

PROPERTY OPTION AGREEMENT

THIS AGREEMENT is made as of the 28th day of March, 2017.

BETWEEN:

SILVER PREDATOR CORP., a corporation having an office at Suite 212, 13403 North Government Way, Hayden, Idaho, 83835

(the “**Optionor**”)

AND:

MONTEGO RESOURCES INC., a corporation having an office at Suite 800, 1199 West Hastings Street, Vancouver, British Columbia, V6C 2C2

(the “**Optionee**”)

WHEREAS:

A. The Optionor, directly or indirectly through its wholly-owned subsidiary Nevada Royalty Corp., holds one-hundred percent (100%) of the right, title and interest in and to the Mineral Claims, subject to the Underlying Royalty; and

B. The Optionor desires to grant the right to acquire the Mineral Claims, subject to the Underlying Royalty, on the terms and subject to the conditions set out in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of one (1) dollar paid by each party to the other, and the mutual promises, covenants, conditions, representations and warranties herein set out, the parties agree as follows:

ARTICLE 1 - DEFINITIONS

- 1.1 For the purposes of this Agreement the following words and phrases shall have the following meanings, namely:
- (a) “**Affiliate**” shall have the meaning attributed to such term in the *Business Corporations Act* (British Columbia);
 - (b) “**Agreement**” means this Agreement, as amended from time to time;
 - (c) “**Agreement Date**” means the date of this Agreement, as first set out above;
 - (d) “**Business Day**” means a day other than a Saturday, Sunday or any day on which chartered banks in the City of Vancouver, British Columbia are not open for business during normal banking hours;
 - (e) “**Closing**” means the closing of the Transaction on the Closing Date;
 - (f) “**Closing Date**” means such date as the Optionor and the Optionee shall

elect, as soon as practical following acceptance of this Agreement by the TSX-V, and the Optionor obtaining the approval of its shareholders (if required by the TSX-V), provided that if such approvals have not been obtained on or before June 30, 2017, this Agreement shall automatically terminate without any action on the part of the Optionor or the Optionee in accordance with Section 6.5;

- (g) **“Consideration Shares”** shall have the meaning attributed to it in Section 3.2(b);
- (h) **“Common Share Reorganization”** shall have the meaning attributed to it in Section 3.7;
- (i) **“Current Market Price”** in respect of the common shares of the Optionee (or any securities into which the common shares may be converted or exchanged) at any date means the price per share equal to the weighted average price at which the common shares have traded (i) on the principal recognized exchange or market on which such common shares are traded, or (ii) if the common shares are not traded on any recognized exchange or market, on an over-the-counter market, during the twenty (20) consecutive trading days ending on the trading day immediately prior to such date as reported by such market or exchange in which the common shares are then trading or quoted. The weighted average price per common share shall be determined by dividing the aggregate sale price of all such shares sold on the aforementioned over-the-counter market, recognized exchange or market, as the case may be, during the aforementioned twenty (20) consecutive trading days by the total number of such shares so sold. If the common shares are not then traded in the over-the-counter market or on a recognized exchange or market, the Current Market Price of the common shares shall be the fair market value of the common shares as determined in good faith by the board of directors of the Optionee after consultation with a nationally or internationally recognized investment dealer or investment banker;
- (j) **“Disclosure Letter”** means the disclosure letter provided by the Optionor to the Optionee, on the Agreement Date, disclosing certain matters described in this Agreement;
- (k) **“Environmental Liability”** means any claim, demand, loss, liability, damage, cost or expense (including legal fees) suffered or incurred in respect of environmental cleanup and remediation obligations and liabilities arising directly or indirectly from operations or activities conducted in or on the Taylor Silver Property;
- (l) **“Exchange”** means the Canadian Securities Exchange;
- (m) **“Expenditures”** means any amounts spent by the Optionee, directly or indirectly, on or in connection with the Taylor Silver Property for the purposes of ascertaining the existence, location, quality, quantity or commercial value of deposits of Minerals on the Taylor Silver Property, including:

- (i) prospecting, exploration, geology and related interpretation, geochemical surveys and analysis, geophysical surveys and interpretation, drilling, geotechnical work, open pits, blasting, underground activities and workings, shafts, adits, drifts, bulk sampling, camp costs, evaluation, independent resource estimates, economic studies, assessment reports; and
 - (ii) all other expenses directly benefiting the Mineral Claims and the prospecting, exploration, evaluation and development thereof, including those incurred for environmental and other studies (field and lab studies), charges incurred for site preparation, engineering, surveying, equipment rental, third- party contractor services, construction of roads, costs of equipment and supplies, labour costs and all direct salary and all direct salary and field expenses of exploration personnel, and transportation costs;
- (n) **“Mineral Claims”** means the mining claims comprising the Taylor Silver Property as set out in Schedule “A” hereto;
- (o) **“Minerals”** means all materials of commercial value produced or derived from the Taylor Silver Property and all base metals and minerals, all precious metals and minerals, all rare earth, non-metallic minerals including diamonds, all industrial minerals and all ores, concentrates, precipitates, beneficiated products, and solutions containing any of the aforementioned metals or minerals, and all forms in which such metals and minerals may occur, be found, extracted or produced on, in or under the Taylor Silver Property;
- (p) **“Operations”** means all activities carried out in connection with the prospecting, exploring, evaluation, development, and mining of Minerals on the Taylor Silver Property, including prospecting, exploration, the development of a mine, the mining, extraction, treatment, storage and processing of Minerals, distribution of Minerals, the acquisition and relinquishment of properties or the construction of any improvements, fixtures or equipment reasonably necessary therefor, and any other activities or operations related to or necessary for exploration, development, and mining of Minerals on, in or under the Taylor Silver Property;
- (q) **“Option”** means the sole, exclusive and irrevocable right and option granted by the Optionor to the Optionee to acquire the Mineral Claims, subject to the Underlying Royalty, as more particularly set out in Article 3 hereof;
- (r) **“Option Period”** means the period commencing on the Closing Date and ending at 12:01 am on the earlier of: (i) the day after the Optionee exercises or is deemed to exercise the Option as set out in Section 3.6 hereof;
- (s) **“Optionee”** means Montego Resources Inc.;

- (t) **“Optionor”** means Silver Predator Corp.;
- (u) **“Rights Offering”** shall have the meaning attributed to it in Section 3.8;
- (v) **“Rights Period”** shall have the meaning attributed to it in Section 3.8;
- (w) **“Taylor Silver Property”** means the Mineral Claims together with all right, title and interest of the Optionor to all other mining interests derived from the Mineral Claims, including any renewal thereof and any form of successor or substitute title thereto, as well as certain water usage permits related to the Mineral Claims as further set out in Schedule “A” hereto;
- (x) **“Transaction”** means the grant of the Option by the Optionor to the Optionee, as set out herein;
- (y) **“TSX-V”** means the TSX Venture Exchange; and
- (z) **“Underlying Royalty”** means the overriding royalty rights in respect of the Taylor Silver Property, which include a two (2.0%) percent net smelter returns royalty and a one (1.0%) percent net profit royalty.

1.2 **Entire Agreement**

This Agreement constitutes the entire agreement between the Optionor and the Optionee pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of and between the parties to this Agreement relating to the Taylor Silver Property, including but not limited to the transaction proposal executed by the parties in respect of the Transaction, dated February 16, 2017, and there are no representations, warranties, covenants or other agreements among the parties to this Agreement in connection with the subject matter of this Agreement except as specifically set forth in this Agreement. No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provisions (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

1.3 **Headings**

The Articles, Sections, subsections and other headings contained herein are included solely for convenience, are not intended to be full or accurate descriptions of the content of this Agreement and shall not be considered part of this Agreement.

1.4 **Currency**

Unless otherwise indicated, all dollar amounts contained in this Agreement are

and shall be construed to be in dollars in the lawful currency of the United States of America.

1.5

Schedules

The following Schedule attached to this Agreement is an integral part of this Agreement:

Schedule "A" - Mineral Claims

ARTICLE 2 – REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1

The Optionor and Optionee each represent and warrant to the other, as of the Agreement Date and as of the Closing Date that:

- (a) it is a company duly incorporated, validly subsisting and in good standing with respect to filing of annual reports under the laws of the jurisdiction of its incorporation or organization;
- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to in or contemplated by this Agreement and to carry out and perform all of its obligations and duties hereunder;
- (c) it has duly obtained all authorizations for the execution, delivery, and performance of this Agreement, except for acceptance of this Agreement by the TSX-V and any shareholder approval which may be required by the TSX-V in the case of the Optionor, and such execution, delivery and performance and the consummation of the Transactions herein contemplated will not conflict with, or accelerate the performance required by or result in any breach of any covenants or agreements contained in or constitute a default under, or result in the creation of any encumbrance, lien or charge under the provisions of its constating or initiating documents or any indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound or to which it may be subject and will not contravene any applicable laws; and
- (d) this Agreement, when delivered in accordance with the terms hereof, will constitute a valid and binding obligation enforceable against it in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws of general application affecting enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

2.2

The Optionor represents and warrants to the Optionee, as of the Agreement Date and as of the Closing Date, and except as otherwise disclosed to the Optionee in the Disclosure Letter, and covenants with the Optionee that:

- (a) the Mineral Claims have been properly located and staked pursuant to

the applicable laws and regulations of the State of Nevada, are registered in the name of "Nevada Royalty Corp." with the Bureau of Land Management, and are in good standing;

