

THIS OPTION AGREEMENT dated as of the 7th day of August, 2020.

AMONG:

FIRST MAJESTIC SILVER CORP., a corporation existing under the laws of British Columbia and having its head office at 1800 - 925 West Georgia Street, Vancouver, British Columbia V6C 3L2

("First Majestic")

- and -

SVL MINERALS LTD., a corporation existing under the laws of British Columbia and having its head office at 1800 - 925 West Georgia Street, Vancouver, British Columbia V6C 3L2

("SVL Minerals")

- and -

SILVERCREST DE MEXICO S.A. DE C.V., a corporation existing under the laws of Mexico and having its head office in Canada at 1800 - 925 West Georgia Street, Vancouver, British Columbia V6C 3L2

("La Joya Subco" and, together with First Majestic, the "**First Majestic Parties**")

- and -

SILVER DOLLAR RESOURCES INC., a corporation existing under the laws of British Columbia and having its head office at Suite 200, 551 Howe Street Vancouver, British Columbia V6C 2C2

("Silver Dollar")

WHEREAS:

- A. La Joya Subco is directly, the holder of certain rights, titles and interests in and to the La Joya Property located in Durango, Mexico.
- B. SVL Minerals is the beneficial owner of all, but one, of the issued and outstanding shares of La Joya Subco and First Majestic owns all of the issued and outstanding shares of SVL Minerals.
- C. First Majestic and Silver Dollar entered into a letter of intent dated June 15, 2020 (the "**Letter of Intent**") wherein First Majestic proposed to grant, in favour of, Silver Dollar an option to acquire an 80%, and up to a 100%, interest in and to the La Joya Property by the acquisition of 80%, and up to 100%, of the shares of SVL Minerals.

- D. The Parties have agreed to enter into the Option Agreement in order to legally formalize the terms of the Letter of Intent.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants, conditions and premises herein contained, the sum of Two Dollars now paid by each of the Parties (as hereinafter defined) to the other and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the Parties) the Parties do hereby covenant and agree as follows:

1. DEFINITIONS

1.1 Definitions.

In this Agreement, including the recitals hereto:

- (a) **"Agreement"** means this Agreement, including the recitals and the Schedules, all as may be amended from time to time, and "this Agreement", "herein", "hereby", "hereof", "hereunder" and similar expressions shall mean or refer to this Agreement and all Schedules hereto and any and all written agreements or instruments supplemental or ancillary hereto and the expression "section" followed by a number means and refers to the specified section of this Agreement.
- (b) **"Affiliate"** means, in relation to any Person, any other Person controlling, controlled by or under common control with such first mentioned Person, and for the purposes of this definition, **"control"** means the right, directly or indirectly, to direct or cause the direction of the management of the business or affairs of a Person, whether by ownership of securities, by contract or otherwise, and **"controls", "controlling", "controlled by"** and **"under the common control with"** have corresponding meanings.
- (c) **"Agents"** shall mean consultants (including financial advisors), servants, employees, agents, workmen, contractors and subcontractors.
- (d) **"Annual Holding Costs"** means the annual fees, rents and other payments, due to a Governmental Authority to keep the Property in good standing and which are payable in January and July of every 12 month period commencing on the anniversary date of the applicable concession;
- (e) **"Business Day"** means any day other than a Saturday or Sunday or a civic or statutory holiday in the Province of British Columbia.
- (f) **"Consideration Shares"** means, collectively, the First Consideration Shares and Second Consideration Shares.
- (g) **"Effective Date"** shall mean the date of this Agreement set forth on the first page hereof.
- (h) **"Ejido"** means a communal property regime under which Ejido members individually possess specific parcels and as a group hold common land.

- (i) **"Ejido Group"** means Ejido members.
- (j) **"Encumbrances"** shall mean any and all mortgages, pledges, security interests, liens, charges, encumbrances, contractual obligations and rights and claims of others, whether recorded or unrecorded, registered or unregistered.
- (k) **"Environmental Laws"** shall mean the environmental legislation, regulations, order, requirements or approvals of any applicable state, regional, municipal or local jurisdictions to which the Property is subject.
- (l) **"Expenditures"** means, without limitation, all costs and expenses incurred by or on behalf of Silver Dollar in prospecting and exploring for mineral deposits and preparing for the removal and recovery of minerals, in each case, on or directly with respect to the Property (other than Annual Holding Costs), including without limitation: (i) monies expended in doing geophysical, geochemical and geological surveys, drilling, trenching, drifting and other surface and underground work, assaying and metallurgical testing and engineering, carrying out studies or reports on or with respect to the Property or any part of it, acquiring, constructing or transporting facilities for the Property and equipping the Property, mobilizing and demobilizing crews, supplies and facilities (including fees, taxes and charges and other governmental levies); (ii) all insurance premiums and land fees associated with the Property; (iii) the costs, fees and expenses of recording work for assessment reports under applicable legislation and property and mining taxes relating to or in respect of the Property; (iv) carrying out restoration and reclamation of the Property required as a result of activities thereon and posting any required bond (whether cash or surety); and (v) the fees, wages, salaries, travelling expenses of all persons engaged directly in work with respect to or for the benefit of the Property, including the food, lodging and other reasonable needs of such persons while performing work at the Property and all costs at prevailing charge out rates for any personnel who from time to time are engaged directly in work on the Property, such rates to be in accordance with industry standards (but not including legal or accounting costs).
- (m) **"First Consideration Shares"** shall have the meaning set out in Section 4.2(c).
- (n) **"First Option"** means the option granted to Silver Dollar by the First Majestic Parties pursuant to Section 4.1.
- (o) **"First Option Exercise Date"** shall have the meaning set out in Section 4.8.
- (p) **"First Option Exercise Notice"** shall have the meaning set out in Section 4.8.
- (q) **"First Option Period"** shall mean the period commencing on the Effective Date and ending on the five-year anniversary of the Effective Date.
- (r) **"First Option Shares"** means, collectively, (i) the number of shares representing an 80% undivided interest in SVL Minerals or Newco, as applicable, (ii) the La Joya Nominee Share or one share in the capital of Newco, to be acquired by Silver Dollar and the SD Nominee Shareholder, respectively, upon the exercise of the First Option;

- (s) "**FM Nominee Shareholder**" means 0957445 B.C. Ltd. , all of the issued and outstanding shares of which are controlled by First Majestic;
- (t) "**Force Majeure**" means any event or circumstance, or a combination of events and/or circumstances: (i) that causes or results in the prevention or delay of a party from performing a material part of its obligations in this Agreement; (ii) which is beyond the reasonable control of that party; and (iii) could not, or the effects of that event or circumstance, could not have been prevented or delayed, overcome or remedied by the relevant party acting reasonably, and provided the event or circumstance meets one of the foregoing criteria: - (A) acts of war (whether war be declared or not); public disorders, insurrection, rebellion, revolution, terrorist acts, sabotage, riots or violent demonstrations; (B) civil disobedience, caused by indigenous peoples, environmental lobbyists, nongovernmental organizations or local community groups or other Persons; (C) injunctions imposed by any Governmental Authority except if caused by a breach of the law or a court resolution; (D) explosions, fires or floods not caused by or attributable to a Party; (E) floods, earthquakes, hurricanes or other natural calamities or acts of God; (F) shortages in workforce or supplies, travel and access restrictions imposed by government or other third parties, or other delays caused by endemics, epidemics or pandemics (it being acknowledged that the COVID-19 situation as it exists in Mexico as of the date of this Agreement shall not qualify as a Force Majeure event); (G) strike or lockout or other industrial labour action or disruption (including unlawful but excluding lawful strikes or lockouts or other industrial labour action) which have national, regional, provincial or state-wide application, directly affect the performance of the obligations under this Agreement, and lasts for more than seven consecutive calendar days; (H) any action or failure to act within a reasonable time without justifiable cause by any Governmental Authority, its employees or agents including the denial of or delay in granting any land tenure, concession, authorization, licence, permit, lease, consent, approval or right which denial or delay will imply a material adverse effect on the construction or operation of the project, upon due application and diligent effort by the Party, or the Operator (as the case may be) to obtain same, or the failure once granted to remain (without justifiable cause) in full force and effect or to be renewed on substantially similar terms; (I) discovery of artifacts or archaeological ruins or any historic heritage; and (J) injunctions not caused by any breach of this Agreement by any Party whether of the kind enumerated above or whether foreseen, foreseeable or otherwise unforeseeable;
- (u) "**Governmental Authority**" means any federal, state, provincial, municipal or other governmental department, commission, board, bureau, agency, government-owned corporation or instrumentality, or any court, having jurisdiction.
- (v) "**Joint Venture**" shall have the meaning set out in Section 4.23.
- (w) "**La Joya Subco Nominee Share**" means the one share in the capital of La Joya Subco held by FM Nominee Shareholder;
- (x) "**Lien**" means any lien, security interest, mortgage, charge, encumbrance, right, title or interest or other claim of a third party, whether registered or unregistered, and whether arising by agreement, statute or otherwise.

