

SOUTHERN SILVER EXPLORATION CORP.

Suite 1100 – 1199 West Hastings Street
Vancouver, British Columbia V6E 3T5
Telephone: (604) 684-9384
Fax: (604) 688-4670

NOTICE OF EXTRAORDINARY GENERAL MEETING

TAKE NOTICE that an Extraordinary General Meeting of Shareholders of **SOUTHERN SILVER EXPLORATION CORP.** (hereinafter called the "Company") will be held at Suite 1100 – 1199 West Hastings Street, Vancouver, British Columbia on:

Wednesday, July 29, 2015

at the hour of 10:00 o'clock in the morning (Pacific Time) for the following purposes:

1. to approve the disposition of up to an additional 10% indirect interest in the Company's Cerro Las Minitas Property as more particularly described in the Information Circular accompanying this Notice; and
2. to transact any other business that may properly come before the Meeting and any adjournment thereof.

An Information Circular and a form of Proxy accompany this Notice. The Information Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice.

Registered shareholders are entitled to vote at the Meeting in person or by proxy. Registered shareholders who are unable to attend the Meeting, or any adjournment thereof, in person, are requested to read, complete, sign and return the form of Proxy accompanying this Notice in accordance with the instructions set out in the form of Proxy and in the Information Circular accompanying this Notice. Unregistered shareholders who received the form of Proxy accompanying this Notice through an intermediary must deliver the Proxy in accordance with the instructions given by such intermediary.

DATED at Vancouver, British Columbia, this 26th day of June, 2015.

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

"Lawrence Page, Q.C."

Lawrence Page, Q.C.
President

SOUTHERN SILVER EXPLORATION CORP.

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**MANAGEMENT INFORMATION CIRCULAR
AS AT AND DATED JUNE 26, 2015
(unless otherwise noted)**

This Management Information Circular (“Information Circular”) accompanies the Notice of an Extraordinary General Meeting (“Notice of Meeting”) of holders of common shares (“shareholders”) of Southern Silver Exploration Corp. (the “Company”) scheduled to be held on Wednesday, July 29, 2015 (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 RRSP’s, RRIF’s, RESP’s 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, 9th 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 either at the office of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, or at the Head Office of the Company at Suite 1100, 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5, 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 54,483,436 common shares issued and outstanding at June 26, 2015. The directors have determined that all shareholders of record as of June 23, 2015 will be entitled to receive notice of and to vote at the Meeting.

At a General Meeting of the Company, including an extraordinary general meeting of the Company such as the Meeting, 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 common shares held	Percentage of common shares held
Electrum Global Holdings L.P. ("Electrum")	24,884,593	45.67%

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.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) 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 and except with respect to Electrum's interest in the transaction more fully described under the heading "Particulars of Other Matters to be Acted Upon – Mineral Property Disposition".

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, 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, other than Larry Buchanan and Peter Cheesbrough, who are directors of the Company and are also nominees of Electrum. Messrs. Buchanan and Cheesbrough declared a conflict of interest and abstained from voting at the directors meeting regarding the transaction more fully described under the heading "Particulars of Other Matters to be Acted Upon – Mineral Property Disposition".

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Mineral Property Disposition

On May 14, 2015, the Company and Electrum, among others, entered into a purchase agreement and a shareholders agreement pursuant to which Electrum has the option to earn up to an indirect 60% interest in the Company's Cerro Las Minitas mineral property located in Durango, Mexico (the "Property"). The Property is owned by Minera Plata del Sur, S.A. de C.V. ("Minera"). Minera is a subsidiary of Southern Silver Holdings Limited ("SSHL") and, prior to the transaction with Electrum, all of the shares of SSHL were owned by the Company. Electrum has the right to earn up to a 60% direct interest in SSHL by funding exploration and development expenditures of US\$5 million on the Property over a maximum 48 month period as follows:

Tranche	Electrum's Contributions to SSHL	Electrum's Cumulative Interest in SSHL
1	US\$500,000 on May 14, 2015	10.7%
2	An additional US\$1,500,000 prior to November 14, 2016	30.1%
3	An additional US\$1,500,000 prior to May 14, 2019	50%
4	An additional US\$1,500,000 prior to May 14, 2019	60%

At closing on May 14, 2015, Electrum contributed US\$500,000 to fund exploration expenditures and received an indirect 10.7% interest in SSHL, which will be forfeited if Electrum does not contribute an additional US\$1.5 million by November 14, 2016. If Electrum earns a maximum 60% interest in the Property, the Company will retain a 40% interest and Electrum and the Company will have the right to fund continuing operations on a proportionate basis, or have their interests diluted.

At closing, Electrum held 35.71% of the Company's common shares and was therefore a non-arm's length party of the Company for the purpose of obtaining the approval of the TSX Venture Exchange (the "Exchange"). The transaction with Electrum was subject to Exchange approval which has been received other than in respect of the Tranche 4 earn-in stage noted in the chart above which represents the Company's indirect disposition to Electrum of the final 10% (for a cumulative 60%) interest in SSHL ("Tranche 4 Disposition"). Exchange approval of the Tranche 4 Disposition is subject to the Company receiving shareholder approval of the Tranche 4 Disposition. In the event that shareholder approval of the Tranche 4 Disposition is not obtained, Electrum may still earn up to a 50% interest in SSHL and, as a result, the Property.

Because Electrum is a non-arm's length party of the Company for the purpose of obtaining Exchange Approval for the Tranche 4 Disposition, the applicable shareholder approval required by the Exchange is disinterested shareholder approval. The term "disinterested shareholder approval" means approval by a majority of the votes cast at the Meeting excluding votes attached to common shares of the Company that are beneficially owned or over which control or direction is exercised by Electrum and any Associates or Affiliates (as those terms are defined in the policies of the Exchange) of Electrum.

The Board of Directors recommends that you vote FOR the Ordinary Resolution to approve the Tranche 4 Disposition. The following is the text of the Ordinary Resolution to be considered by the shareholders at the Meeting:

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

1. the disposition to Electrum Global Holdings L.P. of the up to an additional indirect 10% interest in the Company's Cerro Las Minitas Property is hereby approved;
2. any officer or director of the Company is authorized and directed to execute and deliver, under corporate seal or otherwise, all such documents and instruments and to do all such acts as, in the opinion of such officer or director, may be necessary or desirable to give effect to this resolution; and
3. the board of directors is hereby authorized, in its sole discretion, to effect such resolutions as and when the board of directors sees fit, subject to receipt of all necessary regulatory approvals."

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.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found at www.sedar.com and at the Company's website at 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) 684-9384, Fax: (604) 688-4670:

- (a) the comparative financial statements of the Company for the financial year ended April 30, 2014 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, 2014 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, Q.C."

Lawrence Page, Q.C.
President