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**Management's Discussion and Analysis
For the Six Months Ended October 31, 2019
Dated: December 19, 2019**

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Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Six Months Ended October 31, 2019

A. Introduction

The following Management's Discussion and Analysis ("MD&A") of the consolidated operating results and financial condition of Southern Silver Exploration Corp. (the "Company") is for the six months ended October 31, 2019 and is dated December 19, 2019. This MD&A was prepared to conform to National Instrument ("NI") 51-102F1 and was approved by the Board of Directors prior to its release.

This analysis should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the six months ended October 31, 2019, and the Company's audited consolidated financial statements for the year ended April 30, 2019, and the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company's shares trade on the TSX Venture Exchange ("SSV"), the Frankfurt Stock Exchange ("SEG1"), the Santiago Stock Exchange, Venture ("SSVCL") and the OTCQB Marketplace ("SSVFF").

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

Additional information relating to the Company is available at www.southernsilverexploration.com and on SEDAR at www.sedar.com.

B. Qualified Person

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

C. Foreign Exchange Information and Conversion Tables

For ease of reference, the following information is provided:

Canadian Dollars per US Dollar			Conversion Table		
	Six Months Ended				
	October 31, 2019	2018	Imperial		Metric
Rate at end of period	1.3138	1.3124	1 acre	=	0.404686 hectares
Average rate for period	1.3262	1.3039	1 foot	=	0.304800 meters
			1 mile	=	1.609344 kilometres
			1 ton	=	0.907185 tonnes
			1 Ounce (troy)/ton	=	34.285700 g/t

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C. Foreign Exchange Information and Conversion Tables, continued

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

D. Summary of Mineral Properties

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

The Company is continuing to advance its core asset - Cerro Las Minitas - a silver-lead-zinc property located in Durango State, Mexico. The property is a large land position and lies within the prolific Faja de Plata (Belt of Silver) of north central Mexico with the Company owning an indirect interest of 40% along with joint venture partner Electrum Global Holdings L.P. ("Electrum") which owns an indirect 60% interest.

The Company also continues to advance Oro - a gold-silver-copper-lead-zinc property located in New Mexico, USA. The property features a classic porphyry zonation within the highly prospective Laramide Porphyry belt of the southern USA.

Cerro Las Minitas - Durango, Mexico

The property is located about 70 kilometres to the northeast of the city of Durango in Durango State, Mexico, and is accessed easily by road. The property comprises twenty five concessions totaling approximately 34,415 hectares in one of the most significant silver producing regions in the world.

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

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

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D. Summary of Mineral Properties, continued

Cerro Las Minitas - Durango, Mexico, continued

On May 9, 2019, the Company released an updated NI 43-101 mineral resource estimate for the project which, at a 175g/t AgEq cut-off, featured:

- Indicated Mineral resources of 134 million ounces silver equivalent or 2.0 billion pounds zinc equivalent which includes a 0.97Mt increase to 11.1Mt averaging 105g/t Ag, 0.1g/t Au, 0.16% Cu, 1.2% Pb and 3.7% Zn (375g/t AgEq; 8.2% ZnEq), containing: 37.5 million ounces of silver; 35 thousand ounces of gold; 40 million pounds of copper; 303 million pounds of lead; and 897 million pounds of zinc.
- Inferred Mineral resources of 138 million ounces silver equivalent or 2.0 billion pounds zinc equivalent which includes a significant increase to 12.8Mt averaging 111g/t Ag, 0.07g/t Au, 0.27% Cu, 0.9% Pb and 2.8% Zn (334g/t AgEq; 7.2% ZnEq) containing: 45.7 million ounces of silver; 31 thousand ounces of gold; 76 million pounds of copper, 253 million pounds of lead; and 796 million pounds of zinc.

