

SILVER SUN RESOURCE CORP.
400 - 409 Granville Street
Vancouver, British Columbia
V6C 1T2
Tel: 604.678.2531 Fax: 604.678.2532

February 28, 2011

CHERRY HILL MINING COMPANY, INC.

P.O. Box 1013
3715 Meadowlark Dr.
East Helena, Montana 59635

Attention : Richard Lyon

Re: Acquisition of 51% Interest in Cherry Hill Mine

This Letter of Intent is intended to set out the basic terms upon which the Purchaser (as defined herein) would be prepared to acquire a 51% interest in the Project (as defined herein) from Cherry Hill Mining Company, Inc., a private Montana S Corporation (the "**Vendor**"). The terms are not comprehensive and additional terms, including customary representations and warranties, will be incorporated into a formal agreement (the "**Definitive Agreement**") to be negotiated between the parties. The basic terms are as follows:

1. **Project:** The Cherry Hill Mine located in the Klamath National Forest in Siskiyou County, California, approximately 8 miles from Yreka. The mine is a high grade underground quartz lode mine located on a claim block consisting of six unpatented mining claims and one mill site claim covering approximately 125 acres, which is further described in Schedule A attached hereto (the "**Project**").
2. **Purchaser:** Silver Sun Resource Corp. (the "**Purchaser**"), a British Columbia corporation listed on the TSX Venture Exchange (the "**Exchange**").
3. **Proposed Transaction and Deposit:** Following entry into the Definitive Agreement, and at the closing thereof, it is anticipated that the Purchaser will acquire a fifty one percent interest (51%) in the Project and related equipment and other assets as further described in Schedule A to this Letter of Intent (collectively, the "**Property**") on the terms set forth in this Letter of Intent and the Definitive Agreement (the "**Asset Purchase**"). The consideration payable by the Purchaser for the Property will be US\$555,000 (the "**Consideration**"). Determination of the final structure of the Asset Purchase is subject to receipt of final tax, corporate and securities law advice by both the Purchaser and the Vendor and their respective counsel. Upon execution of this Letter of Intent by the parties hereto, and as additional consideration to the Vendor for entering into the Letter of Intent, the Purchaser hereby agrees to make a non-refundable payment of \$10,000 to the Vendor (the "**Deposit**"). If the Purchaser completes the Asset Purchase, the Deposit shall be credited against the Consideration payable for the Asset Purchase.
4. **Structure:** In order to facilitate the Asset Purchase, the Purchaser and the Vendor agree that each will use their best efforts to formulate a structure for the Asset Purchase which is acceptable to each party and which is formulated to: comply with all necessary legal and regulatory requirements; minimize or eliminate any adverse tax consequences; and be as cost effective as possible.
5. **Due Diligence:** The Purchaser shall have from the date of execution of this Letter of Intent to March 15, 2011 (the "**Due Diligence Period**") to complete its initial due diligence investigations respecting the Property and/or the Vendor. The Vendor agrees that during the Due Diligence Period, the Vendor will cooperate fully with Purchaser by delivering any and all technical, operational, permit and title documentation, and material contracts or financial data relating to the Property that the Purchaser may reasonably request.
6. **Conditions Precedent of the Purchaser:** The obligation of the Purchaser to proceed with the Asset Purchase will be subject to satisfaction or written waiver by the Purchaser of the following conditions (the "**Purchaser's Conditions Precedent**") within the time set forth in the Definitive Agreement:

- (a) the Property being in good standing;
- (b) the Property being owned, free and clear by the Vendor;
- (c) review and approval of all materials in the possession and control of the Company which are germane to the decision to proceed with the Asset Purchase;
- (d) the Purchaser and its solicitors having had a reasonable opportunity to perform the searches and other due diligence reasonable or customary in a transaction of a similar nature to that contemplated herein and the Purchaser and its solicitors being satisfied with the results of such due diligence;
- (e) if required by applicable securities law or the Exchange, the Vendor providing to the Purchaser, and the Purchaser and its accountant having had a reasonable opportunity to review, audited financial statements of the Vendor prepared in accordance with generally accepted accounting principles or international financial reporting standards by independent accountants, and unaudited financial statements for the Vendor's most recent interim financial period, each as required by applicable securities law, and both the Purchaser and its accountant being satisfied with the content of such financial statements;
- (f) the Purchaser obtaining all necessary Exchange, corporate, governmental, regulatory and court consents, waivers and approvals including any required approvals or consents of the stockholders of the Vendor to the Asset Purchase;
- (g) the Vendor obtaining the consent of any parties from whom consent to the Asset Purchase is required;
- (h) the Vendor complying with all pre-Closing covenants to be set out in the Definitive Agreement and the continuing accuracy in all material respects of the representations and warranties of the Vendor as contained therein at Closing;
- (i) no material adverse change having occurred in connection with the business of the Vendor;
- (j) no legal proceedings pending or threatened to enjoin, restrict or prohibit the transactions contemplated in this Letter of Intent; and
- (k) other conditions customary in transactions similar to the Asset Purchase.

