



1100-1199 West Hastings Street, Vancouver, BC, V6E 3T5

February 21, 2012

Dear Shareholders:

The Company has achieved all milestones forecast in the President's report for the previous Annual General Meeting and we are confident that exploration and development activities currently underway and planned for the balance of 2012 shall result in a robust NI 43-101 resource evaluation at our Cerro Las Minitas property in Durango, Mexico as well as appreciation of our asset base in our Arizona Dragoon property and our New Mexico Oro property.

Mexico

Since acquisition of an option to purchase an unburdened 100% interest in the property we:

- completed an airborne geophysical survey of the 15,125 hectare property and identified a number of promising geophysical drill targets;
- expanded the property area to 15,125 hectares through staking additional claims;
- completed to date 9,468 metres of diamond drilling;
- are currently drilling with two rigs on a 20,000 metre drill program;
- have identified two new mineralized zones on the property; and
- have purchased a 5.0 hectare property as a potential mill site.

Small-scale mining has been conducted on the property since Colonial times and has identified several types of silver, lead and zinc-enriched massive-sulphide pipes, veins and carbonate-replacement deposits (CRDs), as well as mineralized skarns at the margins of a large intrusive body.

Drilling in 2011 and early 2012, has delineated a 600 metres strike-length of the newly discovered **Blind zone** to a depth of up to 300 metres and has started testing the adjacent **El Sol zone**. Other targets continue to be developed through surface exploration and drill testing.

The Company has scheduled 20,000 metres of core drilling in 2012, with the aim of completing a NI 43-101 compliant resource on these first set of targets by Q4 of 2012. This will be the initial milestone toward the Company's goal of delineating a larger, multi-million tonne, high-grade, silver-enriched polymetallic resource on the project.

Arizona

Freeport McMoRan has drilled two holes to depths of 1,065 metres and 1,057 metres respectively to test for a large, high-grade porphyry copper deposit at depth. Results were sufficiently encouraging that a soil-gas survey was conducted over portions of the property area to assist future drill targeting and permitting of an additional 6 holes was received. The third hole has commenced drilling. Assuming success in this drilling program and earn-in of a 70% working interest in the property by

Freeport by the expenditure of \$3 million on exploration work on the property by December 2012, the Company will own a 30% working interest in a significant asset at no cost to it.

New Mexico

In 2011 a diamond drill program was completed resulting in identification of a large porphyry-related mineralizing system. Subsequent to receipt of a recently commissioned report from a noted porphyry deposit specialist, the Company will continue a drill program on previously permitted sites to delineate and further explore such zone. Exploration work in 2011 identified the presence of gold mineralization on contiguous property which has now been acquired by staking. Permitting of this area is in process to be followed by surface and drilling exploration in 2012.

During the year, the Company raised \$5,003,065 through share issuances to fund operations and exploration initiatives. We thank existing and new shareholders for making it possible for the Company to grow through exploration.

Southern Silver Exploration Corp.

“Lawrence Page, Q.C.”

Lawrence Page, Q.C.
President

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 2011 ANNUAL GENERAL MEETING

TAKE NOTICE that the 2011 Annual General Meeting of **SOUTHERN SILVER EXPLORATION CORP.** (hereinafter called the "Company") will be held at Suite 1100 – 1199 West Hastings Street, Vancouver, British Columbia on:

Thursday, March 22, 2012

at the hour of 2:00 o'clock in the afternoon (Pacific Time) for the following purposes:

1. to receive the financial statements of the Company for the fiscal year ended April 30, 2011 and the report of the auditor thereon;
2. to appoint an auditor for the ensuing year;
3. to determine the number of directors and to elect directors;
4. to approve the Company's Stock Option Plan described in the Information Circular; and
5. 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 10th day of February 2012.

**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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**INFORMATION CIRCULAR
AS AT AND DATED FEBRUARY 10, 2012
(unless otherwise noted)**

This Information Circular accompanies the Notice of the 2011 Annual General Meeting (“Notice of Meeting”) of holders of common shares (“shareholders”) of Southern Silver Exploration Corp. (the “Company”) scheduled to be held on Thursday, March 22, 2012 (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.

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**, 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, 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.

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 OTHER THAN THE APPOINTMENT OF AN AUDITOR OR THE ELECTION OF DIRECTORS 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 ON ANY BALLOT THAT MAY BE CALLED FOR.** 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. A Non-Registered Holder may revoke a proxy authorization form or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of proxy authorization form or of a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary at least 7 days prior to the Meeting.

