

Southern Silver Reports on Equity Raise and Announces Additional C\$4 Million Equity Raise

July 28, 2020

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Southern Silver Exploration Corp. ("**Southern Silver**" or the "**Company**") reports that the previously announced brokered offering of subscription receipts (the "Subscription Receipts") to be issued at the price of C\$0.20 per Subscription Receipt, has been fully subscribed for aggregate gross proceeds of C\$10,000,000 and it is anticipated to close on or about July 31, 2020.

In conjunction with a previously announced Transaction (as defined below) to acquire an additional 60% indirect working interest (for a 100% indirect ownership) in the Company's flagship Cerro Las Minitas project and the previously announced brokered offering of Subscription Receipts, the Company plans to now issue an additional 19,047,620 subscription receipts of the Company (the "**Additional Subscription Receipts**") on a non-brokered private placement basis at the price of C\$0.21 per Additional Subscription Receipt for gross proceeds of up to C\$4,000,000 (the "**Offering**"). Each Additional Subscription Receipt shall be exchangeable, for no additional consideration, into one unit of the Company (each, a "**Unit**") upon satisfaction of certain escrow release conditions (the "**Escrow Release Conditions**"). Each Unit will consist of one common share and one-half of one share purchase warrant, with each full warrant exercisable to purchase one additional common share at a price of C\$0.28 during the first year, increasing to C\$0.33 in year two and C\$0.38 in year three following the closing date of the Offering (the "**Closing Date**"). The Additional Subscription Receipts will otherwise be identical to the Subscription Receipts to be issued under the brokered offering of Subscription Receipts.

The net proceeds raised under the Offering will be used to fund the cash payment for the Transaction and for general working capital purposes.

The common shares and warrants issuable upon satisfaction of the Escrow Release Conditions will be subject to certain resale restrictions, including a restricted (or "hold") period of four months and one day following the Closing Date, under applicable Canadian securities legislation, and any securities issued to U.S. purchasers will be "restricted securities" as defined in Rule 144 of the U.S. Securities Act. Purchasers are advised to consult their own legal advisors in this regard.

The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals of the TSX Venture Exchange. Finders' fees may be paid by Southern Silver in relation to this Offering.

Transaction

The Company has entered into a definitive agreement with Electrum Global Holdings L.P. ("**Electrum**") to acquire Electrum's 60% ownership interest in Southern Silver Holdings Limited ("**SSHL**") for current and future cash and share payments totaling US\$15.0 million (the "**Transaction**"). SSHL is a holding company that wholly owns Minera Plata del Sur S.A. de C.V. ("**MPS**"). MPS holds title to the Cerro Las Minitas property in Durango State, Mexico. The Company shall use its commercially reasonable efforts to complete the Transaction. The conditions of the closing of the Transaction are as follows:

- i. on the closing date of the Transaction, the payment by the Company to Electrum of US\$5,000,000 in cash and the issue and delivery of US\$2,000,000 (adjusted by a credit of C\$1,350,000 paid on execution of the definitive agreement), in common shares of the Company;
- ii. receipt of the approval of the Company's shareholders; and
- iii. receipt of all required approvals from the TSX Venture Exchange as well as all other relevant regulatory bodies.

The securities referred to in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This news release does not constitute an offer for sale of securities for sale, nor a solicitation for offers to buy any securities.

About Southern Silver Exploration Corp.

Southern Silver Exploration Corp. is a precious metal exploration and development company with a focus on the discovery of world-class mineral deposits in north-central Mexico and the southern USA. Our specific emphasis is the Cerro Las Minitas silver-lead-zinc project located in the heart of Mexico's Faja de Plata, which hosts multiple world-class mineral deposits such as Penasquito, San Martin and Los Gatos. We have assembled a team of highly experienced technical, operational and transactional professionals to support our exploration efforts with the objective of developing the Cerro Las Minitas project into a premier, silver-lead-zinc mine.

The Company engages in the acquisition, exploration and development either directly or through joint-venture relationships in mineral properties in major jurisdictions. Our property portfolio also includes the Oro porphyry copper-gold project located in southern New Mexico, USA. The Oro property consists of patented land, State leases and BLM located mineral claims which cover a highly prospective quartz-sericite-pyrite alteration zone, interpreted to overlie an unexposed porphyry centre and distal sediment-hosted, oxide-gold target.

On behalf of the Board of Directors

"Lawrence Page"

Lawrence Page, Q.C.

President & Director, Southern Silver Exploration Corp.

For further information, please visit Southern Silver's website at southernsilverexploration.com or contact us at 604.641.2759 or by email at ir@mnxltltd.com.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release may contain forward-looking statements, including statements regarding the closing of the Offering and the Transaction. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Factors that could cause actual results to differ materially from those in forward looking statements include the timing and receipt of government and regulatory approvals, and continued availability of capital and financing and general economic, market or business conditions. Southern Silver Exploration Corp. does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable law.