- (b) other than this Agreement, it is not a party to any outstanding agreements or options to acquire, purchase or sell the Taylor Silver Property or any portion thereof or any interest therein;
- (c) to its knowledge, there is no adverse claim or challenge against or to the ownership of or title to any part of the Taylor Silver Property;
- (d) the Taylor Silver Property is not subject to any royalties or other third-party contractual obligations, except for the Underlying Royalty;
- (e) to its knowledge, there are no actions, or claims, investigations, suits, proceedings or inquiries (judicial or otherwise) pending or, to its knowledge, threatened against or relating to the Taylor Silver Property before or by any governmental or regulatory agency or board, which would reasonably be expected to have a materially adverse effect on the ability of the Optionor to perform its obligations hereunder;
- (f) during the Option Period, immediately advise the Optionee of any adverse claims or challenges to the ownership or title of any part of the Taylor Silver Property, as well as any claim made against the Optionor and which relates to ownership of the Taylor Silver Property, and use its best efforts to defend any such claims and title to the Taylor Silver Property; and
- (g) as soon as practical following the Agreement Date, it will seek approval for the granting of the Option from the TSX-V and, if so required, from its shareholders.

2.3 The Optionee acknowledges and agrees that the Optionor makes no representation or warranty except as set forth in Section 2.2, above, and that it expressly disclaims any representation or warranty as to the existence of any Minerals on the Taylor Silver Property.

2.4 The Optionee represents and warrants to the Optionor as of the Agreement Date and as of the Closing Date, and covenants with the Optionor that:

- (a) it is a company duly incorporated, validly subsisting and in good standing with respect to filing of annual reports under the laws of the jurisdiction of its incorporation or organization;
- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to in or contemplated by this Agreement and to carry out and perform all of its obligations and duties hereunder; and
- (c) upon termination of this Agreement, for whatever reason, the Optionee shall return or assign to the Optionor all technical information and

data, maps, interpretive data, samples and other material relevant to the Taylor Silver Property and in its possession or under its control.

- 2.5 The representations, warranties and covenants hereinbefore set out are conditions on which the parties have relied in entering into this Agreement, and shall survive the exercise of the Option or the termination of this Agreement in accordance with its terms, whichever shall first occur, for a period of one year. Each of the parties shall indemnify and save the other harmless from all losses, damages, costs (including reasonable legal expenses, but not including losses of profits or opportunity or punitive or incidental damages), actions and suits arising out of or in connection with any breach of any representation or warranty contained in this Agreement, and each party shall be entitled, in addition to any other remedy to which it may be entitled, to set off any such loss, damage or costs suffered by it as a result of any such breach against any payment required to be made by it to any other party hereunder.

ARTICLE 3 - GRANTING AND EXERCISE OF OPTIONS

- 3.1 Upon and subject to the terms and conditions of this Agreement, the Optionor hereby grants the Option to the Optionee effective on the Closing Date.

- 3.2 The Option may be exercised by the Optionee:

- (a) making cash payments totaling \$1,200,000, as follows:
 - (i) \$200,000 on the Closing date; and
 - (ii) an additional \$100,000, on or before the date which is six (6) months from the Closing Date;
 - (iii) an additional \$200,000, on or before the date which is twelve (12) months from the Closing Date;
 - (iv) an additional \$300,000, on or before the date which is twenty-four (24) months from the Closing Date; and
 - (v) an additional \$400,000, on or before the date which is thirty-six (36) months from the Closing Date;
- (b) issuing 2,500,000 fully-paid and non- assessable common shares in the capital of the Optionee (the “**Consideration Shares**”), as follows:
 - (i) 500,000 Consideration Shares on the Closing date; and
 - (ii) an additional 300,000 Consideration Shares on or before the date which is six (6) months after the Closing Date;
 - (iii) an additional 400,000 Consideration Shares on or before the date which is twelve (12) months after the Closing Date;
 - (iv) an additional 500,000 Consideration Shares on or before the

date which is twenty-four (24) months after the Closing Date;
and

(v) an additional 800,000 Consideration Shares on or before the date which is thirty-six (36) months after the Closing Date;

(c) by incurring Expenditures of not less than \$700,000, as follows:

(i) \$100,000, on or before the date which is twelve (12) months after the Closing Date;

(ii) an aggregate of \$350,000, on or before the date which is twenty-four (24) months after the Closing Date; and

(iii) an aggregate of \$700,000, on or before the date which is thirty-six (36) months after the Closing Date.

3.3 If the Optionee does not timely make all of the payments, issue all of the Consideration Shares and complete all of the Expenditures by the times specified in Section 3.2, then the Option shall automatically terminate without notice. Notwithstanding the foregoing, the Optionee shall have the right to accelerate exercise of the Option by making all of the cash payments, issuing all of the Consideration Shares and completing all of the Expenditures described above. For greater certainty, upon termination of the Option as contemplated above, the Optionee shall not be entitled to any compensation for, or to receive anything in respect of, any payments previously made, Consideration Shares previously issued or Expenditures previously made, but shall be subject to the obligations set out in Article 6, including Section 6.4.