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. There are 121,613,913 common shares issued and outstanding at February 10, 2012. The directors have determined that all shareholders of record as of the 16th day of February, 2012 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 if a ballot is called for. A ballot may be requested by a registered shareholder or proxyholder present at the Meeting and entitled to vote 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 that could be cast at the Meeting.

To the knowledge of the directors and executive officers of the Company, 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.

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 ballot that may be called for.**

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES 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 ON ANY BALLOT THAT MAY BE CALLED FOR 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 Position Held	Director Since	Number Of Shares Beneficially Owned, Or Controlled Or Directed, Directly Or Indirectly At February 10, 2012	Principal Occupation And If Not At Present An Elected Director, Occupation During The Past Five (5) Years
Lawrence Page, Q.C. British Columbia, Canada President, Director	October, 1999	124,486 ⁽¹⁾	Barrister & Solicitor; President of Manex Resource Group Inc., a private corporate, geological and administrative services company
David Roger Scammell Cosala, Mexico Director	October, 2002	Nil	Geologist
Nazlin Rahemtulla British Columbia, Canada Director	March, 2007	110,000	Human Resources Manager at Gowlings
Scott Hean British Columbia, Canada Vice President Administration, Director	January, 2009	1,172,000 ⁽²⁾	President of Atherton Enterprises Ltd., a private consulting and investment company; director and CFO of other reporting issuers
Terrence Eyton British Columbia, Canada Director	January, 2010	227,000 ⁽³⁾	Chartered Accountant
R. Dale Janowsky, Q.C. British Columbia, Canada Director	January, 2010	20,000	Retired Barrister & Solicitor
Jean-Pierre Colin Toronto, Ontario Director	November, 2011	Nil	Mining Executive

- (1) Lawrence Page, Q.C. directly holds 100,183 common shares and indirectly has control over 24,303 common shares.
- (2) Scott Hean directly holds 278,000 common shares and indirectly has control over 894,000.
- (3) Terrence Eyton directly holds 160,000 common shares and indirectly has control over 67,000 common shares.

The Company has an Audit Committee, the members of which are Terrence Eyton, Nazlin Rahemtulla and R. Dale Janowsky, Q.C.

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, other than:
 - A. Lawrence Page, Q.C. was a director and officer of Valterra Resource Corporation (*formerly Valterra Wines Ltd.*) ("Valterra") when Valterra was subject to cease trade orders issued by the British Columbia Securities Commission on June 3, 2003 and by the Alberta Securities Commission on July 18, 2003 for failure to file financial statements. The British Columbia Securities Commission granted a partial revocation of the cease trade order on November 7, 2006 and the Alberta Securities Commission granted the same on December 14, 2006. Both the British Columbia Securities Commission and the Alberta Securities Commission granted full revocation of the cease trade orders on August 3, 2007; and
 - B. Lawrence Page, Q.C. and David Roger Scammell who were directors and/or executive officers of the Company when a cease trade order was issued by the British Columbia Securities Commission on September 30, 2003 and by the Alberta Securities Commission on October 23, 2003 for failure to file financial statements. The cease trade orders were revoked on October 23, 2003 and March 25, 2004 respectively; or
 - (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, other than:
 - A. Lawrence Page, Q.C. is a director and officer of Saturna Beach Estates Ltd. ("Saturna"). On August 17, 2004 Saturna obtained an order from the Supreme Court of British Columbia under the *Companies' Creditors Arrangement Act* (Canada) that allowed Saturna to continue to run its daily affairs without creditor action during financial reorganization. Upon completion of the financial reorganization the Supreme Court order was vacated; 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.

EXECUTIVE COMPENSATION

"CEO" means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

"CFO" means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

“executive officer” means an individual who is a chair, vice-chair or president of the Company, a vice-president in charge of a principal business unit, division or function including sales, finance or production of the Company and an individual who is performing a policy-making function in respect of the Company.

