

## SETTLEMENT AND RELEASE AGREEMENT

This Agreement is entered into by and between Bullard's Peak Corporation, a New Mexico Corporation ("BP"), Silver Mountain Resources, LLC, a Nevada Limited Liability Company ("SMR"), Silver Holdings, LLC, a New Mexico Limited Liability Company ("SH"), Trevor Harder, an adult resident of the State of Nevada ("TH"), and Black Hawk Consolidated Mines Company, a Colorado Corporation ("BCM") (hereafter together the "Parties", or individually a "Party") as of May 30, 2014 (the "Effective Date").

### RECITALS

WHEREAS, SMR and SH are involved in litigation in the United States District of New Mexico, case number 13-CV-0469; and

WHEREAS, SH, BP, BCM and TH are involved in a litigation in New Mexico State Court, case number D-608-CV-2013-00290; and

WHEREAS, SMR and Arthur Handson and FUIRS Group are involved in a litigation in Nevada State Court, case number A-13-692551-C; and

WHEREAS, BP and SH entered into a Mining Lease and Purchase Option Agreement dated May 4, 2011, as amended (the "LPO"); and

WHEREAS, SMR, BP, and BCM have entered into a Stock Purchase Agreement dated August, 12, 2013, as amended (the "SPA"); and

WHEREAS, the Parties hereto desire to settle all litigations, claims, rights, and responsibilities which they may have to the other under any agreement, lawsuit, or unfiled claim, arising from the beginning of time to the date hereof.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. RECITALS. The Recitals are incorporated herein and made a part hereof as if fully set forth herein.

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2. CAPITALIZED TERMS. All capitalized terms used herein not defined herein shall have the definition given them in the LPO and/or the SPA.

3. DISMISSALS OF LITIGATION. Immediately upon execution of this Agreement, the Parties shall sign and file with the respective courts, dismissals in all the litigations referenced above, dismissing such cases with prejudice and without any award of costs or fees, which dismissals shall include recording and filing a release of the Lis Pendens filed/recorded in case number 13-CV-0469, and release of the Restraining Order entered in case number D-608-CV-2013-00290. On or before June 6, 2014, plaintiff's counsel in each case shall draft a Stipulation and Order for Dismissal, sign the same, and submit it to the defendants' counsel for signature and filing with the appropriate court within three (3) business days of receipt. Each Stipulation/Motion and Order regarding dismissal shall expressly reference this Agreement, and each Order shall approve this Agreement.

4. SMR'S RIGHT TO CLOSE. SMR shall have 180 days after the Effective Date to close on the \$5,000,000 purchase of the stock of BP pursuant to the SPA (if SMR desires), which closing requires SMR to tender to BCM \$5,000,000 of collected funds at closing; all as defined in the SPA. Such closing shall occur at Stewart Title in Las Vegas, Nevada (the "Closing Agent") as set forth in the SPA. If SMR closes on the purchase of the stock of BP pursuant to the SPA within 180 days of the Effective Date, then BCM shall pay, at closing, by wire transfer through the Closing Agent, \$1,000,000 of collected funds to an account designated by SH. BCM, BP, TH and SMR agree that SMR's purchase, if any, of the stock of BP must be done with collected funds at closing and not through any type of deferred purchase price, payment by bond, or any other payment other than in collected funds which are guaranteed by the Closing Agent to be good and collected at closing, and available for wire transfer (hereafter "Collected Funds") of (i) \$1,000,000 to SH and (ii) \$4,000,000 to BCM (or its assigns) by the Closing Agent at Closing.

5. SPA. If SMR does not timely close on the purchase of the Stock of BP pursuant to the SPA within 180 days of the execution of this Settlement Agreement, then the SPA shall immediately become null and void, and there shall be no obligation or liability on behalf of any Party to the SPA to any other Party to the SPA.

6. SH'S RIGHTS TO CLOSE. In the event of non-closure by SMR of the SPA, then SH shall have 180 days thereafter to close, if SH desires, on the purchase of the patented and unpatented lode mining claims owned by BP (the "Property") pursuant to Sections 7 and 8 of the LPO; which requires a purchase price of

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\$2,500,000 for the Property, plus \$2,500,000 for the Net Smelter Royalties as defined in paragraph 8 of the LPO (the "NSR"), if SH desires to purchase the NSR. Closing shall occur at Western New Mexico Title, Inc., Silver City, New Mexico ("Western"). At the Closing of such purchase, the Parties shall utilize as closing documents the documents negotiated between BP and SH and signed by BP as of April 5, or April 15, 2013 (depending whether the purchase is with or without the NSR), except for (i) changes to the dates to conform them to the terms of this letter, (ii) other minor changes as may be necessary to comply such documents with state law and with customary terms of sale of mining interests, and (iii) a bill of sale for the unpatented mining claims. SH will be responsible to update the title commitment on the patented claims it priorly obtained from Western for Closing and pay the premiums for the same. The Parties will comply with reasonable requests of Western for Closing. In order for SH to close on such purchase, it must have Collectible Funds (as defined above) paid to BP at Closing. There will be no escrowing of documents at Closing by BP. BP will tender to SH the Closing Documents only upon SH tendering to BP Collectible Funds through Western or directly to BP.

