SILVER PREDATOR CORP.
(Previously PLATORO WEST HOLDINGS INC.)

MANAGEMENT DISCUSSION & ANALYSIS
For the year ended May 31, 2010

Directors and Officers as at September 24, 2010

Directors:

William Sheriff (Chairman)
John Legg
Louis A. Lepry, Jr.

Officers:

President and Chief Executive Officer – Louis A. Lepry, Jr.
Chief Financial Officer & Corporate Secretary – Michael O'Brien

Contact Name: Louis A. Lepry, Jr.
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Form 51-102-F1

SILVER PREDATOR CORP.
(Previously PLATORO WEST HOLDINGS INC.)

MANAGEMENT DISCUSSION & ANALYSIS
For the Year Ended May 31, 2010

Set out below is a review of the activities, results of operations and financial condition of Silver Predator Corp. ("SPD", "Silver Predator", or the "Company") and its subsidiaries for the three and twelve months ended May 31, 2010 compared with the year ended May 31, 2009. The following information should be read in conjunction with the Company's May 31, 2010 audited consolidated financial statements and related notes, and with the Company's audited consolidated financial statements and related notes for the year ended May 31, 2009, which were prepared in accordance with Canadian generally accepted accounting principles. The accounting policies have been consistently followed in preparation of these financial statements except that the Company has adopted the following guidelines: Section 3064 – Goodwill and Intangible Assets; Section 1582 – Business Combinations; and EIC 173 – Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, effective from June 1, 2009. All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated.

On June 28, 2010 the Company changed its name from Platoro West Holdings Inc. to Silver Predator Corp.

The Company is a reporting issuer in the Provinces of British Columbia, Alberta, and Ontario in Canada and is listed on the Canadian National Stock Exchange (CNSX) under the symbol SPD.

Additional information related to the Company is available on SEDAR at www.sedar.com.

1.1 Date of This Report

This MD&A is prepared as of September 24, 2010.

1.2 Background and Core Business

The Company was incorporated pursuant to the British Columbia Business Corporations Act on May 16, 2006 and commenced operations on June 1, 2006. The Company has one active subsidiary, PWH Nevada Inc., which was incorporated on July 30, 2007, in Nevada to carry out U.S. operations, and two inactive subsidiaries, 1794298 Ontario Inc., which was incorporated to effect the transaction with Zacoro Metals Corp. ("Zacoro") (see section 1.4.4) and Eucan Mines S.A. De C.V.

Silver Predator's corporate mandate is to explore and develop commercially viable silver resources in the leading silver districts of Nevada, USA and Yukon, Canada. The Company has entered into a Letter of Intent to acquire an interest in 21 advanced stage and development mineral properties, comprising over 39,000 hectares in Nevada and Yukon. In light of its mandate, the Company has, after careful consideration, relinquished its option to acquire 100% of the Wildhorse Property in Pershing County, Nevada, and the right of first refusal to acquire up to 172 claims in various counties in the State of Nevada, and its Sacramento property, but has retained the 52 claims held in the White Mountains of eastern Esmeralda County, Nevada. These claims are all exploration phase projects acquired for their potential to yield high grade mineralizations within the volcanic hosted low sulfidation gold/silver vein system in the Walker Lane structural trend.

1.3 Corporate Developments, Significant Transactions and Factors Affecting Results of Operations.

Copper Ridge Agreement

Pursuant to a May 28, 2009 subscription and distribution agreement with Copper Ridge Explorations Inc. ("Copper Ridge") (as amended July 7, 2009), the Company acquired 100,000,000 common shares of Copper Ridge at a price of $0.03 per share, for a total cost of $3,000,000.

Following the closing of the financing, Copper Ridge received shareholder approval to consolidate its shares on the basis of one new common share for 15 old common shares.

Registered shareholders of the Company as at December 18, 2009 were given the option to exchange one Company common share for one new Company common share and 0.132 common shares of Copper Ridge. The Company's 100,000,000 pre-consolidated (6,666,666 post-consolidation) shares of Copper Ridge had a historical cost of $3,000,000 and were distributed to its December 18, 2009, shareholders by way of a return of capital transaction at a market value of $2,333,333. As a result of the return of capital, the Company reported a realized loss of $666,667 on the distribution of the Copper Ridge shares.

Hy Lake Investment

On December 4, 2009, the Company acquired 5,000,000 units of Hy Lake Gold Inc. ("Hy Lake"), an Ontario company engaging in gold exploration and mine development in the Red Lake mining district in Northwestern Ontario, pursuant to a private placement at $0.20 per unit for total consideration of $1,000,000.

Each unit consists of one common share and one share purchase warrant. Each warrant entitles the Company to purchase an additional share at $0.30 until June 3, 2011. In the event that, after September 3, 2009, the common shares of Hy Lake close at $0.50 or more for 20 consecutive trading days, the warrant term shall be automatically reduced to 30 days from the date that Hy Lake provides written notice of the new expiry date. The warrants were valued using the black-scholes pricing model and were calculated to have a value of $315,012. The 5,000,000 common shares acquired are classified as available-for-sale and represent approximately 15% of the issued and outstanding shares of Hy Lake. At May 31, 2010, the Hy Lake shares had a market value of $600,000 and the warrants had an estimated fair value of $152,200 at May 31, 2010 and Company reported an unrealized loss on these shares of $84,988 in its comprehensive income (loss) and an estimated unrealized loss on the warrants of $162,812 on the income statement.