“NEO” or “Named Executive Officer” means each of the following individuals:

- (i) a CEO;
- (ii) a CFO;
- (iii) each of the three most highly compensated executive officers of the Company, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (iv) each individual who would be an NEO under (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

At the end of the Company's most recently completed financial year, the Company had three Named Executive Officers: Lawrence Page, Q.C. the Company's President (CEO); Mahesh Liyanage, the Company's Chief Financial Officer (CFO); and Robert Swenarchuk, the Company's former Senior Vice President, Corporate Development. Mr. Swenarchuk resigned as a director and officer of the Company as of January 22, 2010 but continues to serve the Company as a consultant. There were no other executive officers of the Company, or other individuals acting in a similar capacity, whose total compensation was, individually, more than \$150,000 during the financial year ended April 30, 2011.

COMPENSATION DISCUSSION AND ANALYSIS

The purpose of this Compensation Discussion and Analysis (“CD&A”) is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs.

The primary goal of the Company's executive compensation program is to attract and retain the key executives necessary for the Company's long term success and to motivate and encourage executives to further development of the Company and its operations. Executive compensation consists of consulting fees and long-term incentive stock options.

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 TSX Venture 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.” The Board of Directors, taking into consideration previous grants of stock options, determines the compensation in the form of stock options to its NEOs, as well as to its directors. Stock options are granted in accordance with the Company's Stock Option Plan, discussed below under the heading Incentive Plan Awards, at an exercise price of not less than the last closing price on the TSX Venture Exchange of the common shares before the date of the grant of such options, less the maximum discount permitted under the policies of the TSX Venture Exchange. The Stock Option Plan provides that the aggregate number of common shares subject to options under the Stock Option Plan shall not exceed 10% of the common shares issued and outstanding of the Company. The normal term of the options is five years from the date of grant. In the event of resignation or termination of an optionee, such optionee may exercise options held by such optionee for a period of 90 days following the effective date of such resignation or for a time as otherwise determined by a directors' resolution at the time of the grant of the options. In the event of an optionee's death, the stock option may be exercised by a qualified successor until the earlier of a period of one year from the date of such death and the expiry date of the stock option.

SUMMARY COMPENSATION TABLE

Named Executive Officers

Name and principal position	Year ⁽¹⁾	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual Incentive plans	Long-term incentive plans			
Lawrence Page, Q.C. CEO	2011	Nil	Nil	\$19,000 ⁽⁵⁾	Nil	Nil	N/A	\$180,881 ⁽⁶⁾	\$199,881
	2010	Nil	Nil	\$36,684 ⁽⁶⁾	Nil	Nil	N/A	\$171,538 ⁽⁶⁾	\$208,222
	2009	Nil	Nil	Nil	Nil	Nil	N/A	\$157,762 ⁽⁶⁾	\$157,762
Mahesh Liyanage CFO ⁽²⁾	2011	Nil	Nil	\$10,500 ⁽⁵⁾	Nil	Nil	N/A	\$30,000 ⁽⁹⁾	\$40,500
	2010	Nil	Nil	\$22,011 ⁽⁶⁾	Nil	Nil	N/A	\$20,760 ⁽⁹⁾	\$42,771
	2009	Nil	Nil	Nil	Nil	Nil	N/A	\$9,736 ⁽⁹⁾	\$9,736
Robert Swenarchuk Sr. VP, Corporate Development ⁽³⁾	2011	Nil	Nil	\$12,000 ⁽⁵⁾	Nil	Nil	N/A	\$159,820	\$171,820
	2010	Nil	Nil	\$36,684 ⁽⁶⁾	Nil	Nil	N/A	\$165,000	\$201,684

Jeannine Webb <i>CFO</i> ⁽⁴⁾	2009	Nil	Nil	\$9,998 ⁽⁷⁾	Nil	Nil	N/A	\$13,230 ⁽⁹⁾	\$23,228
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- (1) Ended April 30.
- (2) From October 29, 2008 to present.
- (3) Resigned as Senior Vice President, Corporate Development effective January 22, 2010.
- (4) From January 29, 2008 to October 29, 2008.
- (5) The total of the options granted in 2011 was \$41,500 and represents the stock-based compensation costs by using the Black-Scholes-Merton model assuming a risk free interest rate of 2.39%, a dividend yield of 0%, the expected annual volatility of the Company's share price of 118.26% and expected life of the option of 5 years.
- (6) The total of the options granted in 2010 was \$95,379 and represents the stock-based compensation costs by using the Black-Scholes-Merton model assuming a risk free interest rate of 2.69%, a dividend yield of nil, the expected annual volatility of the Company's share price of 112.08% and expected life of the option of 5 years.
- (7) The figure of \$9,998 represents the final vesting of stock-based compensation costs by using the Black-Scholes-Merton model assuming a risk free interest rate of 2.86%, a dividend yield of nil, the expected annual volatility of the Company's share price of 171.01% and expected life of the option of 5 years.
- (8) This includes payments to Lawrence Page Q.C. Law Corporation for legal services to the Company, as more particularly discussed below under the heading "Narrative Discussion".
- (9) This represents payments to Mahesh Liyanage and Jeannine Webb made by Manex Resource Group Inc. for their services to the Company, as more particularly discussed below under the heading "Narrative Discussion".