- (y) **“Losses”** shall have the meaning set out in Section 3.3.
- (z) **“Minera Metro”** means Minera Metro S.A. de C.V., a corporation existing under the laws of Mexico.
- (aa) **“Mineral Rights”** shall have the meaning set out in Section 3.1(p).
- (bb) **“Newco”** shall have the meaning set out in Section 4.13.
- (cc) **“NI 43-101”** means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.
- (dd) **“NSR Royalty”** shall have the meaning set out in Section 4.15.
- (ee) **“Operator”** means Silver Dollar during the term of this Agreement.
- (ff) **“Option Shares”** means, collectively, the First Option Shares and the Second Option Shares, together comprising all of the issued and outstanding shares of SVL Minerals.
- (gg) **“Party”** means the First Majestic Parties collectively as a party to this Agreement, and Silver Dollar as a party to this Agreement, and **“Parties”** means such parties to this Agreement.
- (hh) **“Permitted Encumbrances”** means any Encumbrance in respect of the Property constituted by the following:
 - (a) inchoate or statutory liens for taxes, rents or fees not at the time overdue;
 - (b) inchoate or statutory liens for overdue taxes or utilities, the validity of which is being contested in good faith but only for so long as such contestation effectively postpones enforcement of any such liens or taxes;
 - (c) security given to a public utility or any Governmental Authority when required in the ordinary course of business;
 - (d) any reservations, exceptions, provisos or other terms or conditions contained in the governing statute(s), original grants or concessions of land, rights in or to land or mining rights in or to land (including to levy taxes on minerals or the revenue derived therefrom), and the terms of any instrument or agreement with a Governmental Authority;
 - (e) minor discrepancies in the legal description of the Property or any adjoining real property which would be disclosed in an up-to-date survey;
 - (f) any easements and restrictions or covenants that affect or run with the Property or the right, title or interest therein or thereto; and

- (g) rights of surface rights owners and rights of way for or reservations or rights of others for access or utilities or other uses, or zoning by-laws, ordinances or other restrictions as to the use of the real property, comprising the Property.
- (ii) **"Person"** shall mean any natural person, partnership, company, corporation, unincorporated association, Governmental Authority or other agency, trust, trustee or other entity howsoever designated or constituted.
- (jj) **"Property"** means the concessions and applications comprising the Property described in the table in Schedule "A" and as approximated on the map in Schedule "B" for general reference only, together with any and all modified, replacement, substitute or successor rights, title or interests therein or thereto.
- (kk) **"SD Nominee Shareholder"** means the entity to be incorporated by Silver Dollar to hold the La Joya Subco Nominee Share, if and to the extent required by Mexican law at the time of exercise of the First Option;
- (ll) **"Second Consideration Shares"** shall have the meaning set out in Section 4.22.
- (mm) **"Second Option"** means an option granted to Silver Dollar by the First Majestic Parties in accordance with Section 4.17.
- (nn) **"Second Option Shares"** means all outstanding shares of SVL Minerals or Newco, as applicable, not then held by Silver Dollar, to be acquired by Silver Dollar upon the exercise of the Second Option.
- (oo) **"Second Option Exercise Date"** shall have the meaning set out in Section 4.21.
- (pp) **"Second Option Exercise Notice"** shall have the meaning set out in Section 4.18.
- (qq) **"Shareholders' Agreement"** means the shareholders' agreement to be entered into among Silver Dollar (or the affiliate(s) thereof holding the First Option Shares), First Majestic and SVL Minerals in the event Silver Dollar exercises the First Option containing the terms and conditions set forth in Schedule "D" hereto and those related to the grant of the Second Option and such other terms and conditions acceptable to the parties thereto, acting reasonably.
- (rr) **"Shares"** means common shares in the capital of Silver Dollar.
- (ss) **"VAT"** means value-added tax administered by the Mexican ministry of public Finance and Credit (and includes any similar tax imposed in its stead).

2. INTERPRETATION

2.1 The following are the schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule "A" - Description of the Property

Schedule "B"	-	Map of the Property
Schedule "C"	-	Form of Royalty
Schedule "D"	-	Terms of Shareholders' Agreement

2.2 In this Agreement, all words and personal pronouns relating thereto shall be read and construed as the number and gender of the Party or Parties referred to in each case require and the verb shall be construed as agreeing with the required word and pronoun. In this Agreement, words importing the singular number include the plural and vice versa.

2.3 All references to currency in this Agreement, including "dollars" and "\$", are in Canadian funds, except where otherwise expressly indicated.

2.4 When calculating the period of time within which or following which any act is to be done or step is to be taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next Business Day. Time is of the essence of this Agreement.

2.5 The section and other headings contained in this Agreement, including in the Schedules, are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

2.6 The representations and warranties and covenants and obligations of the First Majestic Parties under this Agreement, shall be joint and several among the First Majestic Parties.

3. REPRESENTATIONS AND WARRANTIES

3.1 Representation and Warranties of First Majestic.

First Majestic hereby represents and warrants to Silver Dollar that:

- (a) each of the First Majestic Parties is a corporation duly incorporated and organized and validly existing under the laws of its jurisdiction of incorporation and organization;
- (b) each of the First Majestic Parties, has full corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement;
- (c) this Agreement has been duly authorized, executed and delivered by each of the First Majestic Parties and constitutes a valid and legally binding obligation of each of the First Majestic Parties enforceable against each of the First Majestic Parties in accordance with the terms hereof except that enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (d) all necessary corporate action has been taken to authorize the execution of this Agreement and the performance by the First Majestic Parties of their obligations hereunder;

- (e) none of the execution and delivery of this Agreement, the compliance by the First Majestic Parties with the provisions of this Agreement, the transfer and sale of the Option Shares to Silver Dollar or the consummation of the transactions contemplated herein, do or will (i) require the consent, approval, or authorization, order or agreement of, or registration or qualification with, any governmental agency, body or authority, court, stock exchange, securities regulatory authority or other person, except (A) such as have been obtained, or (B) such as may be required under the securities laws and will be obtained prior to the sale and transfer of the Option Shares to Silver Dollar, (ii) result, with or without either or both of notice or lapse of time, in any Lien, or adverse claim against or on the Option Shares or the Property, or (iii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the First Majestic Parties are parties or by which they or any of their assets thereof are bound, or the charter documents of the First Majestic Parties or any resolution passed by the directors (or any committee thereof) or shareholders of the First Majestic Parties, or any statute or any judgment, decree, order, rule, policy or regulation of any court, governmental authority, arbitrator, stock exchange or securities regulatory authority applicable to the First Majestic Parties or their assets which could have a material adverse effect on the condition (financial or otherwise), business, or results of operations of the First Majestic Parties (taken as a whole);
- (f) no consent or approval from a lender or any other third party is necessary to authorize the First Majestic Parties to execute, deliver and perform their obligations under this Agreement and no other authorization, consent or approval is required to permit the execution and delivery of this Agreement by the First Majestic Parties or the performance of its obligations hereunder;
- (g) the First Majestic Parties have the exclusive right to enter into this Agreement and all necessary authority to assign to Silver Dollar the Option Shares and thereby indirectly an 80%, and up to 100%, of their rights, title and interests in and to the Property;
- (h) upon exercise of the First Option pursuant to Section 4.8, , First Majestic shall transfer the First Option Shares to Silver Dollar or such other entity or entities as directed by Silver Dollar, free and clear of all Liens and other Encumbrances;
- (i) upon exercise of the Second Option pursuant to Section 4.19, Silver Dollar or such other entity as directed by Silver Dollar, First Majestic shall transfer the Second Option Shares to Silver Dollar or such other entity or entities as directed by Silver Dollar, free and clear of all Liens and other Encumbrances;
- (j) none of the First Majestic Parties has committed an act of bankruptcy, is insolvent, has proposed a compromise or arrangement to its creditors generally, has had any petition for a receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any proceedings with respect to a compromise or arrangement, has taken any proceeding to have itself declared bankrupt or wound-up, has taken any proceeding to have a receiver appointed of any part of its assets, has had any encumbrancer take possession of any of its property and has had any execution or distress become enforceable or become levied upon any of its property;

- (k) there is no judgment, decree, injunction, ruling or order of any court, governmental department, commission, agency, instrumentality or arbitrator and no claim, suit, action, litigation, arbitration or governmental proceeding in progress, pending or threatened, against any of the First Majestic Parties which prevents or which seeks to prevent it from entering into this Agreement or relating to the Option Shares or the Property;
- (l) La Joya Subco is authorized to issue an unlimited number of common shares and except with respect to the La Joya Subco Nominee Share being held by the FM Nominee Shareholder, for Mexican legal purposes, SVL Minerals is the legal and beneficial owner of all the issued and outstanding shares of La Joya Subco and all such shares have been validly issued, are fully paid, and are free of any Lien or any Encumbrance, whether or not recorded on the share register of La Joya Subco;
- (m) the FM Nominee Shareholder is the legal and beneficial owner of the La Joya Subco Nominee Share;
- (n) other than its legal and beneficial ownership of La Joya Subco and its legal and beneficial ownership of Minera Metro, SVL Minerals has no subsidiaries or equity interests in any other entities;
- (o) on the First Option Closing, neither SVL Minerals nor La Joya Subco shall have any interest, whether direct or indirect, in Minera Metro or any liabilities associated with its prior interest in Minera Metro;
- (p) on the First Option Closing, neither SVL Minerals nor La Joya Subco shall owe, or be owed, any intercompany debts related to First Majestic or its Affiliates;
- (q) SVL Minerals is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares and First Majestic is the, direct or indirect, legal and beneficial owner of all the issued and outstanding shares of SVL Minerals and the La Joya Subco Nominee Share (including the Option Shares) and all such shares have been validly issued, are fully paid, and are free of any Lien or any Encumbrance, whether or not recorded on the share register of SVL Minerals or the FM Nominee Shareholder;
- (r) neither the bylaws of La Joya Subco or any other agreement, contain any provision that, in any manner, prohibits or limits the capacity of First Majestic to transfer the Option Shares in favor of Silver Dollar;
- (s) no person (other than Silver Dollar) has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the issued or unissued shares or other securities of La Joya Subco;
- (t) La Joya Subco is the direct 100% beneficial and recorded owner of the 15 concessions in Schedule "A", as described therein (the "**Mineral Rights**"), free and clear of any Lien, or Encumbrance other than Permitted Encumbrances;