3.4 The Optionor acknowledges that the Consideration Shares will be subject to resale restrictions and hold periods imposed by National Instrument 45-102, and the applicable securities laws of the jurisdiction of residence of the Optionor.

3.5 If the Optionee incurs Expenditures in any year of less than the amount required under Section 3.2 hereof, such shortfalls may be paid as cash in lieu to the Optionor, in order to keep the Option in good standing.

3.6 Upon the Optionee having timely performed all of the requirements of Section 3.2 hereof, the Optionee will be deemed to have exercised the Option in full, and the Optionee will have a one-hundred (100%) percent interest in and to the Taylor Silver Property subject, however, to the Underlying Royalty. Upon exercise of the Option, the Optionee hereby agrees to assume all obligations due and owing by the Optionor in connection with the Underlying Royalty.

3.7 The number of Consideration Shares to be issued to the Optionor shall be subject to adjustment if the Optionee, at any time prior to any date on which it issues Consideration Shares pursuant to Section 3.2(b):

(a) issues common shares or securities exchangeable for or convertible into common shares to all or substantially all of the holders of its

common shares by way of stock dividend or other distribution;

- (b) subdivides or changes its outstanding common shares into a greater number of common shares; or
- (c) consolidate, reduce or combine its outstanding common shares into a lesser number of common shares,

(a “**Common Share Reorganization**”) in which case, the number of Consideration Shares issuable on or after the effective date or record date of the Common Share Reorganization shall be adjusted by multiplying the number of Consideration Shares previously issuable by a fraction, the numerator of which shall be the number of common shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which is the number of common shares outstanding as of the effective date or record date after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into common shares are distributed, the number of common shares that would have been outstanding had such securities been exchanged for or converted into common shares on such record date or effective date).

3.8 The number of Consideration Shares to be issued to the Optionor shall be subject to adjustment if the Optionee, at any time prior to any date on which it issues Consideration Shares pursuant to Section 3.2(b) the Optionee fixes a record date for the issue of rights, options or warrants to all or substantially all of the holders of common shares under which such holders are entitled, during a period expiring not more than 90 days after the record date for such issue (“**Rights Period**”), to subscribe for or purchase common shares or securities exchangeable for or convertible into common shares at a price per share to the holder (or at an exchange or conversion price) of less than 80% of the Current Market Price for the common shares on such record date (any of such events being called a “**Rights Offering**”), then the number of Consideration Shares issuable on or after the end of the Rights Period shall be adjusted by multiplying the number of Consideration Shares previously issuable by a fraction, the numerator of which is the aggregate of: (a) the number of common shares outstanding as of the record date for the Rights Offering; and (b) the number of common shares issued or subscribed for during the Rights Period multiplied by the discount to the Current Market Price at which such common shares are issued or issuable, and the denominator of which is the number of common shares outstanding as of the record date for the Rights Offering.

3.9 If at any time prior to the expiry of the Option Period the Optionee proposes to issue common shares or securities exchangeable for or convertible into common shares, and such proposed issuance will not result in any adjustment to the number of Consideration Shares, the Optionor shall have the right to subscribe for and purchase up to such number of common shares or securities exchangeable for or convertible into common shares as is equal to the number of such securities proposed to be issued multiplied by a fraction, the numerator of which is the total number of Consideration Shares set out in Section 3.2(b) and the denominator of which is the number of common shares outstanding prior to such proposed issuance, at the same price and on the same terms and

conditions as the Optionee is proposing to issue such securities, subject to a maximum allocation of ten (10%) percent of the total number of securities which the Optionee proposes to issue. The Optionee shall deliver notice of such proposed issuance to the Optionor prior to the earlier of: the date of the first public announcement of such proposed issuance; and the date on which the Optionor seeks regulatory approval for such proposed issuance, and the Optionor shall have ten (10) days from its receipt of such notice in which to advise the Optionee whether, and to what extent, it wishes to exercise its right to subscribe for such securities.

ARTICLE 4 - ACTIVITIES OF THE OPTIONEE

4.1 During the Option Period the Optionee shall have full right, power and authority to do everything necessary or desirable to determine the manner of exploration and development of the Taylor Silver Property, including the right, power and authority to:

- (a) regulate access to the Taylor Silver Property subject only to the right of the representatives of the Optionor to have access to the Taylor Silver Property at all reasonable times and on reasonable notice, for the purpose of inspecting work being done thereon but at their own risk and expense;
- (b) employ and engage such employees, agents and independent contractors as the Optionee may consider necessary or advisable to carry out its duties and obligations hereunder and in this connection to delegate any of its powers and rights to perform its duties and obligations hereunder; and
- (c) remove any Minerals from the Taylor Silver Property for sampling and testing purposes as may be necessary in accordance with its operations on the Taylor Silver Property.

4.2 The Optionee shall not have the right to remove materials for any bulk sampling or test mining without the prior consent of the Optionor.