Table 1: Base-case Mineral Resource Estimate Utilizing a 175g/t AgEq cut-off value:

Indicated Zone	Tonnes (Kt)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	AgEq (g/t)	ZnEq (%)	Ag TrOz (000's)	Au TrOz (000's)	Pb (Mlbs)	Zn (Mlbs)	Cu Lbs (Mlbs)	AgEq TrOz (000's)	ZnEq Lbs (Mlbs)
Blind Zone	2,007	103	0.12	2.0	2.3	0.04	310	8.0	6,647	3	90	103	5.2	19,983	354
El Sol Zone	978	83	0.09	2.3	2.2	0.04	291	7.5	2,600	1	50	47	2.0	9,168	162
Las Victorias	870	141	0.17	2.0	2.8	0.62	385	10.0	3,949	17	39	53	3.2	10,775	191
Skam Front	7,246	104	0.19	0.8	4.3	0.06	403	8.1	24,290	14	125	694	29.7	93,965	1,299
Total	11,102	105	0.16	1.2	3.7	0.10	375	8.2	37,485	35	303	897	40	133,891	2,006

Inferred Zone	Tonnes (Kt)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	AgEq (g/t)	ZnEq (%)	Ag TrOz (000's)	Au TrOz (000's)	Pb (Mlbs)	Zn (Mlbs)	Cu Lbs (Mlbs)	AgEq TrOz (000's)	ZnEq Lbs (Mlbs)
Blind Zone	1,261	80	0.08	1.4	2.0	0.17	243	6.2	3,258	7	38	56	2	9,848	173
El Sol Zone	794	65	0.05	1.9	2.4	0.03	262	6.6	1,669	1	33	42	1	6,695	116
Las Victorias	216	180	0.06	2.7	2.1	0.90	416	11.0	1,252	6	13	10	0	2,892	53
Skam Front	10,573	116	0.31	0.7	3.0	0.05	349	7.3	39,569	17	169	689	73	118,684	1,701
Total	12,844	111	0.27	0.9	2.8	0.07	334	7.2	45,749	31	253	796	76	138,119	2,043

Notes:

- 1) The current Resource Estimate was prepared by Garth Kirkham, P.Geo., of Kirkham Geosystems Ltd.
- 2) All mineral resources have been estimated in accordance with Canadian Institute of Mining and Metallurgy and Petroleum ("CIM") definitions, as required under National Instrument 43-101 ("NI43-101").
- 3) Mineral resources were constrained using mainly geological constraints and approximate 10g/t AgEq grade domains.
- 4) AgEq cut-off values were calculated using average long-term prices of \$16.6/oz. silver, \$1,275/oz. gold, \$2.75/lb. copper, \$1.0/lb. lead and \$1.25/lb. zinc. Metal recoveries for the Blind, El Sol and Las Victorias deposits of 91% silver, 25% gold, 92% lead, 82% zinc and 80% copper and for the Skam Front deposit of 85% silver, 18% gold, 89% lead, 92% zinc and 84% copper were used to define the cut-off grades. Base case cut-off grade assumed \$75/tonne operating smelting and sustaining costs. All prices are stated in \$USD.
- 5) Silver Equivalents were calculated from the interpolated block values using relative recoveries and prices between the component metals and silver to determine a final AgEq value. The same methodology was used to calculate the ZnEq value.
- 6) Mineral resources are not mineral reserves until they have demonstrated economic viability. Mineral resource estimates do not account for a resource's mineability, selectivity, mining loss, or dilution.
- 7) All figures are rounded to reflect the relative accuracy of the estimate and therefore numbers may not appear to add precisely.

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D. Summary of Mineral Properties, continued

Cerro Las Minitas - Durango, Mexico, continued

Approximately 10,150 metres of drilling were completed in 21 core holes in the 2018 program. Eleven core holes totaling 6,632 metres were completed in the Area of the Cerro with a focus towards further mineral resource expansion. An additional 3,525 metres of drilling in ten core holes were completed in the CLM West claim group which targeted the discovery and delineation of major Ag-Au quartz vein systems within the more recently acquired CLM West claim group.

