



## **FORM 51-102F3 MATERIAL CHANGE REPORT**

### **Item 1: Name and Address of Company**

Silver Dollar Resources Inc. (the "Company" or "Silver Dollar")  
Suite 416, 108 – 800 Kelly Road  
Victoria, BC, V9B 6J9

### **Item 2: Date of Material Change**

August 7, 2020

### **Item 3: News Release**

A news release was issued August 10, 2020 at Victoria, British Columbia and was disseminated by FSCwire.

### **Item 4: Summary of Material Change**

Silver Dollar Resources Inc. has executed a definitive option agreement with First Majestic Silver Corp. wherein Silver Dollar has been granted an exclusive option to acquire an initial 80% interest, and if exercised, a second option to acquire an additional 20% interest for an aggregate 100% interest in First Majestic's La Joya silver-copper-gold property.

### **Item 5: Full Description of Material Change**

Silver Dollar Resources Inc. is pleased to report that, further to the news release of June 19, 2020, it has executed a definitive option agreement (the "Definitive Agreement") with First Majestic Silver Corp. ("First Majestic"), wherein Silver Dollar has been granted an exclusive option to acquire an initial 80% interest, and if exercised, a second option to acquire an additional 20%

interest for an aggregate 100% interest in First Majestic’s La Joya silver-copper-gold property (the “Property”). The Property, located in the south-eastern portion of the State of Durango in the Mexican Silver Belt, consists of 15 mineral concessions totalling 4,646 hectares and hosts the Main Mineralized Trend (MMT), Santo Nino and Coloradito deposits.

In 2013, Silvercrest Mines Inc. disclosed a mineral resource estimate for the Property that was reported to conform to CIM definitions for resource estimation. A qualified person of Silver Dollar has not done sufficient work to classify this historical estimate as a current mineral resource and the Company is not treating this historical resource estimate as a current mineral resource. Independent data verification and an assessment of the mineral resource estimation methods are required to verify the historical mineral resource.

Zone	Category**	Cut off	Rounded Tonnes	SG	Av Ag (gpt)	Av Au (gpt)	Av Cu (%)	Contained Ag (oz)	Contained Au (oz)	Contained Cu (lbs)	Contained AgEQ (oz)*
MMT (Ag, Au, Cu)	***Inferred	15	120,570,000	3	23.7	0.18	0.18	91,855,000	708,000	466,474,000	185,757,000
		30	67,618,000	3	34.67	0.24	0.25	75,367,000	519,000	377,392,000	148,671,000
		60	26,109,000	3	58.53	0.3	0.42	49,129,000	256,000	240,114,000	92,035,000
Santo Nino (Ag, Au, Cu)	***Inferred	15	6,169,000	3	20.36	0.04	0.49	4,039,000	8,000	66,775,000	12,826,000
		30	3,586,000	3	29.17	0.05	0.75	3,363,000	5,000	59,384,000	11,078,481
		60	1,818,000	3	43.06	0.05	1.2	2,517,000	3,000	48,269,000	872,000
TOTAL	***Inferred	15	126,739,000		23.5	0.17	0.20	95,894,000	716,000	533,249,000	198,583,000
		30	71,204,000		34.4	0.23	0.28	78,730,000	524,000	436,776,000	159,749,481
		60	27,927,000		57.5	0.28	0.47	51,646,000	259,000	288,383,000	92,907,000

Table 2 from National Instrument (NI) 43-101 Technical report titled “Preliminary Economic Assessment for The La Joya Property, Durango, Mexico”, dated 5 December 2013.

Key assumptions, parameters, and methods used to prepare the historical mineral estimate:

- 89 holes totaling 30,085 metres (m).
- Raw assay data was composited to 2 metres, capped at 550 gpt Ag, 5.5 gpt Au 6% Cu and interpolated into a block model using 5 m x 5 m x 5 m block size using inverse distance squared (ID2) methodology.
- Silver equivalency formula assumes Ag:Au is 50:1, Ag:Cu is 86:1, based on US\$24/oz silver, US\$1200/oz gold, US\$3/lb copper and 100% metallurgical recovery.
- Mining by open-pit methods.
- Mining and process costs assumptions not specifically stated.