ARTICLE 5 - OBLIGATIONS OF THE OPTIONEE

5.1 During the Option Period, the Optionee shall, in regard to the Taylor Silver Property:

- (a) permit the Optionor, at its own expense, reasonable and timely access to the results of the work done on the Taylor Silver Property;
- (b) keep the Taylor Silver Property free and clear of all liens, charges and encumbrances of every character arising from its operation hereunder (except for liens for taxes not then due, other inchoate liens and liens diligently contested in good faith by the Optionee), and proceed with all reasonable diligence to contest or discharge any lien that is filed;
- (c) pay, when due and payable, all wages or salaries for services

rendered in connection with the Taylor Silver Property and all accounts for materials supplied on or in respect of any work or operation performed on the Taylor Silver Property;

- (d) obtain and maintain, and cause any contractor or subcontractor to obtain and maintain adequate comprehensive general liability insurance on the Taylor Silver Property;
- (e) do or cause to be done all work on the Taylor Silver Property in a good and workmanlike fashion and in accordance with all applicable laws, regulations, orders and ordinances of any applicable governmental authority;
- (f) at all times during the Option Period, keep the Taylor Silver Property in good standing, including making all claim payments required by law, in accordance with applicable laws and regulations;
- (g) reimburse the Optionor for all costs and expenses owing by the Optionor in connection with the Underlying Royalty arising during the Option Period; and
- (h) use commercially reasonable efforts to utilize water arising from the water usage permits included within the Taylor Silver Property in a manner which will maintain or enhance permitted water usage rights, as they exist as of the Closing Date.

ARTICLE 6 - TERMINATION

- 6.1 The Optionee may, at any time prior to its exercise of the Option and subject to any survival terms and conditions provided in this Agreement, terminate this Agreement in its entirety on written notice to the Optionor and except for the obligations set out in Section 6.4 hereof and any liability for any obligation incurred prior to such termination, shall thereafter have no liability to the Optionor as a result of such termination.
- 6.2 If at any time the Optionee fails to perform any obligation required to be performed by it hereunder, or the Optionee is otherwise in breach of a warranty or a covenant given by it hereunder, then the Optionor may terminate this Agreement, but only after it shall have first given written notice of default to the Optionee and the Optionee has not cured the default within (a) five (5) Business Days following delivery of the notice of default if the default is a failure to timely pay money, or (b) within thirty (30) calendar days following delivery of the notice of default if the default is other than a failure to timely pay money.
- 6.3 Upon termination of this Agreement, the Optionee shall have no legal or beneficial interests in or to the Taylor Silver Property. The Option is an option only in respect of the Taylor Silver Property and except as specifically provided otherwise, nothing in this Agreement shall be construed as obligating the Optionee to do any acts or make any payments hereunder and any act or acts or payment or payments as shall be made hereunder shall not be construed as

obligating the Optionee to do any further act or make any further payment.

6.4 Notwithstanding any other provisions of this Agreement, and except in the case of termination pursuant to Section 6.5 hereof, upon termination of this Agreement, the Optionee shall:

- (a) have the right and obligation to remove from the Taylor Silver Property within ninety (90) days of the effective date of such termination all equipment erected, installed or brought upon the Taylor Silver Property by or at the instance of the Optionee;
- (b) perform all reclamation work on the Taylor Silver Property required under applicable mining, exploration and environmental laws as a result of Operations carried out by or on behalf of the Optionee;
- (c) ensure that all fees and payments required to ensure that the Taylor Silver Property will be in good standing for a period of time equivalent to the greater of six (6) months after the effective date of the termination of this Agreement, and twelve (12) months after the Closing Date;
- (d) transfer to the Optionor any and all mining claims or other mineral or mining rights acquired by it during the Option Period that are located within 5 miles of the boundary of any of the Mineral Claims comprising the Taylor Silver Property; and
- (e) continue to be liable for any obligation under this Agreement that accrued before the effective date of termination of this Agreement, and any obligation that, by its terms, survives termination of this Agreement, except for any obligations that would arise under Section 3.2 of this Agreement after the effective date of termination of this Agreement.

6.5 The completion of the Transaction is conditional upon this Agreement being accepted by the TSX-V, and the Optionor obtaining the approval of its shareholders (if required by the TSX-V). Unless otherwise agreed between the parties, in the event such approvals are not received on or before June 30, 2017, this Agreement shall automatically terminate without any further liability or obligations owing by either of the Optionee or the Optionor.

ARTICLE 7 - TRANSFERS

7.1 Except in the case of transfers to Affiliates, the Optionee shall not be permitted to transfer all or any part of its rights or obligations under this Agreement without the prior written consent of the Optionor, which consent may be granted or withheld by the Optionor in its sole discretion.