Drilling in the Area of the Cerro during 2018-19 exploration, as reflected in the updated Mineral Resource estimate, successfully:

- added 163Kt Indicated Resource and 216Kt Inferred Resource at grades >380g/t AgEq in the Las Victorias deposit;
- added 2.1Mt Indicated Resource and 2.7Mt Inferred Resource to the Skarn Front deposit at similar or higher average AgEq grade;
- filled grade gaps in the earlier block model and built continuity of several higher grade zones within the central part of the Skarn Front deposit;
- established greater continuity between the Skarn Front deposit and footwall mineralization (lateral to and equivalent to the Skarn Front style mineralization) in the Las Victorias zone;
- extended and built continuity of higher-grade, shallow mineralization (<400 metres) in both the Las Victorias deposit and North Skarn zone;

The Mineral Resources at Cerro Las Minitas have systematically increased from the initial resource estimate in 2016. Since starting exploration on the project in 2011, the Company has completed 133 drill holes totaling 59,176 metres with a discovery cost of: \$0.07/oz. AgEq; \$0.005/lb. ZnEq.

The 2018 drill results on CLM West claim group are highlighted by a three metre downhole interval grading 168g/t Ag from a strongly oxidized and broken zone located in the upper part of drill hole 18CLMW-007 and two deeper anomalous pathfinder zones with strongly enriched arsenic and antimony including 32.2 metres of 1073ppm As and 676ppm Sb. The intercepts correlate to the Durazno breccia structure, which can be traced in outcrop on surface mapping for over 1.5 kilometres in the northern part of the claim group.

Further drilling confirmed an extension of the anomalous arsenic and antimony in hole 18CLMW-007 including 3 metres of 4.9g/t Ag, 1145ppm As and 676ppm Sb and strongly elevated values of Ag, Sb and in drill holes 18CLMW-008 and -009 including 5.5 metres of 2.1g/t Ag, 629ppm As and 68ppm Sb in 18CLM-009.

The identification of such enriched silver and pathfinder metals in this initial phase of wide-spread drill testing on the CLM West claims may be significant in suggesting a potential proximity to much more precious-metal enriched (Ag-Au) deposits. Similar pathfinder-ore relationships are identified on the adjacent La Preciosa and Avino mineral systems and are described in classic models of vein and breccia epithermal systems.

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D. Summary of Mineral Properties, continued

Cerro Las Minitas - Durango, Mexico, continued

Table 2: Select Summary Assays from 2018 Exploration on CLM West claims

Hole #	From (m)	To (m)	Interval (m)	Est.Tr.Thk. (m)	Ag (g/t)	As (g/t)	Sb (g/t)	Au (g/t)
18CLMW-007	126.00	129.00	3.00	UNK	168.0	31	-	-
and	164.15	182.00	17.85	UNK	0.4	144	49	-
and	333.70	366.00	32.30	UNK	-	1073	771	-
inc.	351.00	354.00	3.00	UNK	4.9	1145	676	-
18CLMW-008	333.00	354.00 <small>(ECH)</small>	21.00	UNK	0.8	136	7	-
18CLMW-009	341.00	438.00	97.00	UNK	-	205	50.3	0.014
inc.	345.70	351.25 <small>(ECH)</small>	5.55	UNK	2.1	629	68.5	0.063

Analyzed by FA/AA for gold and ICP-AES by ALS Laboratories, North Vancouver, BC. Silver (>100ppm), copper, lead and zinc (>1%) overlimits assayed by ore grade ICP analysis, High silver overlimits (>1500g/t Ag) and gold overlimits (>10g/t Au) re-assayed with FA-Grav. High Pb (>20%) and Zn (>30%) overlimits assayed by titration.