Narrative Discussion

The Company had no direct employees in the fiscal year ended April 30, 2011.

The Company is party to a consulting agreement effective July 1, 2009 with Lawrence Page, Q.C., whereby the Company pays Mr. Page \$9,360 per month in consideration for his services as President of the Company. Mr. Page is the principal of Lawrence Page Q.C. Law Corporation and the principal of Manex Resource Group Inc. ("Manex"). In the year ended 2011 the Company made payments of \$68,561 to Lawrence Page Q.C. Law Corporation for legal services to the Company (2010: \$59,218, 2009: \$46,162). Manex provided the Company with administrative, corporate, consulting, accounting and corporate development services as well as office accommodation and charged \$404,182 in 2011 (2010: \$306,080, 2009: \$337,839) to reimburse it for monies paid to employees and third parties for the provision of the above noted services and office accommodation, including a 15% mark-up on out-of-pocket expenses.

Mahesh Liyanage provided CFO services for the Company for the year ended April 30, 2011 under a service agreement between Manex and the Company. Manex paid Mr. Liyanage \$30,000 (2010: \$20,760; 2009: \$9,736) for his services as CFO attributable to the Company. In the year ended April 30, 2009, Jeannine Webb provided CFO services to the Company under the same agreement between Manex and the Company and was paid \$13,230 by Manex for her services attributable to the Company. Manex allocated the compensation paid to Mr. Liyanage and Ms. Webb based upon the percentage of time that such individual spent in relation to his or her services as CFO of the Company.

Pursuant to a consulting agreement effective November 1, 2010 as renewed by an agreement dated November 1, 2011, Robert Swenarchuk charged the Company \$2,500 per month through his privately held company, Rescom Consultants Ltd. ("Rescom") for the provision of corporate finance consulting services. The Company was previously party to a consulting agreement with Mr. Swenarchuk and Rescom which was effective July 1, 2008 until January 31, 2010 in relation to Mr. Swenarchuk's former position as Senior Vice President, Corporate Development. Pursuant to that agreement, Mr. Swenarchuk through Rescom charged the Company \$6,000 per month. In the year ended 2011, Rescom was also paid fees of \$131,320 (2010: \$93,000) for additional corporate development activities.

The option based award of \$41,500 in 2011 is the fair value of 550,000 options granted to Lawrence Page, Q.C., Mahesh Liyanage and Robert Swenarchuk pursuant to the Company's Stock Option Plan. The option based award of \$95,379 in 2010 is the fair value of 650,000 options granted to Lawrence Page, Q.C., Mahesh Liyanage and Robert Swenarchuk and the option based award of \$9,998 in 2009 is the fair value of 25% vesting of 50,000 options granted to Jeannine Webb.

INCENTIVE PLAN AWARDS

Named Executive Officers

Outstanding share based awards and option based awards

The Company has a shareholder-approved Stock Option Plan in place 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 Stock Option Plan. The Stock Option Plan provides that the aggregate number of common shares subject to options under the Stock Option Plan shall not exceed 10% of the common shares issued and outstanding of the Company. Stock options are granted at an exercise price of not less than the last closing price of the Company's common shares on the TSX Venture Exchange on the day immediately preceding the date of grant, less the applicable discount permitted by the policies of the TSX Venture Exchange. The usual term of the options is five years from the date of grant. A complete description of the Company's Stock Option Plan is set forth below under the heading "Particulars of Other Matters to be Acted Upon – Stock Option Plan".

The Company does not have any share-based awards in place.

The following table summarizes the outstanding share-based awards and option-based awards to the Named Executive Officers as at the Company's most recently completed financial year.

