$ 0.01         | \$ 0.01         |

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

### G. Related Party Transactions

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

(a) Pursuant to a service agreement between the Company and Manex Resource Group Inc., a company indirectly controlled by Killian Ruby, an officer of the Company, effective April 1, 2023, the Company was charged as follows:

- \$30,000 (2022 - \$nil) for office space and general administration services;
- \$10,973 (2022 - \$nil) for professional services;
- \$10,780 (2022 - \$nil) for Chief Financial Officer services;
- \$8,145 (2022 - \$nil) for consulting services;
- \$60,165 (2022 - \$nil) for corporate development services;
- \$49,138 (2022 - \$nil) for geological services; and
- \$3,361 (2022 - \$nil) for the mark-up on out-of-pocket expenses.

Amounts payable as at October 31, 2023 were \$25,585 (April 30, 2023 - \$22,768).

(b) Consultancy fees in the amount of \$78,000 (2022 - \$78,000) were charged by Advocate Services Limited, a company controlled by Lawrence Page, a director and officer of the Company. Amounts payable as at October 31, 2023 were \$nil (April 30, 2023 - \$13,650).

(c) Consultancy fees in the amount of \$30,000 (2022 - \$30,000) were charged by Rob Macdonald, an officer of the Company, and were included in consulting fees or mineral property expenditures as applicable. Amounts payable as at October 31, 2023 were \$nil (April 30, 2023 - \$5,250).

(d) Consultancy fees in the amount of \$30,000 (2022 - \$30,000) were charged by QDBS Resources Inc., a company controlled by Russell Ball, a director of the Company.

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### G. Related Party Transactions, continued

- (e) Consultancy fees in the amount of \$nil (2022 - \$15,000) were charged by Graham Thatcher, a former officer of the Company.
- (f) Legal fees in the amount of \$9,200 (2022 - \$13,439) were charged by Page Law Corporation, a company controlled by Arie Page, an officer of the Company, and included in professional fees, share issue costs, or mineral property expenditures. Amounts payable as at October 31, 2023 were \$1,008 (April 30, 2023 - \$2,486).
- (g) Consultancy fees in the amount of \$1,500 (2022 - \$nil) were charged by John Oness, an officer of the Company. Amounts payable as at October 31, 2023 were \$1,575 (April 30, 2023 - \$nil).

These transactions were in the normal course of operations. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

The key management personnel of the Company are the directors and officers of the Company. The Company has no long-term employee or post-employment benefits. Compensation awarded to key management, included in (a) to (e) above, was:

|                     | 2023       | 2022       |
|---------------------|------------|------------|
| Short-term benefits | \$ 148,780 | \$ 153,000 |
| Total               | \$ 148,780 | \$ 153,000 |

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

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

As at October 31, 2023, the Company had working capital of \$2,522,839. During the six months ended October 31, 2023, the Company utilized cash for operating activities of \$1,675,266 and for investing activities of \$237,515.

The Company does not yet generate any revenue from operations and, for the foreseeable future, will need to rely upon earn-in agreements and / or issue share capital to finance future exploration and administrative activities. Although the Company has been successful in its financing initiatives, there can be no assurance that the Company will be able to obtain adequate future financing. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with a possible loss of some properties and reduction or termination of operations.

### I. Outstanding Equity and Convertible Securities

#### i) Issued and Outstanding Shares

As of December 20, 2023, the Company had 291,546,757 common shares issued and outstanding.

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

#### ii) Stock Options

Stock options outstanding and exercisable as at December 20, 2023 were:

| Exercise Price                           | Expiry Date        | Balance           |                |                   |
|--|--------------------|-------------------|----------------|-------------------|
|  |                    | October 31, 2023  | Expired        |                   |
| \$0.48                                   | November 5, 2023   | 100,000           | 100,000        | -                 |
| \$0.335                                  | May 5, 2024        | 150,000           | -              | 150,000           |
| \$0.27                                   | October 1, 2024    | 2,750,000         | -              | 2,750,000         |
| \$0.29                                   | December 6, 2024   | 300,000           | -              | 300,000           |
| \$0.20                                   | December 20, 2024  | 100,000           | -              | 100,000           |
| \$0.12                                   | April 3, 2025      | 1,500,000         | -              | 1,500,000         |
| \$0.255                                  | May 24, 2025       | 500,000           | -              | 500,000           |
| \$0.51                                   | September 24, 2025 | 9,000,000         | -              | 9,000,000         |
| \$0.58                                   | October 19, 2025   | 100,000           | -              | 100,000           |
| \$0.50                                   | February 11, 2026  | 200,000           | -              | 200,000           |
| \$0.40                                   | August 13, 2026    | 200,000           | -              | 200,000           |
| \$0.31                                   | September 29, 2026 | 9,550,000         | -              | 9,550,000         |
|  |                    | <b>24,450,000</b> | <b>100,000</b> | <b>24,350,000</b> |
| Weighted average exercise price          |                    | \$0.37            | \$0.48         | \$0.37            |
| Weighted average remaining life in years |                    | 2.13              |                | 2.00              |