- (u) to the best of the knowledge of the First Majestic Parties, the Mineral Rights have been properly staked or otherwise properly constituted, as applicable, and are properly recorded;
- (v) all the Mineral Rights are in good standing at the date hereof, including in respect of taxes, assessments, rentals, levies and other payments and reports, and no other person has any agreement, option, right or privilege capable of becoming an agreement for the purchase of the Property or any portion thereof or any Mineral Rights or an interest therein;
- (w) to the best of the knowledge of the First Majestic Parties, there are no adverse claims or challenges to or against the ownership of, the title to or the validity of the staking, locating or recording of any of the Mineral Rights or against the validity of any work filed in respect of any of the claims which comprise all or any part of the Mineral Rights, nor is there any basis therefor;
- (x) there has been no act or omission by the First Majestic Parties or their Agents or Affiliates or, to the best of the knowledge of the First Majestic Parties, any other person, which could result by notice or lapse of time, or by both notice and lapse of time, in the breach, termination, abandonment, forfeiture, relinquishment or other premature termination of the Mineral Rights;
- (y) all activities on or in respect of the Mineral Rights conducted by or on behalf of the First Majestic Parties, and to the best of the knowledge of the First Majestic Parties, by any other person, have been conducted in material compliance with all applicable statutes, regulations, by-laws, orders, judgments and permits;
- (z) subject to all government royalties or other similar payments to governments under laws applicable from time to time based on mineral production and to the royalties and entitlements described in Schedule "A", no person is entitled to any royalty or other payment in the nature of rent or royalty on minerals removed from the Property, or is entitled to take such materials in kind;
- (aa) the First Majestic Parties have not conducted any activities of exploitation, extraction, development or any other kind of exploitation activities whatsoever within the Property, notwithstanding with the foregoing, the First Majestic Parties have, and, to the best of the knowledge of the First Majestic Parties all prior owners and operators have, at all times complied in all material respects with any applicable Environmental Laws in connection with the ownership, use, maintenance or operation of the Property and the conduct of the business and operations related thereto;
- (bb) the First Majestic Parties have not conducted any activities of exploitation, extraction, development or any other kind of exploitation activities whatsoever within the Property and neither any of the First Majestic Parties has, nor, to the best of the knowledge of the First Majestic Parties has any other person, at any time received, handled, used, stored, treated, shipped and disposed of any environmental contaminants at the Property in material violation of the Environmental Laws;

- (cc) the First Majestic Parties have not conducted any activities of exploitation, extraction, development or any other kind of exploitation activities whatsoever within the Property, notwithstanding with the foregoing, neither any of the First Majestic Parties nor any of their Agents or Affiliates has, nor, to the best of the knowledge of the First Majestic Parties has any other person, received any notice, order or disposition from a Governmental Authority relating to environmental matters requiring the undertaking of any work, repairs, construction or capital expenditures by with respect to the Mineral Rights or the Property;
- (dd) the First Majestic Parties have not conducted any activities of exploitation, extraction, development or any other kind of exploitation activities whatsoever within the Property, notwithstanding with the foregoing, no hazardous or toxic materials, substances, pollutants, contaminants or wastes have been released into the environment, deposited, discharged, placed or disposed of by any of the First Majestic Parties or their Affiliates or, to the best of the knowledge of the First Majestic Parties by any other person, in violation of the Environmental Laws, at, on or near the Mineral Rights and/or the Property;
- (ee) none of the Mineral Rights is held under mining lease, sublease, mining option agreements, or similar other contracts, agreements or arrangements other than this Agreement;
- (ff) the First Majestic Parties have not received notice of any claim, complaint or other proceeding or threat of any claim, complaint or other proceeding by an Ejido Group with respect to leased properties over the Mineral Rights, nor to the best of the knowledge of the First Majestic Parties is such a claim, complaint or other proceeding being contemplated;
- (gg) it has not entered into any labour contracts, collective bargaining agreements or any other employment or labour-related obligations and liabilities which may affect the Property or any operations to be conducted thereon by Silver Dollar;
- (hh) information contained in the public record of First Majestic with respect to the Property and the ownership thereof does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, as of the date hereof;
- (ii) there is no fact known to First Majestic which First Majestic has not disclosed to Silver Dollar which materially adversely affects the rights, title or interests of the First Majestic Parties in and to the Property or the ownership of the Property;
- (jj) Silver Dollar has been provided with true and complete copies of all agreements material to the Property, and there are no existing defaults by the First Majestic Parties or, to its knowledge, the other parties to such agreements, and no circumstances exist that, with notice or passage of time, or both, would be a default under such agreements;

- (kk) the First Majestic Parties have provided Silver Dollar and its Agents access to all information in its possession or control relating to La Joya Subco and the Property, whether tangible or electronic form, including without limitation, all financial information, corporate documents, agreements maps, assays, surveys, drill logs, samples and metallurgical, geological, geophysical, geochemical and engineering data in respect thereof and to the best of the knowledge of the First Majestic such information is true and correct in all material respects and the First majestic Parties acknowledges that Silver Dollar is relying on all information provided in entering into this Agreement; and
- (ll) none of the First Majestic Parties are aware of any material facts or circumstances not disclosed in writing to Silver Dollar, the disclosure of which is necessary to prevent its representations and warranties in this Section 3.1 from being misleading.

3.2 Representations and Warranties of Silver Dollar.

Dollar hereby represents and warrants to First Majestic that:

- (a) it is a corporation duly incorporated and organized and validly existing under the laws of its jurisdiction of incorporation and organization;
- (b) it has full corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement;
- (c) this Agreement has been duly authorized, executed and delivered by Silver Dollar and constitutes a valid and legally binding obligation of Silver Dollar enforceable against Silver Dollar in accordance with the terms hereof except that enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (d) all necessary corporate action has been taken to authorize the execution of this Agreement and the performance by Silver Dollar of its obligations hereunder, including the issue of, and the delivery of certificates representing, the Consideration Shares to First Majestic, subject to any requirement for shareholder approval of any issuance of Shares hereunder, and, on issue, the Consideration Shares will be validly issued as fully paid and non-assessable common shares in the capital of Silver Dollar;
- (e) no consent from a lender or any third party is necessary to authorize Silver Dollar to execute, deliver and perform its obligations under this Agreement;
- (f) there is no judgment, decree, injunction, ruling or order of any court, governmental department, commission, agency, instrumentality or arbitrator and no claim, suit, action, litigation, arbitration or governmental proceeding in progress, pending or threatened, which prevents or which seeks to prevent it from entering into this Agreement;

- (g) it has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any petition for a receiving order in bankruptcy filed against it, has not made a voluntary assignment in bankruptcy, has not taken any proceedings with respect to a compromise or arrangement, has not taken any proceeding to have itself declared bankrupt or wound-up, has not taken any proceeding to have a receiver appointed of any part of its assets, has not had any encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or become levied upon any of its property;
- (h) none of the issue and sale of the Consideration Shares to First Majestic, the execution and delivery of this Agreement, the compliance by Silver Dollar with the provisions of this Agreement or the consummation of the transactions contemplated herein, do or will (i) require the consent, approval, or authorization, order or agreement of, or registration or qualification with, any governmental agency, body or authority, court, stock exchange, securities regulatory authority or other person, except (A) such as have been obtained, or (B) such as may be required under the securities laws and the policies of the Canadian Securities Exchange and will be obtained prior to the issuance of the Consideration Shares to First Majestic, or (ii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which Silver Dollar is party or by which they or any of its assets thereof are bound, or the charter documents of Silver Dollar or any resolution passed by the directors (or any committee thereof) or shareholders of Silver Dollar, or any statute or any judgment, decree, order, rule, policy or regulation of any court, governmental authority, arbitrator, stock exchange or securities regulatory authority applicable to Silver Dollar or its assets which could have a material adverse effect on the condition (financial or otherwise), business, or results of operations of Silver Dollar (taken as a whole);
- (i) Silver Dollar is authorized to issue an unlimited number of common shares, of which 19,991,244 common shares were issued and outstanding as fully paid and non-assessable shares as of the date hereof;
- (j) the common shares of Silver Dollar are listed on the Canadian Securities Exchange and the Consideration Shares to be issued to First Majestic in accordance with this Agreement will, at the time of issue of such Consideration Shares to First Majestic, have been conditionally listed on the Canadian Securities Exchange and any other consents or approvals required by the Canadian Securities Exchange in respect of the such issuance, to the extent necessary to be obtained, will have been obtained prior to the issuance of such Consideration Shares;
- (k) Silver Dollar is a reporting issuer or the equivalent in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario (the "**Reporting Provinces**") and is not in default of any material requirement of the securities laws of any of such provinces;
- (l) other than pursuant to this Agreement, no person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the unissued

shares or other securities of Silver Dollar, except for an aggregate of 10,108,757 common shares were reserved for issue pursuant to outstanding options, warrants, share incentive plans and property or other agreements as of the date hereof;

- (m) no order preventing, ceasing or suspending trading in any securities of Silver Dollar or prohibiting the issue and sale of securities by Silver Dollar has been issued and no proceedings for either of such purposes have been instituted or, to the best of the knowledge of Silver Dollar, are pending, contemplated or threatened; and
- (n) all information contained in the public record of Silver Dollar is in compliance in all material respects with the securities laws of the Reporting Provinces and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and such documents collectively constitute full, true and plain disclosure of all material facts relating to Silver Dollar and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, as of the date hereof.