Option-based Awards					Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Lawrence Page, Q.C. CEO	150,000	\$0.58	Mar 1, 2012	Nil	N/A	N/A
	50,000	\$0.21	Mar 26, 2013	\$1,750	N/A	N/A
	250,000	\$0.16	Jan 8, 2015	\$21,250	N/A	N/A
	200,000	\$0.17	Nov 29, 2015	\$15,000	N/A	N/A
	50,000	\$0.17	Dec 13, 2015	\$3,750	N/A	N/A
Mahesh Liyanage CFO	150,000	\$0.16	Jan 8, 2015	\$12,750	N/A	N/A
	75,000	\$0.17	Nov 29, 2015	\$5,625	N/A	N/A
	75,000	\$0.17	Dec 13, 2015	\$5,625	N/A	N/A
Robert Swenarchuk	150,000	\$0.58	Mar 1, 2012	Nil	N/A	N/A
	50,000	\$0.21	Mar 26, 2013	\$1,750	N/A	N/A
	250,000	\$0.16	Jan 8, 2015	\$21,250	N/A	N/A
	150,000	\$0.17	Nov 29, 2015	\$11,250	N/A	N/A

(1) "In-the-money options" means the excess of the market value of the Company's shares at the Company's most recently completed financial year on April 30, 2011 over the exercise price of the options. The last trading price of the Company's shares on the TSX Venture Exchange on April 30, 2011 was \$0.245.

Incentive plan awards – value vested or earned during the year

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the Company's most recently completed financial year.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Lawrence Page, Q.C. CEO	Nil	N/A	N/A
Mahesh Liyanage CFO	Nil	N/A	N/A
Robert Swenarchuk	Nil	N/A	N/A

(1) "Value vested during the year" means the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This amount is calculated by determining the difference between the market price of underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

PENSION PLAN BENEFITS

The Company does not have any defined benefit plans, defined contribution plans, deferred compensation plans or any other benefit plans in place.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has no contract, agreement, plan or arrangement in place that provides for payments to a Named Executive Officer at, following or in connection with any termination, resignation, retirement, a change in control of the Company or a change in a Named Executive Officer's responsibilities, other than a consulting agreement dated July 29, 2009 (and having effect as at July 1, 2009) between the Company and Lawrence Page, Q.C. Pursuant to this consulting agreement, the Company pays Lawrence Page, Q.C. \$9,360 per month in consideration for his services as President of the Company. This consulting agreement has a five year term. The Company may terminate the consulting agreement with no advance notice to Mr. Page due to default (as defined in the consulting agreement). Upon a change of control, as defined in the consulting agreement, Mr. Page has the right to terminate the consulting agreement and receive 100% of the compensation due to him for the unexpired term of the consulting agreement. 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 \$355,680.

DIRECTOR COMPENSATION

Non-NEO Directors

Director Compensation Table

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
David Roger Scammell	Nil	Nil	\$11,000	Nil	N/A	\$75,465	\$86,465
Nazlin Rahemtulla	\$12,000	Nil	\$10,500	Nil	N/A	Nil	\$22,500
Scott Hean	Nil	Nil	\$9,000	Nil	N/A	\$24,000	\$33,000
Terrence Eyton	\$13,875	Nil	\$9,600	Nil	N/A	Nil	\$23,475
R. Dale Janowsky, Q.C.	\$11,625	Nil	\$6,000	Nil	N/A	Nil	\$17,625

(1) The total of the options granted in 2011 was \$46,100 and represents the stock-based compensation costs by using the Black-Scholes-Merton model assuming a risk free interest rate of 2.39%, a dividend yield of 0%, the expected annual volatility of the Company's share price of 118.26% and expected life of the option of 5 years.

Narrative Discussion

On March 26, 2007, the Company's board of directors (the "Board") adopted an independent directors' compensation package whereby each independent director receives \$9,000 annually. For every Board or Committee meeting attended either in person or by telephone, each independent director will receive \$375 per meeting attended with the chairman of each meeting receiving a total of \$750 per meeting attended. Directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors and certain directors may be compensated for services as consultants or experts.

Directors are eligible to receive stock options to purchase common shares of the Company pursuant to the Company's Stock Option Plan. The option based award of \$46,100 is the fair value of 560,000 options granted to the above noted directors in the year ended 2011.

Pursuant to an agreement dated June 1, 2010 between David Roger Scammell and the Company's Mexican subsidiary, Minera Plata del Sur, S.A. de C.V., Mr. Scammell charged \$75,465 in consideration for geological consulting services. The agreement provides for an hourly fee to Mr. Scammell of US\$125 subject to a monthly minimum of 40 hours.

