

FORM 62-103F1

EARLY WARNING REPORT

State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

This is an initial report.

Item 1 - Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Issuer: Silver Dollar Resources Inc. (the "**Issuer**")
179- 2945 Jacklin Road
Victoria, British Columbia V9B 6J9

Designation: Common shares in the authorized share structure of the Issuer ("**Shares**")

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable.

Item 2 - Identity of the Acquiror

2.1 State the name and address of the acquiror.

Acquiror: First Majestic Silver Corp. ("**First Majestic**")
1800- 925 West Georgia Street
Vancouver, British Columbia, V6C 3L2

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On May 24, 2023 (the "**Closing Date**"), First Majestic acquired ownership and control over 2,205,118 Shares of the Issuer. The Shares were issued to First Majestic in exchange for the sale of First Majestic's La Joya Property.

2.3 State the names of any joint actors.

None.

Item 3 - Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.

See item 3.4.

32 *State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.*

See item 2.2.

33 *If the transaction involved a securities lending arrangement, state that fact.*

Not applicable.

34 *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.*

Prior to the Closing Date, First Majestic held 5,846,401 Shares of the Issuer or approximately 13.9% of the outstanding Shares. Following the Closing Date, First Majestic now owns and controls 8,051,519 Shares or approximately 18.2% of the outstanding Shares. Accordingly, First Majestic's ownership interest has increased by approximately 4.3%.

35 *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which*

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See item 3.4.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

36 *If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.*

Not applicable.

37 *If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.*

Not applicable.

- 3.8 *If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

Not applicable.

Item 4 - Consideration Paid

- 4.1 *State the value, in Canadian dollars, of any consideration paid or received per security and in total.*

Based on the closing price of the Shares on the Canadian Securities Exchange on the Closing Date, the value of the Shares is \$0.345 per Share or approximately \$760,765 in aggregate.

- 4.2 *In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.*

See item 4.1 above.

- 4.3 *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

See item 4.1 above.

Item 5 - Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following: (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer; (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries; (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries; (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board; (e) a material change in the present capitalization or dividend policy of the reporting issuer; (f) a material change in the reporting issuer's business or corporate structure; (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company; (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace; (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada; (j) a solicitation of proxies from securityholders; (k) an action similar to any of those enumerated above.

The Shares were acquired in exchange for the sale of First Majestic's La Joya Property. Depending on market conditions, general economic and industry conditions, the Issuer's business and financial condition and/or other relevant factors, First Majestic may increase or decrease its beneficial ownership of securities of the Issuer through market transactions, private agreements or otherwise, in the future.

Item 6 - Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

The Issuer and First Majestic have entered into a shareholder rights agreement (the "**Shareholder Rights Agreement**") pursuant to which First Majestic has agreed that, so long as it holds 10% or more of the outstanding Shares on an undiluted basis (the "**Investor Percentage**"), it shall not:

- (a) solicit proxies from shareholders or other security holders of the Issuer or any of its affiliates or otherwise attempt to influence the conduct of the shareholders or other security holders of the Issuer or any of its affiliates;
- (b) solicit, initiate, support 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, to propose or effect any take-over bid, tender or exchange offer, amalgamation, merger, arrangement or other business combination involving the Issuer or any of its affiliates or any acquisition of assets from the Issuer or any of its affiliates; or
- (c) in any manner, directly or indirectly, seek to control or influence the board of the Issuer (the "**Board**") or the board of directors of any affiliate of the Issuer or the management or policies of the Issuer or affect control of the Issuer or any of its affiliates.

In addition, so First Majestic has agreed, that (i) for so long as the Investor Percentage is equal to or greater than 10%; it will either: (i) exercise the votes attached to any and all Shares it holds, on each routine matter that may come before the shareholders of the Issuer, in the manner recommended by the Board to the shareholders of the Issuer, or (ii) not exercise, in respect of such routine matter, the votes attached to any and all Shares it holds.

Item 7 - Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 - Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 - Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated as of May 25, 2023

FIRST MAJESTIC SILVER CORP.

"Sophie Hsia" (signed)

Per:

Sophie Hsia
General Counsel