Metallurgical test work on representative composites from the Cerro Los Minitas mineral deposits was conducted by Blue Coast Research of Parksville, BC which visited the project in October 2017 to supervise the selection of samples for use in the study. Representative samples of the Blind – El Sol oxides and sulphides as well as the Skarn Front sulphides were collected from drill core and combined into three distinct composites to represent the three different styles of mineralization currently identified on the project. Test work included sample characterization and batch flotation tests. A limited cyanidation test program was conducted on the Blind – El Sol oxide composite. Sample characterization of the composites included head analyses, chemical characterization, modal mineralogy determinations (including microprobe work) and Bond Ball Work Index tests.

Test work generated high-grade lead and zinc concentrates from the Blind-El Sol deposits. Further work successfully optimized the flotation sequence, upgraded the zinc concentrate by removing the chalcopyrite and created a separate copper concentrate. The best results were achieved using a sequential float of Cu-Pb-Zn followed by subsequent cleaning of each concentrate. The test work on the Skarn Front sulphide composite recovered:

- 67.7% Cu and 15.1% Ag into the copper concentrate assaying 27.9% Cu and 1661g/t Ag respectively after three stages of cleaning;
- 85.2% Pb and 67.3% Ag into the lead concentrate assaying 60.8% Pb and 4596g/t Ag respectively after one stage of cleaning; and
- 89% Zn and 8.2% Ag into the zinc concentrate assaying 50.7% Zn and 111g/t Ag respectively after three stages of cleaning.

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

- 82% Ag, 90% Pb and 4% Zn into a lead concentrate assaying 2880ppm Ag, 68% Pb and 2% Zn; and
- 78% Zn into a zinc concentrate assaying 52% Zn.

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D. Summary of Mineral Properties, continued

Cerro Las Minitas - Durango, Mexico, continued

The combined results from the Blind – El Sol and the Skarn Front deposits provide very favorable recoveries and grades of silver, lead and zinc which form the initial basis for a metallurgical processing flowsheet which in turn, can be used in the further evaluation and scoping of the project.

The Company has collected additional sample material from the Skarn Front zone including a +200kg composite for lock-cycle testing and seven additional smaller sub-sets of the Skarn Front mineralization for variability testing. This work is in progress. The results of this will be used to design a comprehensive NSR model of the mineral deposit.

Oro - New Mexico, USA

The Oro property comprises a contiguous block of Federal, State and private land in the historic Eureka mining district in Grant County, New Mexico and is located approximately 80 kilometres southwest of the Silver City porphyry copper district.

The claims surround a highly prospective zone of quartz-sericite-pyrite alteration footprint, interpreted to overlie an unexposed porphyry centre. Classic porphyry system zonation is indicated by surface gold and copper mineralization associated with Laramide-age intrusions in this core area, flanked by lead-zinc skarn mineralization and distal sediment-hosted gold occurrences. In addition to bulk-tonnage porphyry copper-molybdenum-gold potential, the property also includes the sediment-hosted gold mineralization Stockpond target located 3 kilometres to the northeast of the porphyry system.

In October 2017 the company completed an eight hole, 1520 metre reverse circulation (RC) drill program on the Stockpond gold target. The program was a follow-up to Phase I drilling in 2016 which intersected thick horizons of strongly silicified and hematite-rich sediments in eight of nine holes drilled, with the higher gold grades spatially associated with zones of strong silicification. The strongest values were obtained in the easternmost hole, SP16-004, which intersected a 41.2 metre interval of 0.42g/t Au (including a 9.1 metre interval of 0.75g/t Au). Phase II holes offset this encouraging drill intercept and tested to bedrock in the large gravel-covered area to the east of the earlier drilling.

The Company previously completed a 300 line-kilometre airborne Z-TEM survey over the entire property at 200 metre line spacing as part of a larger evaluation of the property to identify new targets for drill testing Cu-Mo porphyry potential. Recent data compilations show several potential target areas and up to 5,000 metres of new drill targeting on several high quality Cu-Au porphyry and skarn targets.