7. CLOSING DOCUMENTS. Other than to conform the terms of the documents to this Settlement Agreement, there will be no changes to the terms of the closing documents already drafted (i) between BP and SMR for the closing of the SPA, and (ii) between BP and SH for closing of the purchase of the Property under the LPO.

8. LPO. Effective upon signing of this Settlement Agreement, all rights under the LPO are terminated (except as to accomplish the possible purchase by SH of the mining interests of BP, as set forth herein if SMR does not purchase the Stock of BP), and SH shall have twenty-one (21) days to remove all its personal property from the leased Premises. SH shall leave on the Property all the core drilling samples from all drilling required under the LPO. BP agrees for such core drilling samples to remain on the Property, and will not remove the same, pending a closing of the sale of stock of BP to SMR, or the sale of the Property to SH, (except if someone tampers with the core samples then BP may at its option remove the same to a safe and secure location, giving SMR and SH access to the same).

9. ACCESS TO PROPERTY. For the first 180 days after the Effective Date, BP will grant, upon reasonable advanced written request, to SMR (or any of its representatives, lenders or partners) reasonable access to the Property for purposes of closing SMR's purchase of BP's stock. If SMR does not purchase BP's stock

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during such time, then for the next 180 days, upon reasonable prior written request, BP will grant reasonable access to the Property to SH (or any of its representatives, lenders or partners). Access to the Property will be conditioned upon anyone or any entity seeking access to first executing a full release of liability and a full indemnification agreement to BP (i) releasing BP from any and all liability incurred from anyone/entity coming onto the Property, getting hurt, etc., and (ii) indemnifying BP against any and all acts undertaken or done by such people/entity coming onto the Property. SMR, shall be liable to BP, BCM and TH (and their successors, assigns, and purchasers of the Property), for any and all liability and/or damages, (including environmental contamination or regulatory non-compliance), caused by SMR (or any of SMR's representatives, lenders or partners) during their presence on the Property during the first 180 days after the Effective Date. SH shall be liable to BP, BCM and TH (and their successors, assigns, and purchasers of the Property) for any and all liability and/or damages (including environmental contamination or regulatory non-compliance) caused by SH (or any of SH's representatives, lenders or partners) during their presence on the Property during SH's 180 days to close on the Property (if SMR does not first purchase the Stock of BP).

10. RELEASES. Upon execution of this Settlement Agreement, SH, BP, TH and BCM hereby release, remiss and forever discharge each other from any and all liability, claims, and obligations of any kind incurred from the beginning of time to the date hereof, whether known or unknown, contingent or liquidated; except SH is not being released from any liability for any actions of SH against the Property which occurred during the terms of the LPO, and /or during the 21 days after the Effective Date until SH removes itself from the Property, including, but not limited to, environmental contamination or regulatory non-compliance, or any other liability or activities of SH under the terms of the LPO; all which liability shall remain with SH.

11. SETTLEMENT AGREEMENT UPON CLOSING. If SMR timely closes on the purchase of BP's stock as set forth herein, then any and all rights of SH to purchase the Property shall end, and no party hereto will have any further contractual, or other rights as against BP, BCM, TH, SMR, or SH, or any related entity (or any member, officer, director, guarantor (and its members, attorney, agent or employee of the same). If SMR does not timely close on the purchase of BP's stock, then SMR shall have no further contractual or any other rights, against BP, BCM, TH, SH, or any related entity (or any member, officer, director, guarantor, attorney, agent or employee of the same) and releases the same. At the same time, BP, BCM, TH and SH also

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release SMR (or any related entity, member, officer, director, attorney, agent, or employee of the same) from all claims or causes of action they had or may have had, whether or not asserted except SMR will still be responsible for any environmental contamination or regulatory non-compliance that it causes on the Property during the first 180 days after the Effective Date. If SMR does not close on the purchase of BP's Stock, then after one year from the Effective Date of this Settlement Agreement, whether or not SH timely closes on the purchase of the Property, SH (and any of its members, guarantors, attorneys, agents or employees) shall have no further contractual or other rights against , BP, BCM, TH, or any related entity (or any member, officer, director, guarantor, attorney, agent or employee of the same), and releases the same.