Pursuant to a services agreement dated February 1, 2009 as renewed by an agreement dated February 1, 2010, Scott Hean charged the Company \$2,000 per month through his privately held company, Atherton Enterprises Ltd., in consideration for his services of Vice President, Administration of the Company.

Jean-Pierre Colin was appointed subsequent to the year end.

Share-based awards, option based awards and non-equity incentive plan compensation

Outstanding share-based awards and option-based awards

The following table summarizes the outstanding share-based awards and option-based awards to the Non-Named Executive Officer Directors as at the Company's most recently completed financial year. Jean-Pierre Colin was appointed subsequent to the year end.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
David Roger Scammell	25,000	\$0.58	Mar 1, 2012	Nil	N/A	N/A
	10,000	\$0.21	Mar 26, 2013	\$350	N/A	N/A
	50,000	\$0.16	Jan 8, 2015	\$4,250	N/A	N/A

	100,000	\$0.17	Nov 29, 2015	\$7,500	N/A	N/A
	50,000	\$0.17	Dec 13, 2015	\$3,750	N/A	N/A
Nazlin Rahemtulla	100,000	\$0.58	Mar 28, 2012	Nil	N/A	N/A
	10,000	\$0.21	Mar 26, 2013	\$350	N/A	N/A
	75,000	\$0.16	Jan 8, 2015	\$6,375	N/A	N/A
	75,000	\$0.17	Nov 29, 2015	\$5,625	N/A	N/A
Scott Hean	100,000	\$0.58	Mar 1, 2012	Nil	N/A	N/A
	15,000	\$0.21	Mar 26, 2013	\$525	N/A	N/A
	200,000	\$0.16	Jan 8, 2015	\$17,000	N/A	N/A
	75,000	\$0.17	Nov 29, 2015	\$5,625	N/A	N/A
	50,000	\$0.17	Dec 13, 2015	\$3,750	N/A	N/A
Terrence Eyton	150,000	\$0.16	Jan 8, 2015	\$12,750	N/A	N/A
	75,000	\$0.17	Nov 29, 2015	\$5,625	N/A	N/A
	60,000	\$0.17	Dec 13, 2015	\$4,500	N/A	N/A
R. Dale Janowsky, Q.C.	50,000	\$0.16	Jan 8, 2015	\$4,250	N/A	N/A
	75,000	\$0.17	Nov 29, 2015	\$5,625	N/A	N/A

- (1) "In-the-money options" means the excess of the market value of the Company's shares at the Company's most recently completed financial year on April 30, 2011 over the exercise price of the options. The last trading price of the Company's shares on the TSX Venture Exchange on April 30, 2011 was \$0.245.

Incentive plan awards – value vested or earned during the year

The following table summarizes the value of each incentive plan award vested or earned by each Non-Named Executive Officer Director during the Company's most recently completed financial year. Jean-Pierre Colin was appointed subsequent to the year end.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
David Roger Scammell	Nil	N/A	N/A
Nazlin Rahemtulla	Nil	N/A	N/A
Scott Hean	Nil	N/A	N/A
Terrence Eyton	Nil	N/A	N/A
R. Dale Janowsky, Q.C.	Nil	N/A	N/A

- (1) "Value vested during the year" means the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This amount is calculated by determining the difference between the market price of underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has no equity compensation plans. The following table, however, sets out the number of the Company's shares to be issued and remaining available for future issuance under the Company's Incentive Stock Option Plan at the end of the Company's most recently completed financial year:

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	7,280,000	\$0.27	2,143,880
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	7,280,000	\$0.27	2,143,880

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 of any director or executive officer of the Company or proposed nominee, is or has been indebted to the Company or its subsidiaries at any time since the beginning of the Company's last completed financial year.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

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 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 of Directors are Nazlin Rahemtulla, Terrence Eyton and R. Dale Janowsky, Q.C. The non-independent directors are Scott Hean who is the Vice President Administration of the Company and Lawrence Page, Q.C. who is the President and is President of a company providing administrative services and office accommodation to the Company. David Roger Scammell and Jean-Pierre Colin are also considered non-independent as they both provide 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:

Director	Directorship(s) held in other Reporting Issuers	
Lawrence Page, Q.C.	Bravada Gold Corporation Duncastle Gold Corp. Valterra Resource Corporation	Bravo Gold Corp. Quaterra Resources Inc.
David Roger Scammell	Journey Resources Corp.	
Nazlin Rahemtulla	Nil	
Scott Hean	Bravada Gold Corporation Duncastle Gold Corp.	Bravo Gold Corp. Sabina Gold & Silver Corp.
Terrence Eyton	Bravada Gold Corporation Sabina Gold & Silver Corp.	Bravo Gold Corp.
R. Dale Janowsky, Q.C.	Nil	

Jean-Pierre Colin	Premier Gold Mines Limited Vantex Resources Ltd.	Valterra Resource Corporation
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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 access to Company policies, corporate governance documents, technical data and financial information 24 hours a day through an internet-based software support system.

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 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 established a whistleblower policy and has engaged the services of Whistleblower Security Inc., a third party service provider which provides Company personnel with a confidential 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 of Directors

When a board vacancy occurs or is contemplated, any director may make recommendations to the board as to qualified individuals for nomination to the board. In identifying new candidates, the directors will take into account the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company at that time.

Compensation Committee

As the Company does not have a compensation committee, the Board determines any compensation payable to the directors and the President (CEO). The Board 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.

The Board also determines compensation in the form of stock option grants to its directors and officers, although such options are considered a means of rewarding optionees for future services provided to the Company rather than as compensation for past services.

The Company adopted an independent directors' compensation package whereby independent directors of the Company receive an annual fee of \$9,000 as well as fees for attending each Audit Committee meeting and Board meeting.

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 Terrence Eyton, Nazlin Rahemtulla and R. Dale Janowsky, Q.C., all of whom are considered to be financially literate and independent, in accordance with applicable securities regulations. The education and experience of each member relevant to the performance of such member's responsibilities as an Audit Committee member are as follows:

Terrence Eyton: Mr. Eyton is a Chartered Accountant and currently Chief Financial Officer of Peninsula Merchant Syndications Corp. Prior to his appointment at Peninsula he was a partner with Topping Eyton Partners, a public accounting firm in Vancouver, a private practice from which he has recently retired. His professional career encompasses depth in financial, regulatory and compliance matters across many sectors including mining. Mr. Eyton graduated in business administration from Lakehead University in 1967, obtaining the designation of chartered accountant in 1971 and was elected to the fellowship of the Institute of Chartered Accountants of B.C. in 1983. Mr. Eyton also completed the Institute of Corporate Directors program in 2008 and was awarded the designation of ICD.D. Mr. Eyton serves as Chair of the Audit Committee where his public accountant background can provide the Company guidance in compliance and reporting issues. Mr. Eyton is also a director and audit committee Chair of several other reporting issuers.

Nazlin Rahemtulla: Ms. Rahemtulla is the Human Resources Manager at Gowlings, Vancouver office. Previously, she was the Chief Operating Officer of Weiler Smith Bowers Consulting Structural Engineers; Vice-President and Chief Operating Officer of The McLean Group; acted as Investment Advisor for RBC Wealth Management Dominion Securities and served as Manager, International Services for RBC Global Private Banking. Ms. Rahemtulla has over 20 years of experience in the financial industry and has earned a Fellowship from the Institute of Canadian Bankers (FICB) through Simon Fraser University.

R. Dale Janowsky, Q.C.: Mr. Janowsky graduated from the University of British Columbia with a Bachelor of Laws in 1964 and was appointed Queen's Counsel in 1983. He spent 44 years in the practice of corporate and commercial law, has provided legal guidance to boards of directors at all levels of government, and has served on provincial and federal boards and numerous societies. He was appointed General Counsel for the British Columbia Lottery Corporation from the inception in 1985 until 1989. His former practice included real estate development and banking negotiations to fund projects. Mr. Janowsky has been involved as a director of several mining resource companies as well as an audit committee member of Grande Portage Resources Ltd. Through these positions Mr. Janowsky has gained financial literacy and has developed an understanding of accounting principles and the ability to analyze and evaluate financial statements.

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, 2011, the Company's external auditor has charged to the Company \$34,000 plus HST (\$32,000 plus HST for the year ended April 30, 2010).

Audit-Related Fees

For the year ended April 30, 2011, the Company's external auditor charged the Company no audit-related fees (nil for the year ended April 30, 2010).