ARTICLE 8 - FORCE MAJEURE

8.1 If the Optionee is at any time prevented or delayed in complying with any provision of this Agreement by reason of wars, insurrection, terrorist activities, inability to gain or maintain surface access not related to the misconduct of the

Optionee, acts of God, governmental regulations restricting normal operations or any other extraordinary reason or reasons beyond the control of the Optionee, other than lack of funds, the effect of which would be to halt work on any or all of the Taylor Silver Property, the time limited for the performance by the Optionee of the Expenditures set out in Section 3.2 shall be extended by a period of time equal in length to the period of each such prevention or delay, provided that it pays in cash to the Optionor the amount of any shortfall in such Expenditures, as security that it will make such Expenditures as soon as practicable, and provided further that nothing herein shall discharge the Optionee from its obligations hereunder to maintain any and all Taylor Silver Property in good standing.

- 8.2 Each party shall give prompt notice to the other of each event of force majeure under Section 8.1 hereof and upon cessation of such event shall furnish to the other party notice to that effect together with particulars of the number of days by which the obligations of the notifying party hereunder have been extended by virtue of such event of force majeure and all preceding events of force majeure.

ARTICLE 9 - CONFIDENTIAL INFORMATION

- 9.1 The parties to this Agreement shall keep confidential all books, records, files and other information supplied by any party to the other party or its employees, agents or representatives in connection with this Agreement or in respect of the activities carried out on the Taylor Silver Property by any party, or related to the sale of Minerals, or other products derived from any Taylor Silver Property, including all analyses, reports, studies or other documents prepared by any party or its employees, agents or representatives, which contain information from, or otherwise reflects such books, records, files or other information. The parties shall use their reasonable efforts to ensure that their employees, agents or representatives do not disclose, divulge, publish, transcribe, or transfer such information, in whole or in part, other than to an Affiliate where such disclosure is for routine corporate purposes, and other than to its contractors, legal, accounting and other advisors, financiers, potential investors and potential transaction partners who require such information, without the prior written consent of the other party, which consent may not be arbitrarily or unreasonably withheld and which shall not apply to such information or any part thereof to the extent that:

- (a) it is required to be publicly disclosed pursuant to applicable securities or corporate laws or rules or requirements of any stock exchange, in which event the party seeking to make such disclosure shall provide to the non-disclosing party, at least twenty-four (24) hours prior to making such disclosure, a written copy of such proposed disclosure, unless mutually agreed otherwise, and shall include any comments the non-disclosing party may have, acting reasonably, on such proposed disclosure;
- (b) the disclosure is reasonably required to be made to a taxation authority in connection with the taxation affairs of the disclosing party;
or

- (c) such information becomes generally disclosed to the public, other than as a consequence of a breach of this Agreement by one of the parties to this Agreement.

9.2 Notwithstanding any other provision hereof each party to this Agreement agrees to provide to the other party to this Agreement the text of any proposed news release or information update with respect to this Agreement or the Taylor Silver Property at least twenty-four (24) hours prior to release of such information to third parties. The party receiving such proposed news release or information update shall review and comment on the text thereof within twenty-four (24) hours of receipt. The party proposing the new release or information update shall in good faith review the comments provided and shall take reasonable steps to modify the release or update according to the concerns raised.

ARTICLE 10 - DISPUTE RESOLUTION

10.1 All disputes arising out of or in connection with this Agreement, or in respect of any defined legal relationship associated with or derived therefrom, shall be referred to and finally resolved by arbitration by one arbitrator under the rules of the British Columbia International Commercial Arbitration Centre.

10.2 The appointing authority shall be the British Columbia International Commercial Arbitration Centre and the case shall be administered at Vancouver, British Columbia, by the British Columbia International Commercial Arbitration Centre in accordance with its "Procedures for Cases under the BCICAC Rules".

ARTICLE 11 - COVENANT TO REGISTER AGREEMENT

11.1 Forthwith upon the acquisition of an interest in any land or mineral rights pursuant to this Agreement, either party to this Agreement shall, if requested by the other by notice in writing, cooperate with such other party in taking such steps as are necessary for the registration of the interests of the parties to this Agreement with the appropriate authorities, governmental agencies or registry offices to properly evidence this Agreement in the jurisdiction in which the Taylor Silver Property is located and protect to the extent possible, the rights and interests of the parties acquired hereunder from time to time from adverse claims by third parties.

ARTICLE 12 - NOTICES

12.1 Any notice or other writing required or permitted to be given hereunder or for the purposes of this Agreement to either the Optionor or the Optionee shall be sufficiently given if delivered personally or transmitted by facsimile or other form of recorded communication capable of producing a printed copy:

- (a) In the case of a notice to the Optionor, at their address as shown on the first page of this Agreement, or by facsimile to 208.635.5465, to the attention of Chief Executive Officer.