The Property is situated approximately 75 kilometres (km) directly southeast of the state capital city of Durango in a prolific mineralized region with past-producing and operating mines including Grupo Mexico’s San Martin Mine, Industrias Penoles’ Sabinas Mine, Pan American Silver’s La Colorada Mine and First Majestic Silver’s La Parrilla and Del Toro Silver Mines. Access and infrastructure near the Property are considered excellent with highway, rail and power lines nearby.

“The signing of the definitive agreement to have an option to acquire the La Joya project is a very important milestone for us,” said Mike Romanik President of Silver Dollar. “We engaged some expert help to assist in our due diligence review of the historical data on the project and the

unanimous feedback is that La Joya has incredible exploration and development potential, particularly in light of the significant move in metals prices since we signed the letter of intent.”

The Company is in the process of finalizing its initial exploration program for the Property and will provide an update in due course.

Under the terms of the Definitive Agreement, Silver Dollar may exercise the first option and acquire an initial 80% interest in the First Majestic subsidiary holding the La Joya Silver Project by:

- a) paying to First Majestic a total of \$1,300,000 plus annual holding costs for the Property, of which:
  - i) \$300,000 upon execution of the Definitive Agreement,
  - ii) \$200,000 on or before the first anniversary of the Definitive Agreement,
  - iii) \$200,000 on or before the second anniversary of the Definitive Agreement,
  - iv) \$300,000 on or before the third anniversary of the Definitive Agreement, and
  - v) \$300,000 on or before the fourth anniversary of the Definitive Agreement;
- b) incurring exploration expenditures on the Property of not less than \$1,000,000 within three years of entering into a surface rights agreement relating to the Property, but in any event within five years of the date of the Definitive Agreement; and
- c) issuing to First Majestic, within 45 days of the date of the Definitive Agreement, such number of common shares of the Company as is equal to 19.9% of the then-issued and outstanding shares of Silver Dollar.

If Silver Dollar incurs at least \$1,000,000 of exploration expenditures on the Property within three years of the date of the Definitive Agreement, First Majestic will waive the third- and fourth-anniversary cash option payments described above totalling \$600,000.

In addition, First Majestic will reserve a 2% net smelter returns royalty interest in all minerals produced from the Property.

Within 30 days after exercising its first option, Silver Dollar may exercise its second option and acquire the remaining 20% interest in the subsidiary that owns the La Joya Silver Project by delivering notice and issuing to First Majestic the number of shares as is equal to 5% of the then-issued and outstanding shares of Silver Dollar.

If Silver Dollar exercises its first option, but elects to not exercise its second option, Silver Dollar and First Majestic will be deemed to have formed a joint venture with respect to the Property.

The Definitive Agreement also includes representations, warranties and covenants customary in transactions of this nature.

Garry Clark, P.Geo., of Clark Exploration Consulting, a "Qualified Person" as defined in NI 43-101, has reviewed and approved the technical content in this press release.

*About Silver Dollar Resources Inc.*

Silver Dollar Resources Inc. is a mineral exploration company focused on creating shareholder value by finding and developing economic precious and base metal deposits. Having completed its initial public offering in May 2020, the Company trades on the Canadian Securities Exchange under the symbol "SLV". Silver Dollar's exploration projects include the advanced-stage La Joya Silver Project in Durango, Mexico; and the Pakwash Lake and the Longlegged Lake properties that are both early-stage projects located in the Red Lake Mining Division of Ontario, Canada. The Company has an aggressive growth strategy and is actively reviewing potential acquisition targets in mining-friendly jurisdictions, internationally.

**Item 6: Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable

**Item 7: Omitted Information**

Not applicable

**Item 8: Executive Officer**

Michael Romanik, President and Chief Executive Officer  
Telephone (204) 726-0151

DATED AT Victoria, British Columbia this 10<sup>th</sup> day of August, 2020.

SILVER DOLLAR RESOURCES INC.

Signed "*Glen Wallace*"

per Glen Wallace, MBA, CPA, CGA