It would be the expectation of the Purchaser that many of the Purchaser's Conditions Precedent will be narrowed or eliminated altogether as the Purchaser completes its due diligence and the Definitive Agreement and schedules thereto are finalized.

7. Closing and Good Faith Negotiations: Subject to approval from the Exchange, the closing of the Asset Purchase (the "**Closing**"), unless otherwise agreed to in writing by the parties, will occur no later than April 15, 2011. The Closing may take place by exchange of the appropriate solicitor's undertakings. Each of the parties will act honestly, diligently and in good faith in their respective endeavors to negotiate, settle and execute the Definitive Agreement on or before March 15, 2011 and to consummate the Asset Purchase on or before April 15, 2011.
8. Confidentiality: Except as and to the extent required by law, the Purchaser will not disclose or use, and will direct its representatives not to disclose or use to the detriment of the Vendor, any Confidential Information (as defined below) with respect to the Vendor furnished, or to be furnished, by either the Vendor or its representatives to the Purchaser or its representatives at any time or in any manner other than in connection with its evaluation of the transaction proposed in this Letter of Intent. For purposes of this paragraph, "**Confidential Information**" means any information about the Vendor stamped "confidential" or identified in writing as such to the Purchaser by the Vendor promptly following its disclosure, unless (i) such information is already known to the Purchaser or its representatives or to others not bound by a duty of confidentiality or such information becomes publicly available through no fault of the Purchaser or its representatives, (ii) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the Asset Purchase, or (iii) the furnishing or use of such information is required by or necessary or appropriate in connection with legal proceedings. Upon the

written request of the Vendor, the Purchaser will promptly return to the Vendor or destroy any Confidential Information in its possession and certify in writing to the Vendor that it has done so. Similarly, except as and to the extent required by law, the Vendor will not disclose or use, and will direct their representatives not to disclose or use to the detriment of the Purchaser, any Confidential Information (with such corresponding changes to the definition thereof to reference the Confidential Information of the Purchaser as opposed to the Vendor) with respect to the Purchaser furnished, or to be furnished, by either the Purchaser or its representatives to the Vendor or their representatives at any time or in any manner other than in connection with its evaluation of the transaction proposed in this Letter of Intent. Upon the written request of the Purchaser, the Vendor will promptly return to the Purchaser or destroy any Confidential Information in its possession and certify in writing to the Purchaser that it has done so.