- (b) In the case of a notice to the Optionee, at their address as shown on the first page of this Agreement, or by facsimile to 888.241.5996, to the attention of Anthony Jackson, Chief Financial Officer.

or at such other address or addresses as the parties to whom such writing is to be given shall have last notified the party giving the same in the manner provided in this Section 12.1. Any notice delivered to the party to whom it is addressed as provided in this Agreement shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day, then the notice shall be deemed to have been given and received on the Business Day next following such day. Any notice transmitted by facsimile or other form of recorded communication shall be deemed to be given and received on the first Business Day after its transmission.

ARTICLE 13 - INDEMNIFICATION

- 13.1 The Optionee agrees to indemnify and save the Optionor harmless from and against any and all costs, claims, losses, expenses and damages arising from Environmental Liability suffered or incurred by the Optionor arising directly or indirectly from any operations or activities conducted on the Taylor Silver Property, whether by the Optionee, or its employees or agents (except the Optionor, as applicable), during and after the Closing Date, as well as any obligations which may be due and owing by the Optionor in connection with the Underlying Royalty and which arise following exercise of the Option in full.
- 13.2 The provisions of this ARTICLE 13 shall survive any termination of this Agreement for a period of one (1) year following the date of termination.

ARTICLE 14 - GENERAL

- 14.1 No consent or waiver expressed or implied by any party in respect of any breach or default by any other party in the performance by such other of its obligations hereunder shall be deemed or construed to be a consent to or a waiver of any other breach of default.
- 14.2 No investigation made by or on behalf of the parties or any of their respective advisors or agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made or incorporated by reference herein by the other parties to this Agreement or made pursuant thereto. No waiver by the parties of any condition, in whole or in part, shall operate as a waiver of any other condition.
- 14.3 Notwithstanding the right of any party to this Agreement to investigate the affairs of the others, each of the parties has the right to rely fully upon the representations, warranties, covenants and agreements of the other contained or otherwise incorporated by reference in this Agreement and of such other party's Affiliates, officers and agents delivered pursuant to this Agreement.

- 14.4 All statements contained in any certificate or other instrument delivered by or on behalf of any party pursuant to this Agreement or in connection with the transactions contemplated by this Agreement shall be deemed to be made by such party hereunder.
- 14.5 The parties shall promptly execute or cause to be executed all documents, deeds, conveyances and other instruments of further assurance and do such further and other acts which may be reasonably necessary or advisable to carry out fully and effectively the intent and purpose of this Agreement or to record wherever appropriate the respective interests from time to time of the parties in the Taylor Silver Property.
- 14.6 This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.
- 14.7 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- 14.8 Time shall be of the essence in this Agreement.
- 14.9 The preamble and Schedules attached to this Agreement shall be deemed to be incorporated in, and to form part of, this Agreement.
- 14.10 Wherever the neuter and singular is used in this Agreement it shall be deemed to include the plural, masculine and feminine, as the case may be.
- 14.11 The word "or" shall not be exclusive and the word "including" shall not be limiting (whether or not non-limiting language such as "without limitation" or "but not limited to" or other words of similar import is used with reference thereto).
- 14.12 Nothing contained in this Agreement shall be deemed to constitute either party to this Agreement the partner of the other nor to create any fiduciary relationship between them, nor, except as otherwise herein expressly provided, to constitute either the Optionee or the Optionor as the agent or legal representative of the other. It is not the intention of the parties to this Agreement to create, nor shall this Agreement be construed to create, any partnership or agency relationship between any of the parties. None of the parties shall have any authority to act for or to assume any obligation or responsibility on behalf of the other parties, except as otherwise expressly provided herein.
- 14.13 If any provisions of this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, such provision may be severed from this Agreement, and the validity, legality and enforceability of the remaining provisions hereof shall not be affected or impaired by reason thereof.

14.14 This Agreement may be signed by the parties in counterparts and may be delivered by facsimile or other form of electronic transmission, each of which when delivered will be deemed to be an original and all of which together will constitute one instrument.

IN WITNESS WHEREOF the parties to this Agreement have executed this Agreement as of the day and year first above written.

MONTEGO RESOURCES INC.

By: /signed/ "Anthony Jackson"
Anthony Jackson
Chief Financial Officer

SILVER PREDATOR CORP.

By: /signed/ "Terry Rickard"
Terry Rickard
Chief Executive Officer

SCHEDULE "A"
to the Property Option Agreement entered into between
Montego Resources Inc. and Silver Predator Corp.