3.3 Representations and Warranties to Survive.

Each Party's representations and warranties set out above have been relied on by the other Party in entering into the Agreement and will survive the execution and delivery of this Agreement. Each Party will indemnify and hold harmless the other Party for any loss, cost, expense, claim or damage, including legal fees and disbursements, (the foregoing collectively, "**Losses**") suffered or incurred by the other Party at any time as a result of any misrepresentation or breach of warranty arising under the Agreement.

4. **OPTION**

Grant of First Option

4.1 In consideration of the covenants and agreements of Silver Dollar set forth herein, First Majestic hereby grants to Silver Dollar the sole and exclusive right and option (the "**First Option**") to acquire (all and not less than all) the First Option Shares, free and clear of all Liens and Encumbrances, on the terms set out herein.

Conditions of Exercise of First Option

4.2 In order for Silver Dollar to exercise the First Option, Silver Dollar shall:

- (a) pay to First Majestic, in accordance with Section 4.3 and 4.6, the following cash payments (each, a "**Cash Payment**"):

Option Payment Timing	Payment Amount
Upon execution of this Agreement	\$300,000 (the " Initial Cash Payment ")

On or before the 12 month anniversary of the Effective Date	\$200,000 Plus Annual Holdings Costs for the preceding 12 months
On or before the 24 month anniversary of the Effective Date	\$200,000 Plus Annual Holding Costs for the preceding 12 months
On or before the 36 month anniversary of the Effective Date	\$300,000 Plus Annual Holding Costs for the preceding 12 months (the " Year 4 Cash Payment ")
On or before the 48 month anniversary of the Effective Date	\$300,000 Plus Annual Holding Costs for the preceding 12 months (the " Year 5 Cash Payment ")

- (b) incur directly or through its Agents, Expenditures on or with respect to the Property in the aggregate amount of no less than \$1,000,000 (excluding VAT) (the "**Minimum Expenditure Requirements**") on or before the 36 month anniversary of the effective date of a surface right agreement reasonably necessary to conduct exploration work on all or a portion the Property and, in any event on or before the 60 month anniversary of the Effective Date.
- (c) no later than 45 days following the Effective Date, issue to First Majestic, such number of Shares equal to 19.9% of the then issued and outstanding Shares of Silver Dollar (on an undiluted basis), subject to the acceptance of the Canadian Securities Exchange and the provisions of Article 5 (the "**First Consideration Shares**").

Notwithstanding Section 4.2(a), in the event Silver Dollar satisfies the Minimum Expenditure Requirements on or prior to the 36 month anniversary of the Effective Date, Silver Dollar will be released from any obligation to make the Year 4 Cash Payment and Year 5 Cash Payment.

4.3 The Annual Holding Costs payable by Silver Dollar pursuant to Section 4.2 shall be calculated and payable by Silver Dollar only in respect of the period commencing on the Effective Date and only in respect of Annual Holding Costs actually paid by or on behalf of First Majestic.

4.4 Silver Dollar shall be entitled to accelerate any time period for incurring the Expenditures, making the Cash Payments or issuing the First Consideration Shares pursuant to Section 4.2.

4.5 All Cash Payments shall be made to a bank account designated by First Majestic ten Business Days prior to the date upon which such Cash Payment is due hereunder.

4.6 First Majestic will deliver to Silver Dollar promptly and no later than 30 days prior to the date for payment by Silver Dollar of Annual Holding costs pursuant to Section 4.2 an itemized statement setting out the details of the Annual Holding Costs (without including an administrative fee) incurred in the prior 12 month period. Silver Dollar shall be entitled, acting reasonably, to request further information with respect to any item in such itemized statement to dispute the accuracy of any item in the itemized statement of Annual Holding Costs, and First Majestic shall furnish additional information, if available. Any such dispute in respect of Annual Holding Costs which the Parties are unable to settle

shall be determined in accordance with Article 10. The obligation of Silver Dollar to pay the Annual Holding Costs shall be extended by the number of days equal to the number of days between the date such payment is due under Section 4.2 and the date of determination of any disputes under this Section 4.7 and Article 10.

4.7 The First Option is an option only and nothing herein contained will be construed as obligating Silver Dollar to do any acts or make any payments hereunder except as expressly set forth in this Agreement, and any act or acts or payment or payments as may be made hereunder shall not be construed as obligating Silver Dollar to do any further act or make any further payment or payments.

Exercise of First Option

4.8 Upon Silver Dollar having complied with the obligations in Section 4.2, Silver Dollar shall be entitled to provide a written notice of exercise of the First Option to First Majestic (the "**First Option Exercise Notice**") stating the amount of Expenditures incurred and an itemized statement of any such Expenditures for any periods for which an itemized statement has not already been provided under Section 4.2(b). Following receipt of the First Option Exercise Notice, and subject to the rights of First Majestic to request more information and/or to dispute the accuracy of any item in the itemized statement of Expenditures under the same process and timeline contemplated in Section 7.3, and the right of Silver Dollar to correct deficiencies in Expenditures arising or confirmed as a result of any such request or dispute with further Expenditures or by payment of cash to First Majestic in lieu thereof, Silver Dollar shall be deemed to have exercised the First Option as at the date of the First Option Exercise Notice (or the date that Silver Dollar corrects deficiencies in Expenditures in accordance with the foregoing or the date it is determined that there were no deficiencies in Expenditures, as the case may be) (the "**First Option Exercise Date**") and Silver Dollar shall be deemed to have acquired a beneficial interest in the First Option Shares, free and clear of all Liens, other than Permitted Encumbrances, such other Liens as may otherwise have been agreed to by the Parties during the First Option Period.

4.9 Any such dispute in respect of Expenditures which the Parties are unable to settle shall be determined in accordance with Section 7.3.

4.10 The rights of Silver Dollar to exercise the First Option shall be extended by the number of days equal to the number of days between the date of the First Option Exercise Notice and the date of determination of any disputes under this Section and Article 11.

Closing of First Option

4.11 Within 10 Business Days of the First Option Exercise Date (the "**First Option Closing**"), the First Majestic Parties shall deliver or cause to be delivered to Silver Dollar:

- (a) the original share certificates representing the First Option Shares duly endorsed for transfer to Silver Dollar and the Silver Dollar Nominee Shareholder and/or another Affiliate of Silver Dollar as it may direct;
- (b) a certified copy of the resolution of the directors of SVL Minerals and the FM Nominee Shareholder approving and authorizing the transfer of the First Option Shares from First Majestic or an affiliate thereof, as the case may be, to Silver Dollar and the Silver Dollar

Nominee Shareholder and/or another Affiliate of Silver Dollar may direct, the registration of the First Option Shares and the issue of the share certificates referred to in section 4.12(b);

- (c) a certificate of an officer of First Majestic certifying the accuracy and completeness, as of the First Closing Date, of the representations and warranties of the First Majestic Parties set out herein and that the First Majestic Parties have complied with all covenants, obligations and conditions to be performed or complied with by the First Majestic Parties prior to the First Option Closing (the "**La Joya Bring Down Certificate**");
- (d) the Shareholders' Agreement duly executed by the First Majestic Parties, party thereto; and
- (e) the Royalty Agreement, duly executed by First Majestic.

4.12 At the First Option Closing, Silver Dollar shall deliver or cause to be delivered to First Majestic the Shareholders' Agreement duly executed by Silver Dollar and the Royalty Agreement, duly executed by La Joya Subco or Newco, as the case may be.

4.13 Notwithstanding the foregoing, if First Majestic is unable to deliver the La Joya Bring Down Certificate or fails to transfer the First Option Shares in accordance with Section 4.12 for any reason Silver Dollar may elect to exercise the First Option by way of transfer of the Mineral Rights and the Property to a new Mexican corporation, which shall be a direct or indirect subsidiary of Silver Dollar ("**Newco**"). In the event Silver Dollar makes such election, the First Majestic Parties will be contractually obligated, at Silver Dollar's cost, to execute all minutes, public deeds and all other public and/or private documents necessary for the incorporation of Newco and the First Majestic Parties shall forthwith deliver a registrable and recordable transfer, assignment and conveyance of its right, title and interest in and to the Mineral Rights and any other assets related to the Property to Newco, which transfers, may be recorded at all such places of record (including the Mining Public Registry in Mexico) as may be appropriate or desirable to effect the legal transfer of the Property, Mineral Rights and related assets to Newco.

4.14 The Parties acknowledge and agree that, if the First Option is exercised with respect to the shares of Newco and the Mineral Rights and related assets are transferred to Newco as set out in Section 4.13, First Majestic (or an Affiliate) will own 20% of NewCo and Silver Dollar shall own 80% of Newco and the Second Option will become an option to purchase the shares First Majestic owns in Newco and all Parties' rights and obligations applicable to or over La Joya Subco under this Agreement and its Schedules shall apply (*mutatis mutandis*) to Newco in substitution of La Joya Subco. The Parties agree that none of the expenditures incurred in connection with the incorporation of Newco or the transfer of the Mineral Rights and other rights and assets to it shall be counted as Expenditures.