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D. Summary of Mineral Properties, continued

Acquisition Costs

Mineral property acquisition costs as at October 31, 2019 were:

	Oro	Total
	\$	\$
Balance as at April 30, 2018	126,166	126,166
Additions, net	92,281	92,281
Balance as at April 30, 2019	218,447	218,447
Additions, net	73,914	73,914
Balance as at October 31, 2019	292,361	292,361

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the six months October 31, 2019 and 2018 were:

	Oro		Total	
	\$	\$	\$	\$
	2019	2018	2019	2018
Assays and geochemistry	-	151	-	151
Geological and geophysics	794	23,117	794	23,117
Project supervision	4,920	6,549	4,920	6,549
Other	11	-	11	-
	5,725	29,817	5,725	29,817

E. Results of Operations

During the six months ended October 31, 2019, the Company incurred a net loss of \$1,485,922 (2018 - \$1,650,326).

As per its mandate to acquire, explore, and develop mineral resource properties, the Company continued exploration at Cerro Las Minitas (*D - Summary of Mineral Properties*). The Company's share of costs associated with exploration and other activities at Cerro Las Minitas are accounted for within Share of Loss in Equity Accounted Investment.

Consulting fees, investor relations and professional fees increased as a result of financing and promotional initiatives undertaken.

Non-cash share-based payments vary as stock options are granted and vest.

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E. Results of Operations, continued

Foreign exchange gains and losses fluctuate based on the US and Canadian dollar exchange rate and the extent of transactions and balances denominated in US dollars. Other income recognized mainly relates to interest income earned on cash reserves.

A summary of variances is as follows:

	2019	2018	Variance
	\$	\$	\$
Administration	30,000	30,000	-
Consulting	120,130	129,158	(9,028)
Exploration and evaluation	5,725	29,817	(24,092)
Investor relations	272,282	225,301	46,981
Office and general	12,144	11,143	1,001
Professional fees	134,768	60,481	74,287
Regulatory fees and taxes	25,804	19,710	6,094
Share-based payments	653,620	126,313	527,307
Shareholders' communications	7,301	7,666	(365)
Transfer agent	6,965	8,633	(1,668)
Travel and promotion	8,822	4,442	4,380
Foreign exchange (gain) loss	(3,427)	4,090	(7,517)
Other income	(18)	(4,787)	4,769
Share of loss in equity accounted investment	211,806	998,359	(786,553)

F. Summary of Quarterly Results

The following financial data was derived from the Company's consolidated financial statements for the eight previous quarters:

	Oct 31,	Jul 31,	Apr 30,	Jan 31,	Oct 31,	Jul 31,	Apr 30,	Jan 31,
	2019	2019	2019	2019	2018	2018	2018	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Net loss	1,145,796	340,126	292,476	555,758	955,112	695,214	540,764	472,917
Basic and diluted loss per share	\$ 0.01	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.00

The Company earned no revenue due to the nature of current operations.

Quarterly fluctuations mainly relate to recognition of share-based payments which occur as stock options are granted and vest, foreign exchange gains and losses which vary with market rates, mineral property exploration expenses which occur as projects are identified or impairments which occur when indicators arise and share of losses in equity accounted investment. Significant share-based payments expense was recognized in the three months ended October 31, 2019 and 2018.

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G. Related Party Transactions

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

(a) Pursuant to a service agreement between the Company and a private company controlled by a director and officer of the Company, the Company was charged as:

- \$30,000 (2018 - \$30,000) for office space and general administration services;
- \$18,150 (2018 - \$18,150) for professional services;
- \$15,330 (2018 - \$7,158) for consulting services;
- \$89,988 (2018 - \$100,423) for investor relations services;
- \$420 (2018 - \$2,050) for geological services;
- \$55,815 (2018 - \$113,082) for geological and professional services (charged to investment in associate);
- \$84,130 (2018 - \$nil) for corporate finance services; and
- \$1,835 (2018 - \$857) for the mark-up on out-of-pocket expenses.

Amounts payable as at October 31, 2019 were \$25,288 (April 30, 2019 - \$11,239).