DESCRIPTION OF MINERAL CLAIMS

<u><i>Claim Name</i></u>	<u><i>BLM #</i></u>	<u><i>Count</i></u>
NT 13	NMC1080104	1
NT 15	NMC1080106	2
NT 16	NMC1080107	3
NT 17	NMC1080108	4
NT 18	NMC1080109	5
NT 20	NMC1080111	6
NT 21	NMC1080112	7
NT 22	NMC1080113	8
NT 23	NMC1080114	9
NT 24	NMC1080115	10
NT 25	NMC1080116	11
NT 26	NMC1080117	12
NT 31	NMC1080122	13
NT 32	NMC1080123	14
NT 33	NMC1080124	15
NT 34	NMC1080125	16
NT 35	NMC1080126	17
NT 36	NMC1080127	18
NT 37	NMC1080128	19
NT 38	NMC1080129	20
NT 39	NMC1080130	21
NT 40	NMC1080131	22
NT 41	NMC1080132	23
NT 42	NMC1080133	24
NT 43	NMC1080134	25
NT 44	NMC1080135	26
T M S - 2	NMC574311	27
T M S - 3	NMC574312	28
T M S - 4	NMC574313	29
T M S - 5	NMC574314	30
TMS # 1	NMC610203	31
MERRIMAC # 1	NMC72423	32
MERRIMAC # 2	NMC72424	33
MERRIMAC # 3	NMC72425	34
MERRIMAC # 5	NMC72427	35

<u>Claim Name</u>	<u>BLM #</u>	<u>Count</u>
SILVER KING # 1	NMC72435	36
SILVER KING # 2	NMC72436	37
SILVER KING # 3	NMC72437	38
SILVER KING # 4	NMC72438	39
MINERAL FARM # 3	NMC72440	40
MINERAL FARM # 4	NMC72441	41
STAR # 3	NMC72444	42
STAR # 4	NMC72445	43
MINERAL FARM FRAC	NMC72446	44
BRISTLE CONE # 91	NMC72454	45
BRISTLE CONE # 93	NMC72456	46
BRISTLE CONE # 95	NMC72458	47
BRISTLE CONE #231	NMC72461	48
GEM # 6	NMC72467	49
GEM # 13	NMC72471	50
SKT # 17	NMC72520	51
AGT #1	NMC809444	52
AGT #2	NMC809445	53
AGT #3	NMC809446	54
AGT #4	NMC809447	55
AGT #5	NMC809448	56
AGT #6	NMC809449	57
TAYLOR #183	NMC928948	58
TAYLOR #184	NMC928949	59
TAYLOR #185	NMC928950	60
TAYLOR #186	NMC928951	61
TAYLOR #209	NMC928962	62
TAYLOR #210	NMC928963	63
TAYLOR #211	NMC928964	64
TAYLOR #212	NMC928965	65
TAY 5	NMC935501	66
TAY 6	NMC935502	67
TAY 7	NMC935503	68
TAY 8	NMC935504	69
TAY 9	NMC935505	70
TAY 10	NMC935506	71
TAY 11	NMC935507	72
TAY 12	NMC935508	73
TAY 13	NMC935509	74
TAY 14	NMC935510	75
TAY 15	NMC935511	76

<u>Claim Name</u>	<u>BLM #</u>	<u>Count</u>
TAY 16	NMC935512	77
TAY 17	NMC935513	78
TAY 18	NMC935514	79
TAY 19	NMC935515	80
TAY 20	NMC935516	81
TAY 21	NMC935517	82
TAY 22	NMC935518	83
TAY 23	NMC935519	84
TAY 24	NMC935520	85
TAY 25	NMC935521	86
TAY 26	NMC935522	87
TAY 27	NMC935523	88
TAY 31	NMC935527	89
TAY 32	NMC935528	90
TAY 33	NMC935529	91
TAY 34	NMC935530	92
TAY 35	NMC935531	93
TAY 36	NMC935532	94
TAY 42	NMC935538	95
TAY 44	NMC935540	96
TAY 45	NMC935541	97
TAY 47	NMC935543	98
FT 1	NMC942913	99
FT 2	NMC942914	100
FT 4	NMC942916	101
FT 5	NMC942917	102
FT 6	NMC942918	103
FT 7	NMC942919	104
FT 8	NMC942920	105
FT 9	NMC942921	106
FT 14	NMC942924	107
FT 60	NMC942940	108
FT 61	NMC942941	109
FT 62	NMC942942	110
FT 63	NMC942943	111
FT 64	NMC942944	112
FT 65	NMC942945	113
FT 66	NMC942946	114
FT 67	NMC942947	115
TAY 2	NMC961591	116
TAY 41	NMC961592	117

<u>Claim Name</u>	<u>BLM #</u>	<u>Count</u>
FT 86	NMC975897	118
FT 87	NMC975898	119
FT 91	NMC975902	120
FT 92	NMC975903	121
FT 93	NMC975904	122
FT 94	NMC975905	123
FT 95	NMC975906	124
FT 96	NMC975907	125
FT 97	NMC975908	126
FT 98	NMC975909	127
FT 99	NMC975910	128
FT 128	NMC975939	129
FT 129	NMC999115	130
FT 130	NMC999116	131

DESCRIPTION OF WATER USAGE PERMITS

<u>Issuing Authority</u>	<u>Permit Number</u>
State of Nevada	32672
State of Nevada	54867
State of Nevada	54868