The NSR Royalty

4.15 First Majestic has reserved for it (directly or through an Affiliate) from the grant of rights to Silver Dollar hereunder a 2% net smelter return royalty interest in all minerals processed and sold from the Property, on the terms set forth in the Royalty Agreement attached as Schedule "C" (the "**NSR Royalty**").

4.16 Silver Dollar acknowledges and agrees that to the extent described in Schedule "C", the Property will be subject to the NSR Royalty.

4.17 The Parties agree that, at the time of granting the NSR Royalty, they will take such additional steps and enter into such additional documents as reasonably requested by First Majestic, including preparing a short form of the Royalty Agreement prepared in the Spanish language reflecting the terms of this Agreement adapted to the applicable legal requirements of Mexico and governed by Mexican law or entering into "back to back" royalty agreements amongst the Parties and their Affiliates.

Grant of the Second Option

4.18 Subject to Silver Dollar's exercise of the First Option, the First Majestic Parties hereby grant to Silver Dollar the sole and exclusive right and option (the "**Second Option**") to acquire (all and not less than all of) the Second Option Shares, free and clear of all Liens and Encumbrances, on the terms set out herein.

Conditions of Exercise of Second Option

4.19 The Second Option is exercisable by Silver Dollar upon notice to First Majestic delivered within 30 days of the First Option Exercise Date and on or before the 60 month anniversary of the Effective Date (the "**Second Option Exercise Notice**").

4.20 The Second Option is an option only and except as specifically provided otherwise, nothing herein contained will be construed as obligating Silver Dollar to do any acts or make any payments hereunder except as otherwise set forth, and any act or acts or payment or payments as may be made hereunder will not be construed as obligating Silver Dollar to do any further act or make any further payment or payments.

Exercise of Second Option

4.21 To the extent that Silver Dollar has exercised the First Option with respect to Newco in substitution to SVL Minerals, the Second Option shall also be exercisable with respect to Newco in substitution to SVL Minerals.

Closing of Second Option

4.22 Within 10 Business Days of the Second Option Exercise Date (the "**Second Option Closing**") the First Majestic Parties shall deliver or cause to be delivered to Silver Dollar the original share certificates representing the Second Option Shares, duly endorsed for transfer to Silver Dollar or another Affiliate of Silver Dollar as it may direct

4.23 At the Second Option Closing, and subject to the approval of any stock exchange upon which the shares of Silver Dollar are then listed, Silver Dollar shall deliver or cause to be delivered to First Majestic: a certificate or direct registration statement in respect of Shares representing 5% of the then issued and outstanding Shares (on an undiluted basis) (the "**Second Consideration Shares**") whereupon Silver Dollar shall be deemed to have acquired a beneficial interest in the Second Option Shares, free

and clear of all Liens, other than Permitted Encumbrances and such other Liens as may otherwise have been agreed to by the Parties.

Formation of Joint Venture

4.24 Following the exercise by Silver Dollar of the First Option, Silver Dollar and First Majestic will automatically be deemed to have formed a joint venture (the "**Joint Venture**") with respect to the Property, and La Joya Subco, governed by the Shareholders' Agreement, with Silver Dollar (or such other Party appointed in writing at such time by Silver Dollar) initially holding a 80% interest and First Majestic initially holding a 20% interest in such Joint Venture, for the purpose of carrying out all such acts which are necessary or appropriate, directly or indirectly, to:

- (a) hold the Property and the other assets of the Joint Venture;
- (b) explore the Property for minerals and, if feasible, develop a mine thereon;
- (c) so long as it is technically, economically and legally feasible, operate such mine and exploit the minerals extracted from the Property; and
- (d) carry out any other activity in connection with or incidental to any of the foregoing.

The Parties may by mutual agreement agree to amend the structure of the Joint Venture including for tax-advantaged reasons.

5. SHARE ISSUANCES

5.1 First Majestic acknowledges that Silver Dollar's ability to issue Shares pursuant to this Agreement is subject to applicable securities legislation and stock exchange rules and that any Shares issued by Silver Dollar under this Agreement will be subject to whatever resale restrictions and escrow terms that may be imposed by applicable securities legislation and regulatory authorities (but no other such restriction), including any applicable stock exchange or quotation system, which legislation and rules require that a restrictive legend be placed on all certificates delivered to First Majestic under this Agreement.

5.2 First Majestic covenants and agrees with Silver Dollar to abide by all resale restrictions and to provide all such documentation requested by Silver Dollar, acting reasonably, to ensure the Shares can be issued in compliance with applicable securities legislation and stock exchange or quotation system rules, including certificate(s) confirming its accredited investor status under applicable securities legislation.

5.3 In the event of the issue of the Consideration Shares after the occurrence of one or more events involving the capital reorganization, reclassification, subdivision or consolidation of the Shares, or the merger, amalgamation or other corporate combination of Silver Dollar with one or more other entities, or of any other event in which new securities of any nature are delivered in exchange for the issued and outstanding Shares and such issued Shares are cancelled ("**Fundamental Changes**"), in lieu of issuing Shares which, but for the Fundamental Change and this provision, would have been issued, Silver Dollar or its successor shall issue instead such number of new securities as would have been delivered as a result of the Fundamental Change in exchange for those Shares which First Majestic

would have been entitled to receive if such issue had occurred immediately prior to the Fundamental Change.

5.4 Concurrently with delivery of the First Consideration Shares to First Majestic, First Majestic and Silver Dollar shall enter into a shareholder rights agreement (the "**Shareholder Rights Agreement**") pursuant to which First Majestic shall agree that upon and subject to issuance of the First Consideration Shares and for so long thereafter as it holds at least 10% of the issued and outstanding shares of Silver Dollar on a non-diluted basis it (i) will vote all Shares held by it from time to time in favour of management's recommendations on routine matters at any general or special meeting of shareholders of Silver Dollar; (ii) will agree that the First Consideration Shares will be subject to contractual resale restrictions pursuant to which the First Consideration Shares shall be released in four equal tranches every six months (with 25% of the First Consideration Shares becoming free from such restrictions every six months) commencing on the date which is six months from the date of issue; and (iii) will not directly or indirectly, whether alone or jointly or in concert with any other person without the consent of Silver Dollar (A) solicit proxies from shareholders or other security holders of the Silver Dollar or any of its Affiliates or otherwise attempt to influence the conduct of the shareholders or other security holders of Silver Dollar or any of its Affiliates; (B) solicit, initiate or engage in any discussions or negotiations, or enter into any agreement, commitment or understanding, or otherwise act jointly or in concert with any person in order to propose or effect any take-over bid, tender or exchange offer, amalgamation, merger, arrangement or other business combination involving Silver Dollar or any of its Affiliates or propose or effect any acquisition of assets from Silver Dollar or any of its Affiliates; or (C) in any manner, directly or indirectly, seek to control or influence the board of directors of Silver Dollar any Affiliate of Silver Dollar or the management or policies of Silver Dollar or affect control of Silver Dollar or any of its Affiliates.

6. OPERATOR OF THE PROPERTY

6.1 Appointment of Operator.

During the term of this Agreement, Silver Dollar shall act, through a Mexican subsidiary, as operator of the Property, and as such Silver Dollar shall be responsible in its sole discretion for carrying out, administering and paying for work on the Property, including the completion of all activities necessary to fulfill the Minimum Expenditure Requirements under this Agreement.

6.2 Rights as Operator.

Silver Dollar as Operator (and its Affiliates and Agents), through a Mexican subsidiary, have the exclusive right to enter in, upon and under the Property and to explore, develop, mine, and do such work upon the Property and to have exclusive possession of the Property, including in order to sample, examine, diamond drill, prospect, explore or commence to develop the Property in such manner as Silver Dollar may in its sole discretion determine (subject to the applicable laws, regulations, policies or orders of all Governmental Authorities having jurisdiction), including without limitation, the right to erect, bring and install thereon all buildings, vehicles, machinery, equipment and supplies as Silver Dollar shall deem necessary or advisable and to remove therefrom for analysis and testing quantities of ores, minerals or metals for assay, testing and milling purposes only as Silver Dollar shall in its sole discretion deem advisable.

7. COVENANTS OF THE PARTIES.

7.1 Covenants of First Majestic Parties.

During the term of this Agreement, the First Majestic Parties will:

- (a) not, without the prior written consent of Silver Dollar, enter into or amend any agreement or understanding in respect of the Property or Mineral Rights, and will continue to maintain their interest in or to the Mineral Rights and Property unencumbered and in good standing during the term of this Agreement and not do any other act or thing which would or might in any way adversely affect the rights of Silver Dollar hereunder;
- (b) continue to make available to Silver Dollar and its Agents all information and documentation in its possession relating to the Property, including without limitation all available relevant technical data, geotechnical reports, maps, digital files and other data with respect to the Property in the First Majestic Parties' possession or control, including without limitation samples, core and all records and files relating to the Property, if any, and permit Silver Dollar and its Agents at its own expense to take abstracts therefrom and make copies thereof; in the understanding that the First Majestic Parties will not make any representations and warranties with respect to such information and documentation relating to the Property or be liable for any errors or omissions in the same so provided;
- (c) promptly provide Silver Dollar with any and all notices and correspondence received by any of the First Majestic Parties from Governmental Authorities or third parties in respect of the Property;
- (d) maintain or cause to be maintained in good standing the Mineral Rights and the Property by doing all such actions, filing all such documents and paying all such amounts within the legally permitted timeframe without taking advantage of any grace periods to make such payments, including but not limited to the mining good standing fee and mining penalties, that are due following the Effective Date and that are required to maintain the Mineral Rights in good standing (including but not limited to the payment of all Annual Holding Costs);
- (e) cooperate fully with Silver Dollar in obtaining any surface and other rights on or related to the Property as Silver Dollar deem desirable (at the expense of Silver Dollar) and execute all consents, authorization, licences or permit application as are necessary or desirable to permit Silver Dollar to carry out activities on or in respect of the Property;
- (f) provide reasonable assistance to Silver Dollar in fulfilling its obligations under Section 7.2(c) herein; and
- (g) use commercially reasonable efforts to obtain all consents, waivers and agreements necessary, including waivers of rights of first refusal, to transfer and assign the rights, title and interests of the First Majestic Parties in and to the Property and Option Shares

as described herein the event that Silver Dollar exercises the First Option or the First Option.