Tax Fees

For the year ended April 30, 2011, the Company's external auditor charged the Company \$2,000 plus HST in tax fees, representing fees for the preparation of T2 corporation income tax return and related schedules and preparation of GIFL financial statements for the Canada Revenue Agency (\$2,000 plus HST for the year ended April 30, 2010). The Company paid US\$5,025 to US tax consultants to file the Company's US tax returns up to the fiscal year ended April 30, 2011 (US\$8,885 for the year ended April 30, 2010).

All Other Fees

For the year ended April 30, 2011, the Company's external auditor charged the Company \$780 plus HST (\$680 plus HST for the year ended April 30, 2010).

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 Ratcliffe 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, common shares of the Company, or a combination of both, 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, the shareholders will be asked to approve the Company's proposed 2012 Rolling Incentive Stock Option Plan (the "2012 Plan").

The purpose of the proposed 2012 Plan is to provide the directors, executive officers and key employees of, and certain other persons who provide services 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 proposed 2012 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 stock option plans or grants, is 10% of the Company's issued common shares at the time of the grant of a stock option under the proposed 2012 Plan.

Under the proposed 2012 Plan, the option exercise price must not be less than the closing price of the Company's common shares on the TSX Venture Exchange (the "Exchange") on the day immediately preceding the date of grant, less the applicable discount permitted by the policies of the Exchange. An option granted under the 2012 Plan must be exercised within the term permitted by the policies of the Exchange on the date of grant. The Board of Directors of the Company may determine the limitation period during which an option may be exercised and, notwithstanding that none may be required by the policies of the Exchange, whether a particular grant will have a minimum vesting period. As a "rolling" plan, any amendment to the proposed 2012 Plan will require the approval of the Exchange and may require shareholder approval.

In accordance with the terms of the proposed 2012 Plan, it is subject to its acceptance for filing by the Exchange and the approval of the Company's shareholders. Under the policies of the Exchange, if:

- a) the grants of options under the proposed 2012 Plan to "insiders" of the Company, together with all of the Company's outstanding stock options, could result at any time in:
 - (i) the number of shares reserved for issuance pursuant to stock options granted to insiders of the Company exceeding 10% of the issued common shares of the Company; or
 - (ii) the grant to insiders of the Company, within a 12-month period, of a number of options exceeding 10% of the issued common shares of the Company; or
- b) the number of shares reserved for issuance pursuant to stock options granted to any one optionee, within a 12-month period, exceeding 5% of the issued common shares of the Company;

such shareholder approval must be "disinterested shareholder approval", but as the proposed 2012 Plan is restrictive as to these results, disinterested shareholder approval of the proposed 2012 Plan is not required.

The policies of the Exchange and the terms of the proposed 2012 Plan also provide that "disinterested shareholder approval" will be required for any agreement to decrease the exercise price of options previously granted to insiders of the Company but no such agreements are being brought before the Meeting.

The term "disinterested shareholder approval" means approval by a majority of the votes cast at the Meeting other than votes attaching to shares of the Company beneficially owned by insiders of the Company to whom options may be granted under the proposed 2012 Plan and associates of such persons. The term "insiders" is defined in the *Securities Act* (British Columbia) and generally includes directors and officers of the Company and its subsidiaries, and holders of greater than 10% of the voting securities of the Company. The term "associates" is defined in the *Securities Act* (British Columbia).

If shareholder approval of the proposed 2012 Plan or a modified version thereof is not obtained, the Company will not proceed to implement the proposed 2012 Plan nor grant options under it. Even if approved, the directors may determine not to proceed with the proposed 2012 Plan.

The proposed 2012 Plan will be available for inspection at the Meeting. The directors recommend that the shareholders approve the proposed 2012 Plan.

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.

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, 2011 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, 2011 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

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.

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Interim Financial Statements

Mark this box if you would like to receive Interim Financial Statements and related Management Discussion and Analysis for Southern Silver Exploration Corp.'s current Financial year by mail.

Annual Financial Statements

Mark this box if you would like to receive Annual Financial Statements and related Management Discussion and Analysis for Southern Silver Exploration Corp.'s current Financial year by mail.

Financial Statements Request Form

Rather than receiving financial statements by mail, you may choose to access them at www.sedar.com, or by registering online at www.computershare.com/maillinglist. If you would like to receive either interim financial statements and associated Management Discussion and Analysis and/or the annual financial statements and associated Management Discussion and Analysis, please make your selection above.

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