9. Disclosure: Except as and to the extent required by law or the policies of the Exchange, without the prior written consent of the other parties, neither the Purchaser nor the Vendor will, and each will direct its representatives not to make, directly or indirectly, any public comment, statement, or communication with respect to, or otherwise to disclose or to permit the disclosure of the existence of discussions regarding, a possible transaction between the parties or any of the terms, conditions, or other aspects of the transaction proposed in this Letter of Intent. If a party is required by law to make any such disclosure, it must first provide to the other party the content of the proposed disclosure, the reasons that such disclosure is required by law, and the time and place that the disclosure will be made.
10. Expenses: The Purchaser and the Vendor will be responsible for and bear all of its own costs and expenses (including any broker's or finder's fees and the expenses of its representatives) incurred at any time in connection with pursuing or consummating the Asset Purchase.
11. Standstill: From the date hereof until April 15, 2011, unless a later date is mutually agreed to in writing by the parties, the parties will not, directly or indirectly, solicit, initiate, assist, facilitate, promote or encourage proposals or offers from, entertain or enter into discussions or negotiations with, or provide information relating to the matters contemplated by this Letter of Intent to, any third parties, unless such action, matter or transaction is part of the transactions contemplated in this letter of intent or is satisfactory to, and is approved in writing in advance by, the other party hereto or is necessary to carry on the normal course of business.
12. Not a Binding Agreement: This Letter of Intent does not create a binding contract and will not be enforceable, except in respect of the obligations set out in paragraphs 3, 5, 8, 10, 11, 12, 13, and 15 which the parties agree are binding and survive the execution and termination of this Letter of Intent (collectively, the "**Binding Provisions**").
13. Proper Law: This Letter of Intent will be exclusively governed by and construed in accordance with the law of the Province of British Columbia and the parties hereby attorn to the exclusive jurisdiction of the Courts of competent jurisdiction of the Province of British Columbia in any proceeding hereunder. The Vendor acknowledges and agrees that the Purchaser has given the Vendor the opportunity to seek, and have recommended that the Vendor to obtain, independent legal advice with respect to the subject matter of this Subscription Agreement and, further, the Vendor hereby represents and warrants to the Purchaser that the Vendor has sought independent legal advice or waives such advice.
14. Counterparts and Electronic Means: This Letter of Intent may be executed in several counterparts, each of which will be deemed to be an original and all of which will together constitute one and the same instrument. Delivery to us of an executed copy of this Letter of Intent by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery to us of this Letter of Intent as of the date of successful transmission to us.
15. No Liability: Except as specified in paragraph 12, the paragraphs and provisions of this Letter of Intent do not constitute and will not give rise to any legally binding obligation on the part of either party to this Letter of Intent. Moreover, except as expressly provided in the Binding Provisions (or as expressly provided in any binding written agreement that the parties may enter into in the future), no past or future action, course of conduct, or failure to act relating to the Asset Purchase, or relating to the negotiation of the terms of the Definitive Agreement, will give rise to or serve as a basis for any obligation or other liability on the part of the parties to this Letter of Intent.

16. Acceptance: If you are agreeable to the foregoing terms, please sign and return a duplicate copy of this Letter of Intent by no later than by 8:00 p.m. (Pacific Standard time) on February 28, 2011.

Yours truly,

SILVER SUN RESOURCE CORP.

"Mark McLeary"

Name: Mark A. McLeary

Title: Chief Executive Officer

The above terms are accepted this 28th day of February, 2011.

CHERRY HILL MINING COMPANY, INC.

"Richard Lyon"

Name: Richard Lyon

Title: President

SCHEDULE A

LIST OF CLAIMS AND ASSETS OF CHERRY HILL MINING COMPANY, INC.

<u>Name:</u>	<u>CAMC #</u>
Gilt Edge #1	278706
Gilt Edge #2	281435
Little Wonder	281433
Living Water	294389
Lucky Boy	294390
High Hopes	294391
Cherry Hill mill site	281434

CHMC Equipment Inventory - All As Is

CH High Grade Rock Assay (Kevin's Rock)
650 cfm Joy air compressor with a cat engine*
One 4x8 table new
One spiral concentrator
Hy-G 36 inch concentrator
Brookville locomotive 18 ga.
12B Emico mucker **
Three 1 ton ore cars
One flat car
20 foot cargo trailer
65kw Detroit genset
six ton of 20 lb rail
Two GD 83 drills
Four legs
One se-can drill
One 10x16 jaw crushers
One 5x6 Denver jaw crusher
Three slushers with buckets
Two slurry pumps
one fresh water pumps
10 inch mine fan
21 inch mine fan
10 inch inline fan
2 Water tanks 750 gal
600 ft Air pipe
Two Honda water pumps
Case 855D track loader
Pipe fittings and fasteners
One stopper drills
250 feet 4 inch water line
Drill steel and bits
Rail switches
3000 feet 1 inch water pipe
One Jim crow tool
Wilden air pump
Prell pot
Flotation mill
Condition tank
Electrical panels and motors

Ore bin with grizzly
conveyor

1800 feet of 10 inch vent bag
1800 feet of 1 inch air hose
6 bank mine lights
Rake classifier
Barrel of ball mill balls
4x4 Marcy Denver ball mill
3000 gal water tank
3x4 shaker screen
Two air tuggers
Four mine phones
Pullies and sprockets
Gear drivers

* Cherry Hill Mining Company, Inc. will pay Eric Schoonmaker \$2000. If this is not enough for him Silver Sun Resource Corp. will have to pay difference or it will have to be returned.

** Cherry Hill Mining Company, Inc. will pay Dave Sullivan for his shares and the use of the mucker while in use by Cherry Hill Mining Company, Inc.