7.2 Covenants of Silver Dollar.

During the term of this Agreement, Silver Dollar will, and will cause its Affiliates to:

- (a) conduct all work on the Property in a prudent and workmanlike manner in accordance with good mining practice, in compliance with all laws and regulations of all Governmental Authorities having jurisdiction, including without limitation, all Environmental Laws, and in accordance with the terms of all Mineral Rights;
- (b) keep the Property free and clear of Liens and Encumbrances (other than Permitted Encumbrances) as a result of its own actions or omission, including acts or omissions of its Agents and should any such Lien or Encumbrance be recorded against the Property in consequence of any work done thereon by or for Silver Dollar, other than Permitted Encumbrances in Section 1.1(ii)(a)(c)(d)(e)(f) or (g), Silver Dollar shall forthwith take all such actions, including initiating proceedings, as may be necessary to have such Lien or privilege removed and/or discharged from the Property and shall have the same removed and/or discharged with all reasonable dispatch provided, however, that upon such removal or discharge of such Lien or privilege, Silver Dollar may proceed to contest any such claim of Lien or privilege in good faith and diligently;
- (c) to the extent not otherwise paid to First Majestic as Annual Holding Costs pay all concessions taxes, file all assessment work and otherwise obtain and/or maintain in good standing all Mineral Rights, permits and licenses and other approvals, from all Governmental Authorities having jurisdiction, as are necessary in order to conduct work on the Property;
- (d) maintain adequate insurance coverage in accordance with normal industry standards and practice protecting the interests of the Parties (including from third party claims) and shall cause its Agents to obtain and maintain similar adequate insurance;
- (e) subject to Article 13, permit First Majestic and its Agents at their own risk and expense, upon reasonable notice to Silver Dollar, access at all reasonable times to the Property;
- (f) subject to Article 13, keep full, detailed and complete records of all Expenditures and all work conducted on, in, under or in respect of the Property, such as copies of invoices, work sheets and other like data provided or rendered by other parties to Silver Dollar, including all results obtained, including drill core and drill results and results of assays made, and all such records and results shall be available for inspection by the First Majestic Parties at any time, acting reasonably, upon reasonable notice to Silver Dollar, prior to the exercise of the First Option by Silver Dollar; and
- (g) provide to all applicable Governmental Authorities all required financial security in amounts and in forms acceptable to the Governmental Authorities for reclamation and closure obligations.

7.3 Expenditure Statement and Audit.

On or before January 31 of each year, Silver Dollar will provide an itemized statement of the aggregate Expenditures incurred in the preceding calendar year ("**Expenditures Statement**"), certified to be correct by an officer of Silver Dollar, and such Expenditures Statement will be conclusive evidence of such Expenditures recorded in the statement unless within the 60 days after receipt of that statement First Majestic delivers a written and detailed objection to the statement to Silver Dollar. If First Majestic delivers such an objection, then it will be entitled to have such Expenditures Statement audited by an independent firm of Chartered Professional Accountants of First Majestic's choice. At the conclusion of that audit:

- (a) if the auditor determines that the Expenditures Statement was accurate within 10% percent, then the cost of the audit will be borne by First Majestic; or
- (b) if the auditor determines that the Expenditures Statement overstated or understated Expenditures actually funded by greater than a 10% margin, then the costs of the audit will be borne by Silver Dollar and:
 - (i). if the auditor determines that the Expenditures Statement overstated the amount of aggregate Expenditures funded and results in a deficiency in the Minimum Expenditure Requirement, then Silver Dollar will pay to the First Majestic Parties, within 30 days after such determination, the amount equal to the shortfall in aggregate Expenditures, and such payment will be deemed to be a payment of cash in lieu of aggregate Expenditures, in advance of the relevant due date specified in Section 4.2(b) and the actual Expenditures so determined, plus such payment of cash in lieu of aggregate Expenditures, will be counted towards Minimum Expenditure Requirements for the purposes of Section 4.2; and
 - (ii). if the auditor determines that the Expenditures Statement understated the amount of aggregate Expenditures funded, then the actual Expenditures funded will be counted towards Minimum Expenditure Requirements for the purposes of Section 4.2.

Despite anything in this Agreement to the contrary, the auditor's determination of aggregate Expenditures will be final and determinative of the amounts stated in the statement in question, and will not be subject to arbitration under Article 10. If an objection under this Section is delivered by First Majestic which relates to whether the First Option Exercise Date has occurred and an audit is conducted, the effective First Option Exercise Date, as the case may be, will be designated by the auditor.

7.4 Negative Covenants of First Majestic.

During the term of this Agreement, each of the First Majestic Parties hereby agrees, not to directly nor indirectly or allow La Joya Subco to:

- (a) sell, assign or otherwise dispose all or any part of the Option Shares, the Mineral Rights or assets of La Joya Subco (except to Silver Dollar or Newco hereunder) or issue additional shares;

- (b) create any Lien or Encumbrance over any of the Option Shares or any part of the Mineral Rights, other than the NSR Royalty or as disclosed in Schedule "A" hereto;
- (c) take any actions, which, directly or indirectly, contribute to or will result in the liquidation, dissolution, consolidation or transformation of La Joya Subco, or any of it being part of any spin-off, reorganization or merger;
- (d) to file a petition for or otherwise cause any of the First Majestic Parties to be subject to a bankruptcy or any similar proceeding;
- (e) to cause any material change in the business, assets or liabilities of any of La Joya Subco;
- (f) amend the certificate of incorporation or bylaws of any of the La Joya Subco from those in effect as of the date hereof; and
- (g) other than in the case of First Majestic, incur or assume any liabilities, obligations or indebtedness for borrowed money or of any other kind, or guarantee any such liabilities, obligations or indebtedness, other than in the ordinary course of business and consistence with past practice.

without Silver Dollar's prior written consent, which may be unreasonably withheld.

8. TERMINATION OF OPTION

8.1 Termination Events.

Subject to the obligation of the Parties which expressly survive the termination of this Agreement, this Agreement shall terminate:

- (a) if Silver Dollar fails to fulfil the requirements of Sections 4.2, subject to Sections 7.3 and 7.4 and Article 12;
- (b) upon receipt by First Majestic of notice from Silver Dollar given prior to the exercise of the First Option that Silver Dollar will not fulfil the requirements of Section 4.2;
- (c) upon 30 days' advance written notice to Silver Dollar, if Silver Dollar breaches any covenants herein which breach results, or if not cured would be reasonably likely to result, in a material adverse effect on the First Majestic Parties' economic interests in and to or derived from the Property, unless Silver Dollar cures such breach within such 30-day period; or
- (d) upon execution and delivery by the Parties of the Shareholders' Agreement; and
- (e) upon exercise of the Second Option and issuance of the Second Option Shares, in accordance with this Agreement

provided that, for greater certainty, and without limitation, Sections 8.1 through 8.4 inclusive as well as Sections 3.3, Article 5, and Articles 9, 10 and 13 shall survive the termination of this Agreement.

8.2 Taxes, Rents, Fees or Payments.

Upon termination of the First Option under Section 8.1(a), 8.1(b) or 8.1(c), Silver Dollar shall pay to the First Majestic Parties all taxes, fees, rents and payments payable (to the extent not previously paid to First Majestic as part of the Annual Holding Costs) in respect of the Property to the date of termination and for a period six months after termination, subject to Article 9.

8.3 Delivery of Data Upon Termination.

Upon termination of the First Option under Section 8.1(a), 8.1(b) or 8.1(c), Silver Dollar shall deliver to First Majestic within 30 days of the date of termination all originals or copies of maps, reports, results of surveys and drilling and all other reports of information provided to Silver Dollar by First Majestic as well as copies of any assay plans, diamond drill records, information, maps and other pertinent exploration reports produced by Silver Dollar or its Agents and related to the Property .

8.4 Removal of Buildings and Environmental Matters.

Upon termination of the First Option under Section 8.1(a), 8.1(b) or 8.1(c):

- (a) all buildings, plant, equipment, machinery, tools, appliances and supplies which may have been brought upon the Property by or on behalf of Silver Dollar as Operator shall be removed by Silver Dollar at any time not later than nine months after termination unless other arrangements on terms satisfactory to First Majestic are made between Silver Dollar and First Majestic and, if not so removed, such buildings, plant, equipment, machinery, tools, appliances and supplies shall, at the sole option of First Majestic, become the property of First Majestic may be removed by First Majestic or its Agents at the expense of Silver Dollar; and
- (b) Silver Dollar shall perform all rehabilitation, reclamation or pollution control on the Property which is required as a result of the activities of Silver Dollar or their Agents thereon, to the standard required in accordance with all applicable laws and regulations as approved by the appropriate Governmental Authorities having jurisdiction.