12. NOTICE OF CLOSING. In order for SH or SMR to close on their respective purchases of BP's stock or the Property, as contemplated hereunder, the closing Party must give twenty (20) days advanced written notice to BP, BCM and TH of its requested closing date (the "Closing Date"), unless BP, in its sole discretion, waives such 20 day notice requirement and agrees to close with less than 20 day notice. BP, BCM and TH shall immediately forward to the other Party any notices of Closing Date they receive from SH or SMR. At the Closing Date in SMR's or SH's notice, SMR or SH must tender to BP, BMC and TH, the required documents and pay the full purchase price in Collectible Funds, all as set forth above. There will be no escrowing of documents in hopes that closing funds can be obtained by either SH or SMR. If SMR or SH give notice of their intent to close with a Closing Date, but subsequently fail at the Closing Date to have all executed documents, and/or all Collectible Fund at Closing after giving notice, then such Party shall pay BP, BCM and TH a total of \$5,000 in liquidated damages for costs of BP, BCM, and TH preparing for and attending the Closing; which \$5,000 is due before SH or SMR (as applicable) can schedule a subsequent Closing Date. If SH or SMR (as applicable) fail to close after scheduling three (3) Closing Dates, then such entity shall forfeit all their rights hereunder to purchase the Stock or the Property, and shall forfeit all rights under their respective agreements to purchase the stock and/or the Property, and shall have no further rights whatsoever as against BP, BCM, TH and any related entity (including all officers, directors, attorneys, agents or employees) whatsoever after the Closing Date. Neither SMR nor SH shall have any rights to close under this Agreement after the expiration of their respective 180 day periods described in paragraphs 4 and 6 above.

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13. ENTIRE AGREEMENT/MODIFICATION. This Agreement sets forth the entire agreement of the Parties and contains all the terms of settlement between the Parties and there are no other oral or written agreements effective between the Parties concerning any or all dealings between the Parties, whether set forth herein or not. All previous agreements, representations, warranties, negotiations and understandings between the Parties, whether oral or written, are superseded by this Agreement; except as expressly stated herein. This Agreement may only be modified by written consent of all Parties hereto. This Agreement is binding upon the Parties and their respective successors, assigns, personal representatives, heirs, agents, employees, attorneys and related entities.

14. EXECUTION. This Agreement may be executed by facsimile, email, portable document format transmission, and/or in counterparts and upon such execution shall become binding upon all the Parties hereto. Until all Parties have executed this Settlement Agreement, it shall not be binding upon any Party hereto.

15. SEVERABILITY. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provisions of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

16. GOVERNING LAW; FORUM; VENUE. The Parties agree that the formation, interpretation, and performance of this Agreement shall be governed and construed according to the laws of the State of New Mexico (but not the conflict of law rules) and Federal Law of the United States. Any suit, action, or proceeding arising out of or relating to this Agreement shall only be instituted in Federal Court for the Eastern District of New Mexico.

17. NOTICE. All notices and other communications to either Party shall be in writing and shall be sufficiently given if delivered in person, mailed, or sent by facsimile to the receiving party. Until a change of address/number is communicated to the other Parties, all notices to BF, BCM and TH shall be addressed to Trevor Harder, Box 23, Colgate, WI 53017, (no facsimile) with a copy to Attorney David J. Winkel, 411 S. Commercial Street, Neenah, WI 54956, (facsimile 920-725-9077).

All notices sent to SH or the Guarantors shall be addressed to Karren Weathers, 11C71 Box 1405, San Lorenzo, NM 88041 (no facsimile), with a copy to Attorney Bradley Berge, 110 N. Guadalupe, Ste. 1, P.O. Box

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2208, Santa Fe, NM 87501 (facsimile 505-983-6043) , and Attorney James Rubin, 1701 Old Pecos Trail, P.O. Box 4160, Santa Fe, NM 87502-4160 (facsimile 505-954-7373. All notices sent to SMR shall be addressed to Attorney James Baker, Castro & Baker, LLP, 6600 Amelia Earhart Court, Ste. C, Las Vegas, NV 89119 (facsimile 702-456-2542).

Dated as of the date first set forth above.

BLACK HAWK CONSOLIDATED MINES  
COMPANY

By: Trevor Harder  
Trevor Harder, President

SILVER MOUNTAIN RESOURCES, LLC

By: James M. Baker  
James Baker, Managing Member

BULLARD'S PEAK CORPORATION

By: Trevor Harder  
Trevor Harder, President

SILVER HOLDINGS, LLC

By: Raccon Weathers  
Raccon Weathers, Managing Member

Trevor Harder  
Trevor Harder, Personally