#### iii) Share Purchase Warrants

Share purchase warrants outstanding as at December 20, 2023 were:

| Exercise Price                           | Expiry Date        | Balance           |                   |
|--|--------------------|-------------------|-------------------|
|  |                    | October 31, 2023  | December 20, 2023 |
| \$0.25                                   | August 13, 2024    | 9,337,500         | 9,337,500         |
| \$0.25                                   | August 13, 2024    | 187,762           | 187,762           |
| \$0.25                                   | September 4, 2024  | 4,400,000         | 4,400,000         |
| \$0.25                                   | September 4, 2024  | 47,600            | 47,600            |
| \$0.35                                   | August 14, 2025    | 15,597,500        | 15,597,500        |
| \$0.38                                   | August 14, 2025    | 8,502,977         | 8,502,977         |
| \$0.50                                   | September 11, 2025 | 1,200,000         | 1,200,000         |
| \$0.75                                   | June 16, 2026      | 9,000,000         | 9,000,000         |
| \$0.75                                   | June 21, 2026      | 3,000,000         | 3,000,000         |
|  |                    | <b>51,273,339</b> | <b>51,273,339</b> |
| Weighted average exercise price          |                    | \$0.42            | \$0.42            |
| Weighted average remaining life in years |                    | 1.72              | 1.58              |



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### J. Financial Instruments

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

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

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

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

Other than disclosed elsewhere in this MD&A, there are no other material events subsequent to the end of the reporting period. The Company plans to continue to explore its properties and activities over the ensuing year will focus on this. The Company expects to continue its strategy of collaborating with experienced mining companies to acquire and develop other properties and to advance them to production.

### L. Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate entering into any such arrangements in the foreseeable future.

### M. Disclosure Controls and Procedures

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee is composed of three directors, two of whom are independent, who meet at least quarterly with management, and at least annually with the external auditors, to review accounting, internal control, financial reporting, and audit matters. There have been no significant changes to the Company's internal control over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

The Audit Committee has established procedures for complaints received regarding accounting, internal controls, or auditing matters, and for a confidential, anonymous submission procedure for employees who have concerns regarding questionable accounting or auditing matters.

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

The Whistleblower policy is in accordance with National Instrument 52-110 Audit Committees, National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices.

As a venture issuer, the Company is exempt from the certification on Disclosure Controls and Procedures and Internal Control Over Financial Reporting. The Company is required to file Form 52-109FV1 for annual reporting and Form 52-109FV2 for interim reporting.

### **N. Risks and Uncertainties**

The principal business of the Company is the acquisition, exploration, and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of development, the following risk factors, among others, should be considered:

#### *Exploration Stage Company*

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves.

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration.

Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities.

Because of these uncertainties, no assurance can be given that our exploration programs will result in the establishment or expansion of resources or reserves.

#### *No Operating History and Availability of Financial Resources*

The Company does not have an operating history and has no operating revenues and is unlikely to generate any significant amount in the foreseeable future. Therefore, it may not have sufficient financial resources to undertake, by itself, all of its planned exploration and administrative activities.

Historically, the Company has relied mainly upon the issuance of share capital to finance its activities. In the future, the Company will be required to rely on earn-in agreements and / or issue share capital to finance future exploration and administrative activities, which may result in dilution to existing shareholders. Furthermore, the amount of additional funds required may not be available under favorable terms, if at all.

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

Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or discontinue its operations.

#### *Dependence on Key Personnel*

The Company is dependent on a relatively small number of key directors, officers, and senior personnel. The loss of any one of those people could have an adverse effect on the Company. The Company does not currently maintain "key-man" insurance in respect of any of its management.

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

Securities markets in Canada and elsewhere continue to experience a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly. If an active market does not develop, the liquidity of the investment may be limited, and the market price of such securities may decline below the subscription price.

#### *Government Regulations and Environmental Risks and Hazards*

The Company conduct is subject to various federal, provincial, state laws, rules, and regulations, including environmental legislation. Environmental legislation is becoming increasingly stringent, and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities comply in all material respects with applicable environmental legislation. Environmental hazards may exist on the Company's properties, which may have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current property interests that may result in material liability to the Company.

#### *Competition*

The resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped properties.

The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.

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

#### *Title to Property*

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, aboriginal land claims or government expropriation and title may be affected by undetected defects.

#### *Licenses and Permits*

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

#### *Other*

The economic uncertainties around persistent inflation pressure, geopolitical and other global factors have the potential to slow growth in the global economy. Future developments in these challenging areas could impact on the Company's results and financial condition and the full extent of that impact remains unknown.

### **O. Proposed Transactions**

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

### **P. Forward-Looking Statements**

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

These include estimates and statements that describe the Company's future plans, objectives or goals, and expectations of a stated condition or occurrence. Forward-looking statements may be identified by the use of words such as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

## **Southern Silver Exploration Corp.**

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2023

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

Actual results relating to, among other things, results of exploration, reclamation, capital costs, and the Company's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as but not limited to; changes in general economic conditions and conditions in the financial markets; changes in demand and prices for the minerals the Company expects to produce; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the Company's activities; changing foreign exchange rates and other matters discussed in this MD&A.

Readers should not place undue reliance on the Company's forward-looking statements. Further information regarding these and other factors, which may cause results to differ materially from those projected in forward-looking statements, is included in the filings by the Company with securities regulatory authorities. The Company does not assume any obligation to update or revise any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws, whether as a result of new information, future events or otherwise.