9. INDEMNIFICATION

9.1 Indemnification of First Majestic Parties.

Silver Dollar shall and hereby agree to indemnify and hold the First Majestic Parties and their respective directors, officers and Agents harmless against and in respect of any and all claims, suits, administrative proceedings, fines or Losses incurred by such persons (including for loss of life, injury to persons or property or damage to the Property or the natural environment) arising out of operations conducted on the Property or other acts or omissions by Silver Dollar or its Affiliate as Operator or their Agents. Such indemnity shall survive the termination of this Agreement.

9.2 Indemnification of Silver Dollar.

The First Majestic Parties shall and hereby agree to indemnify and hold Silver Dollar and their respective directors, officers and Agents harmless against and in respect of any and all claims, suits, administrative proceedings, fines or Losses incurred by such persons (including for loss of life, injury to

persons or property or damage to the Property or the natural environment) arising out of operations conducted on the Property or other acts or omissions by the First Majestic Parties prior to the Effective Date. Such indemnity shall survive the termination of this Agreement.

10. DISPUTE RESOLUTION

10.1 Arbitration.

Any matter in this Agreement in dispute between the Parties which has not been resolved by the Parties within fifteen (15) days of the delivery of notice by either Party of such dispute may be referred by either Party to binding arbitration pursuant to the *Arbitration Act* (British Columbia) in accordance with the following: [the place of arbitration will be Vancouver, British Columbia.

- (a) the number of arbitrators will be three. Each of the claimant and the respondent will nominate one arbitrator, and the third arbitrator, who will act as chairperson of the arbitral tribunal, will be nominated jointly by the first two arbitrators, provided that if the third arbitrator has not been so nominated within 30 days of the date of nomination of the later of the first two arbitrators, the third arbitrator will be appointed according to the Arbitration Act.
- (b) the decision of the arbitrators will be final and binding, subject only to ordinary rights of appeal, and the costs of mediation or arbitration will be awarded by the arbitrators in his, her or their absolute discretion.

The Parties covenant that they shall conduct all aspects of such arbitration having regard at all times to expediting the final resolution of such arbitration.

11. FORCE MAJEURE

11.1 Except as otherwise set forth herein, all obligations of the Parties under this Agreement and all conditions to the exercise of the First Option or Second Option shall be suspended and the Parties shall not be deemed in default thereof or liable for damages or other legal or equitable remedies while, but only as long as, the Party is prevented from complying with such obligations or performing such conditions in whole or in part due to the occurrence of an event of Force Majeure.

11.2 In case of Force Majeure prevents exploration work to advance for any period of time (including regulatory delays in obtaining licenses, refusal by any authority to grant any necessary permissions, change of Law and being precluded from working in the Property by local communities) due dates for all payments under this Agreement shall be extended by a period or periods equal to the duration of the Force Majeure provided, however, the performance shall be resumed within a reasonable time after the Force Majeure has ceased to exist. If the conditions of Force Majeure continue for more than twenty four (24) months, the extension to the due dates for the Cash Payments will cease and the schedules established in Section 4.2 will be resumed.

11.3 Any Party claiming suspension of its obligations pursuant to this Article 11 will promptly notify the other Party to that effect and will take and continue to take all commercially reasonable steps to remove or remedy the cause of prevention or delay.

11.4 Notwithstanding any other provision of this Agreement, lack of funds shall not suspend the obligations of any of the Parties pursuant to this Agreement.

12. RELATIONSHIP AND OTHER OPPORTUNITIES - GENERAL

12.1 Relationship of Parties.

The rights, privileges, duties, obligations and liabilities, as between the Parties, shall be separate and not joint or collective and nothing herein contained shall be construed as creating a partnership, an association, agency or subject as herein specifically provided, a trust of any kind or as imposing upon either of the Parties any partnership duty, obligation or liability. No Party is liable for the acts, covenants or agreements of any other Party.

12.2 Other Opportunities.

Each of the Parties shall have the free and unrestricted right independently to engage in and receive the full benefits of any and all business endeavours of any sort whatsoever whether or not competitive with the endeavours contemplated herein without consulting the other Party or inviting or allowing the other Party to participate therein. No Party shall be under any fiduciary or other duty to the other Party which shall prevent it from engaging in or enjoying the benefits of competing endeavours within the general scope of endeavours contemplated by this Agreement. The legal doctrine of "corporate opportunity" sometimes applied to persons engaged in a joint venture or having fiduciary status shall not apply in the case of either Party.

13. CONFIDENTIALITY

13.1 Confidentiality.

The Parties hereto shall treat all information relating to this Agreement and the Property, including all information provided to it pursuant to this Agreement, as confidential. Neither Party hereto shall, without the prior written consent of the other, disclose to any third party (other than its directors, officers, employees, contractors and agents) any information relating to this Agreement or the Property nor issue any press releases concerning this Agreement or the Property including any information provided to it pursuant to this Agreement except:

- (a) where such disclosure is mandatory under the law or is deemed necessary by a Party for the satisfaction by it of its obligations under applicable securities laws or stock exchange rules;
- (b) where a Party is seeking the participation of a third party in the exploration, development or production of the Property and such information is divulged under confidential circumstances; or
- (c) to potential financiers, investors or transaction partners of a Party and their agents, where such information is divulged under confidential circumstances.

For greater certainty, the Parties acknowledge that either of the Parties may issue a news release following the execution of this Agreement announcing the execution of the Agreement and its material terms, provided that the Party proposing to issue such release delivers a draft copy of the release to the other Party at least 24 hours prior to issuance (if possible under applicable laws) to allow the other Party to review and comment upon the proposed disclosure.

13.2 Right to Disclose.

The Parties hereby acknowledge and consent to the disclosure to the applicable tax authorities, securities commissions and stock exchanges of all personal information (as defined or interpreted by applicable tax legislation, securities legislation or stock exchange rules) obtained by the Parties, to the extent required by law, rule or regulation.

13.3 Public Information.

Section 13.1 does not apply, in respect of a Party, to information that is or becomes generally available to the public other than as a result of disclosure by a Party in violation of Section 13.1.

13.4 Copy of Agreement.

For greater certainty, the Parties also acknowledge that either Party may file a copy of this Agreement and the Shareholders' Agreement on the SEDAR website as a material contract pursuant to the requirements of National Instrument 51-102 or with the Canadian Securities Exchange.

13.5 Survival.

This Article 13 shall survive the termination of this Agreement.

14. NOTICE - GENERAL

14.1 Notices.

All notices, requests, demands or other communications which by the terms hereof are permitted to be given by either Party to the other shall be given in writing by personal delivery, courier or by fax, addressed to such other Party or delivered to such other Party at the respective addresses or fax numbers set out for First Majestic and Silver Dollar on the first page of this Agreement or at such other addresses or fax numbers and to such other person that may be given by any of them to the other in writing from time to time on 10 days' prior written notice and such notices, requests, demands or other communications shall be deemed to have been received when delivered.

15. GENERAL

15.1 Severability.

Any provision of this Agreement which is invalid or unenforceable shall not affect any other provision and shall be deemed to be severable herefrom.

15.2 Governing Law.

This Agreement shall be governed by and construed according to the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without regard to the conflict of law provisions thereof.

15.3 Further Assurances.

The Parties shall sign such further and other documents and do such further acts or things as may be necessary or desirable in order to give full force and effect to this Agreement and every part hereof.

15.4 Amendment.

This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties.

15.5 Entire Agreement.

This Agreement shall supersede and replace any other agreement or arrangement, whether oral or written, heretofore existing between the Parties in respect of the subject matter of this Agreement, including without limitation the Letter of Intent and the confidentiality agreement between Silver Dollar and First Majestic dated June 2, 2020. If any term of this Agreement is or becomes illegal, invalid or unenforceable, that term shall not affect the legality, validity or enforceability of the remaining terms of this Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes all prior arrangements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal. Each Party shall from time to time promptly execute and deliver all further documents and take all further action reasonably necessary or desirable to give effect to the terms and intent of this Agreement.

15.6 Enurement.

This Agreement shall enure to the benefit of and be binding upon the Parties and each of their successors and permitted assigns.

15.7 Assignment.

For greater certainty and without limitation, Silver Dollar shall not have the right to mortgage, charge, transfer or assign (directly or indirectly) this Agreement to any Person (whether by sale, assignment, or share sale or corporate re-organization or arrangement), other than to a Affiliate or indirectly pursuant to a business combination transaction in which all of the voting shares of Silver Dollar are exchanged for or become the issued voting equity shares of a third party which is a public company listed for trading on a stock exchange and which is bound by the terms of this Agreement (and provided such Affiliate shall agree in writing with the First Majestic Parties in advance to be bound by the terms of this Agreement), without the prior written consent of First Majestic (such consent not to be unreasonably withheld or delayed) and provided that any such mortgagee, chargee, transferee or assignee shall have agreed in advance in writing with the First Majestic Parties on terms satisfactory to the First Majestic Parties (acting reasonably) to be bound by the terms of this Agreement. First Majestic shall have the right to transfer or assign this Agreement provided that such assignment is effected in

conjunction with the transfer of the interests of First Majestic in and to the Property provided that the transferee shall have covenanted in writing with Silver Dollar on terms satisfactory to the First Majestic Parties (acting reasonably) in advance to be bound by the terms of this Agreement.