(b) Fees in the amount of \$78,000 (2018 - \$78,000) were charged by a company controlled by a director and officer of the Company. Amounts payable as at October 31, 2019 were \$13,650 (April 30, 2019 - \$13,650).

(c) Fees in the amount of \$54,460 (2018 - \$12,000) were charged by a law firm controlled by a director and officer of the Company and included in professional fees, share issue costs, mineral property expenditures or charged to investment in associate. Amounts payable as at October 31, 2019 were \$nil (April 30, 2019 - \$nil).

(d) Fees in the amount of \$15,000 (2018 - \$15,000) were charged by an officer of the Company for consulting services. Amounts payable as at October 31, 2019 were \$2,625 (April 30, 2019 - \$2,625).

(e) Fees in the amount of \$18,000 (2018 - \$18,000) were charged by an officer of the Company for consulting services and included in consulting fees, mineral property expenditures or charged to investment in associate. Amounts payable as at October 31, 2019 were \$3,150 (April 30, 2019 - \$3,150).

(f) Fees in the amount of \$3,000 (2018 - \$nil) were charged by a director of the Company for consulting services (charged to investment in associate). Amounts payable as at October 31, 2019 were \$nil (April 30, 2019 - \$nil).

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

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

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G. Related Party Transactions, continued

	2019	2018
Short-term benefits	\$ 114,000	\$ 111,000
Share-based payments	432,395	81,370
Total	\$ 546,395	\$ 192,370

One executive officer is entitled to termination benefits in the event of a change of control equal to thirty six months compensation. Upon a change of control, and assuming the triggering event took place on the last business day of the year-end, the estimated payment would be \$468,000.

H. Financial Condition, Liquidity and Capital Resources

As at October 31, 2019 the Company had working capital of \$4,031,994 (April 30, 2019 - \$165,859).

However, the Company does not yet generate any revenue from operations and, for the foreseeable future, will need to rely upon earn-in agreements and / or issue share capital to finance future exploration and administrative activities. Although the Company has been successful in its financing initiatives, there can be no assurance that the Company will be able to obtain adequate future financing.

Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with a possible loss of some properties and reduction or termination of operations.

During the fiscal period to date, 11,545,000 share purchase warrants have been exercised for gross proceeds of \$1,001,300. On August 13, 2019, the Company closed the first tranche of a non-brokered private placement and issued 15,502,500 units at a price of \$0.20 per unit for gross proceeds of \$3,100,500. On September 4, 2019, the Company closed the final tranche of this private placement and issued 5,530,000 units at a price of \$0.20 per unit for gross proceeds of \$1,106,000. Each unit consisted of one common share of the Company and one common share purchase warrant whereby each warrant is exercisable to purchase one common share at an exercise price of \$0.25 for a period of five years.

Net proceeds are being used for working capital and to cover the Company's share of the costs associated with the continued 2019-20 exploration program at Cerro Las Minatas.

I. Outstanding Equity and Convertible Securities

i) Issued and Outstanding Shares

As at December 19, 2019, the Company had 129,241,448 common shares issued and outstanding.

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I. Outstanding Equity and Convertible Securities, continued

ii) Share Purchase Warrants

Share purchase warrants outstanding as at December 19, 2019 were:

Exercise Price	Expiry Date	Balance	Balance
		October 31, 2019	December 19, 2019
\$0.08	March 4, 2020	1,259,295	1,259,295
\$0.08	March 5, 2020	9,009,593	9,009,593
\$0.08	March 11, 2020	100,000	100,000
\$0.15	June 26, 2020	9,000,000	9,000,000
\$0.08	March 4, 2021	6,000,000	6,000,000
\$0.08	April 8, 2021	450,000	450,000
\$0.15	May 19, 2021	7,852,500	7,852,500
\$0.55	June 13, 2020	6,372,500	6,372,500
\$0.55	August 31, 2020	1,171,750	1,171,750
\$0.55	September 29, 2020	1,254,500	1,254,500
\$0.25	August 13, 2024	16,199,175	16,199,175
\$0.25	September 4, 2024	5,694,850	5,694,850
		64,364,163	64,364,163
Weighted average exercise price		\$0.22	\$0.22
Weighted average remaining life in years		2.20	2.07

iii) Stock Options

Stock options outstanding and exercisable as at December 19, 2019 were:

Exercise Price	Expiry Date	Balance	Balance
		October 31, 2019	December 19, 2019
\$0.08	March 26, 2020	2,218,000	2,218,000
\$0.08	July 29, 2020	650,000	650,000
\$0.08	September 28, 2020	190,000	190,000
\$0.11	April 22, 2021	1,168,500	1,168,500
\$0.30	June 3, 2021	1,625,000	1,625,000
\$0.34	October 2, 2022	2,750,000	2,750,000
\$0.34	February 1, 2023	150,000	150,000
\$0.17	September 27, 2023	800,000	800,000
\$0.27	October 1, 2024	3,250,000	3,250,000
		12,801,500	12,801,500
Weighted average exercise price		\$0.22	\$0.22
Weighted average remaining life in years		2.62	2.48

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I. Outstanding Equity and Convertible Securities, continued

iv) Compensation Options

Compensation options outstanding as at December 19, 2019 were as follows:

Exercise Price	Expiry Date	Balance October 31, 2019	Balance December 19, 2019
\$0.40	August 31, 2020	105,100	105,100
		105,100	105,100
Weighted average exercise price		\$0.40	\$0.40
Weighted average remaining life in years		0.84	0.70

J. Financial Instruments

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

Financial Instrument	Category	Carrying Value
Cash	FVTPL	Fair Value
Other Receivables	Loans and Receivables	Amortized Cost
Accounts Payable and Accrued Liabilities	Other Financial Liabilities	Amortized Cost
Due to Related Parties	Other Financial Liabilities	Amortized Cost

The carrying values of other receivables, accounts payable and accrued liabilities and amounts due to related parties approximate their fair values due to the short period to maturity.

These financial instruments have no material risk exposure. The Company's risk management policies require significant cash deposits or any short-term investments be invested with Canadian chartered banks rated BBB or better, or commercial paper issuers R1/A2/P2 or higher. All investments must be less than one year in duration.

K. Events After the Reporting Period and Outlook

There are no other material events subsequent to the date of this document. The Company is continuing to explore its properties and activities over the ensuing year will focus on this. The Company expects to continue its strategy of collaborating with experienced mining companies to acquire and develop other properties and to advance them to production.

L. Off-Balance Sheet Arrangements

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

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For the Six Months Ended October 31, 2019

M. Disclosure Controls and Procedures

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee is composed of three directors, two of whom are independent, who meet at least quarterly with management, and at least annually with the external auditors, to review accounting, internal control, financial reporting and audit matters.

There have been no significant changes to the Company's internal control over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

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

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

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

N. Risks and Uncertainties

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

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration.

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

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

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For the Six Months Ended October 31, 2019

N. Risks and Uncertainties, continued

No Operating History and Availability of Financial Resources

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

Historically, the Company has relied mainly upon the issuance of share capital to finance its activities. In the future, the Company will be required to rely on earn-in agreements and / or issue share capital to finance future exploration and administrative activities, which may result in dilution to existing shareholders. Furthermore, the amount of additional funds required may not be available under favorable terms, if at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or discontinue its operations.

Dependence on Key Personnel

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

Price Volatility and Lack of Active Market

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

Government Regulations and Environmental Risks and Hazards

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

The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation.

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Management's Discussion and Analysis

For the Six Months Ended October 31, 2019

N. Risks and Uncertainties, continued

Environmental hazards may exist on the Company's properties, which may have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current property interests that may result in material liability to the Company.

Competition

The resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped properties. The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.

Title to Property

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

Licenses and Permits

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

O. Proposed Transactions

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

P. Forward-Looking Statements

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

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P. Forward-Looking Statements, continued

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

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