Each Party agrees to initially respond to the other Party within ten days of any written request by a Party for assignment of this Agreement to any Person.

15.8 Waiver.

A Waiver of any breach of a provision of this Agreement shall not be binding upon a Party unless the waiver is in writing and such waiver shall not affect such Party's rights in respect of any subsequent breach.

15.9 Payments.

Any payment made under this Agreement from one Party to the other may be made by cheque, money order or bank draft by personal delivery or courier to the appropriate address set out in Section 14.1 or by wire transfer to an account designated by the other Party.

15.10 Registration in Mexico.

As soon as practicable following the execution of this Agreement, the Parties will register a short form of this Agreement in the Spanish language at the Mining Public Registry in Mexico, including the changes applicable under Mexican Law such as Governing Law. As soon as practicable following the execution of a Shareholders' Agreement, if and to the extent required, the Parties will register a summary memorandum of the Shareholders' Agreement in the Spanish language at the Public Registry of Commerce in Mexico in connection with La Joya Subco. The formalities necessary by Mexican Law such as notarization of such short form version of this Agreement shall be required and shall be paid by Silver Dollar.

15.11 Counterparts.

This Agreement may be executed in several counterparts and by facsimile transmission, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same document.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF the Parties have executed these presents as of the Effective Date.

FIRST MAJESTIC SILVER CORP.

Per: “Keith Neumeyer”
Name: Keith Neumeyer
Title: Director and Chief Executive Officer

SILVER DOLLAR RESOURCES INC.

Per: “Michael Romanik”
Name: Michael Romanik
Title: President and Chief Executive Officer

SILVERCREST DE MEXICO S.A. DE C.V.

Per: “Keith Neumeyer”
Name: Keith Neumeyer
Title: Director

SVL MINERALS LTD.

Per: “Keith Neumeyer”
Name: Keith Neumeyer
Title: Director

This is Schedule "A" to the Option Agreement dated
as of August 7, 2020 between
First Majestic Silver Corp., Silver Dollar Resources Ltd. et al

Description of the Property

The Property comprises the concessions in the following table:

Lot Number	title Number	validity of the title		Concession Name	Size (Hae.)
		starting date	expiry date		
1	119602	8 de abril de 1961	7 de abril de 2061	La Nueva	29.7000
2	121114	21 de abril de 1961	20 de abril de 2061	Francisco Javier	10.0000
3	122149	9 de octubre de 1961	8 de octubre de 2061	Hidalgo Número Dos	42.0000
4	126712	29 de agosto de 1961	28 de agosto de 2061	Carmen del Rocio	3.0309
5	130550	5 de agosto de 1961	4 de agosto de 2061	San Lucas	15.1747
6	163510	10 de octubre de 1978	9 de octubre de 2028	Hidalgo	51.0000
7	183039	29 de septiembre de 1988	28 de septiembre de 2038	Unificación Sacrificio	370.9697
8	231202	25 de enero de 2008	24 de enero de 2058	La Fe	42.8729
9	232199	4 de julio de 2008	3 de julio de 2058	La Fe 2	760.7862
10	237706	26 de abril de 2011	25 de abril de 2061	La Fe 3	308.0000
11	240995	16 de noviembre de 2012	15 de noviembre de 2062	El Sacrificio	5.9197
12	244040	16 de noviembre de 2012	15 de noviembre de 2062	Paraiso	655.2768
13	241012	21 de noviembre de 2012	20 de noviembre de 2062	Abundancia	81.0673
14	241173	22 de noviembre de 2012	21 de noviembre de 2062	La Fe 4	2.7869
15	241307	22 de noviembre de 2012	21 de noviembre de 2062	Fe 5	2267.8878
					4,646.4727

Royalties:

1. The Olvera Family Royalty

Mining Concession Name	Mining Concession Certificate number:	Area (has)	Project	Actual Holder:
La Nueva	119602	29.70	La Joya West	SilverCrest de Mexico, S.A. de C.V.
Francisco Javier	121114	10.00	La Joya West	SilverCrest de Mexico, S.A. de C.V.
Hidalgo Numero Dos	122149	42.00	La Joya West	SilverCrest de Mexico, S.A. de C.V.
Carmen del Rocio	126712	3.0309	La Joya West	SilverCrest de Mexico, S.A. de C.V.
San Lucas	130550	15.1747	La Joya West	SilverCrest de Mexico, S.A. de C.V.
Hidalgo	163510	51.00	La Joya West	SilverCrest de Mexico, S.A. de C.V.
Unificacion Sacrificio	183039	370.9697	La Joya West	SilverCrest de Mexico, S.A. de C.V.

2. The Vargas Aguirre Royalty

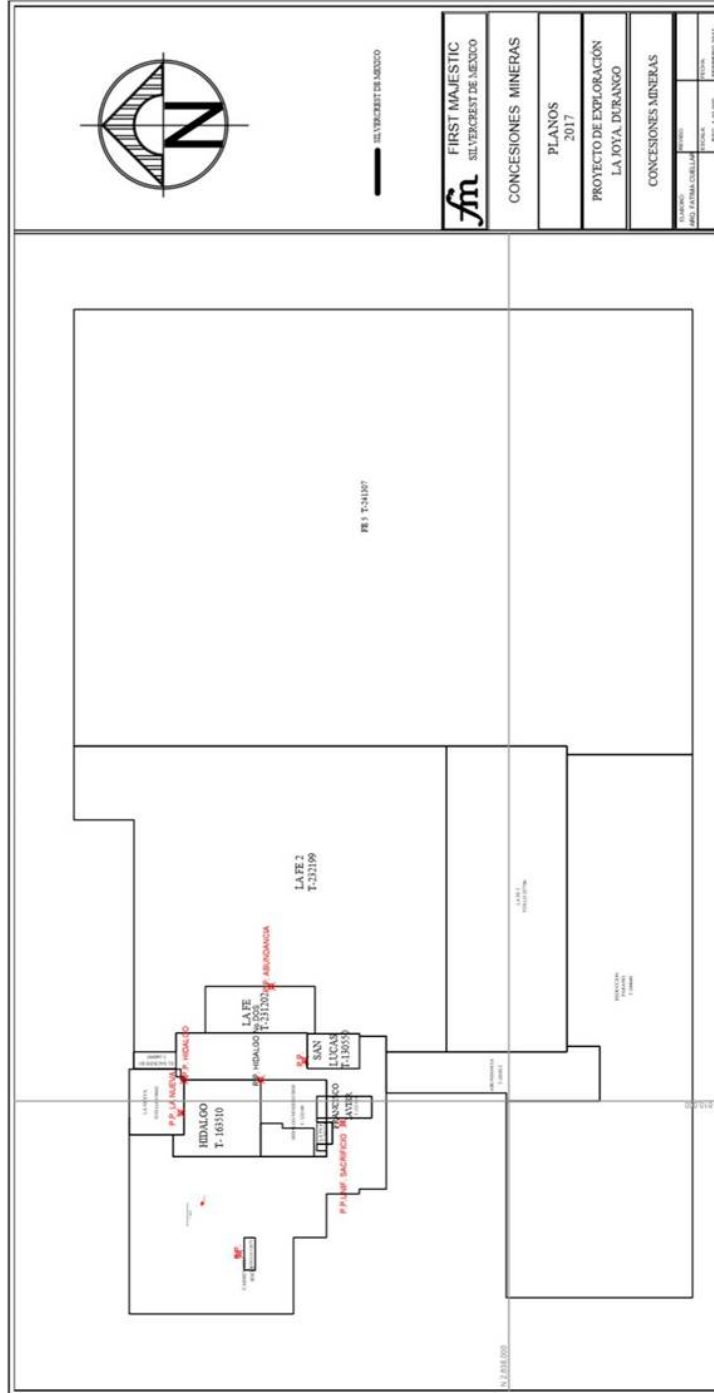
La Fe 3	237706	308.0000	La Joya East	SilverCrest de Mexico, S.A. de C.V.
La Fe	231202	42.8729	La Joya East	SilverCrest de Mexico, S.A. de C.V.

3. The Sergio Gabriel Olvera Royalty

La Fe 4	241173	2.7869	La Joya West	SilverCrest de Mexico, S.A. de C.V.
El Sacrificio	240995	5.9197	La Joya West	SilverCrest de Mexico, S.A. de C.V.

This is Schedule "B" to the Option Agreement dated
 as of August 7, 2020 between
 First Majestic Silver Corp., Silver Dollar Resources Ltd. et al

Map of the Property



**This is Schedule "C" to the Option Agreement dated
as of August 7, 2020 between
First Majestic Silver Corp., Silver Dollar Resources Ltd. et al**

Form of Royalty Agreement

**This is Schedule "A" to the Royalty Agreement dated
as of ●, 2020 between
First Majestic Silver Corp., and SVL Minerals Ltd.**

Description of the Property

The Property comprises the concessions in the following table:

**This is Schedule "B" to the Royalty Agreement dated
as of ●, 2020 between
First Majestic Silver Corp. and SVL Minerals Ltd.**

Map of the Property

**This is Schedule "D" to the Option Agreement dated
as of ●, 2020 between
First Majestic Silver Corp., Silver Dollar Resources Ltd. et al**

Terms of Shareholders' Agreement