Letter of intent

In February 4, 2010, the Company's management negotiated the fundamental terms of a Letter of Intent with Golden Predator Corp. ("Golden Predator" or "GPD"), Strategic Metals Ltd. ("Strategic"), Rockhaven Resources Ltd. (Rockhaven) (the "Letter of Intent"). Under the terms of the Letter of Intent the Company would acquire from Golden Predator, Strategic and Rockhaven 21 advanced stage and development mineral properties, comprising over 39,000 hectares, and would be renamed Silver Predator Mines Inc.

On August 31, 2010, the Company renegotiated the terms of its Letter of Intent. Under the revised terms, the Company will purchase a 100% interest in 15 properties and will acquire options to earn 100% interests (subject to certain royalties) in 5 properties.

The following transactions contemplated in the original Letter of Intent were completed prior to renegotiation:

- a consolidation of the Company's outstanding common share capital on the basis of one new share for each twelve old shares;
- the change of the Company name to "Silver Predator Corp.";
- the appointment of Mr. Louis Lepry as Silver Predator's President & CEO.

The modified transaction terms are as follows:

Optioned Properties –

- Taylor Silver Mine Property (Nevada) optioned from Golden Predator for 1,000,000 SPD common shares and an additional series of SPD share payments as follows: 2,000,000 SPD shares by February 2012, 4,000,000 SPD shares by February 2013, and 5,000,000 SPD shares by February 2014. The actual number of SPD shares issued to Golden Predator at the time of issuance is subject to upward adjustment, based on future value protection formulae, and hence, these share amounts should be viewed as the minimum number of SPD shares to be issued to maintain and fulfill the option. Golden Predator will retain a 2% NSR royalty on the Taylor property. SPD will also hold an option to earn a 50%-interest from Golden Predator in the on-site, 1,200 tonne per day, Taylor Mill Facility.
- Plata Silver Property (Yukon) optioned from Rockhaven for 500,000 SPD common shares and an additional series of SPD share payments as follows: 1,000,000 SPD shares by February 2012, 2,000,000 SPD shares by February 2013, and 2,500,000 SPD shares by February 2014. The actual number of SPD shares issued to Rcokhaven at the time of issuance is subject to upward adjustment, based on future value protection formulae, and hence, these share amounts should be viewed as the minimum number of SPD shares to be issued to maintain and fulfill the option. Rockhaven will retain a 2% NSR royalty on the Plata property.
- The Quarterback (Yukon), Blue Heaven (Yukon), and Ranch (B.C.) properties optioned from Strategic for 500,000 SPD common shares and an additional series of SPD share payments as follows: 1,000,000 SPD shares by February 2012, 2,000,000 SPD shares by February 2013 and 2,500,000 SPD shares by February 2014. The actual number of SPD shares issued to Strategic at the time of issuance is subject to upward adjustment, based on future value protection formulae, and hence, these share amounts should be viewed as the minimum number of SPD shares to be issued to maintain and fulfill the option. Strategic will retain a 2% NSR royalty on these properties.

Purchased Properties-

- Two silver properties in Nevada and the Magistral Silver Project in Mexico will be purchased from GPD by SPD for 4,000,000 SPD shares.
- Four silver-dominant properties in the Yukon will be purchased from Rockhaven by SPD for 2,000,000 million SPD shares.
- Eight silver-dominant properties in the Yukon will be purchased from Strategic by SPD for 2,000,000 SPD shares.

The transactions will be subject to numerous conditions precedent, including the negotiation and execution of definitive agreements, satisfactory due diligence reviews and the receipt of all required regulatory approvals.

Private Placements

On September 21, 2010 the Company completed a non-brokered private placement of up to 5,191,500 units of the Company at $0.36 per unit (the "Units") to raise gross proceeds of $1,868,940. Each Unit is comprised of one common share of the Company and one half of one share-purchase warrant. Each full share-purchase warrant will entitle the holder to acquire one common share of the Company at an exercise price of $0.50 per share, for a term of one year from the date of issuance.

The proceeds from this private placement will be used for general working capital purposes.

Directors and officers

On September 1, 2010, Louis A. Lepry, Jr. was appointed to the board of directors of the Company. Lou has been the President and Chief Executive Office of the Company since June 28, 2010.

1.4 Development and operations review

White Mountain Claims

The Company owns certain unpatented lode mining claims located within the White Mountains in eastern Esmeralda County, Nevada. The claims encompass an exploration phase project acquired for its potential to yield high grade mineralization within the volcanic hosted low sulfidation gold/silver vein system in the Walker Lane structural trend. Preliminary field work was conducted to assess and identify initial drill sites.

1.5 Outlook

With the expected closing of the transactions contemplated in the Letter of Intent the Company will have portfolio of advanced stage silver assets and intends to rapidly advance these properties, subject to raising sufficient capital to fund its exploration programs. There are no assurances the Company will be able to raise these funds.

1.6 Restatement of prior year consolidated financial statements

During the preparation of the consolidated financial statements for the year ended May 31, 2010, the Company determined that a future income tax recovery had been incorrectly presented in the financial statements for the year ended May 31, 2009.

As at May 31, 2009, the fair value of the Company's marketable securities designated as available-for-sale exceeded the tax basis of these investments by $633,848. These unrealized gains gave rise to a future income tax liability of $79,231. The Company had sufficient non-capital losses available to reduce this future income tax liability to zero. In accordance with CICA EIC 172, "Income Statement Presentation of a Tax Loss carryforward recognized following an unrealized gain recorded in Other Comprehensive Income", the reduction of the future income tax liability should have been recorded as a recovery in the consolidated statement of operations rather than as a recovery in other comprehensive income.

The financial statements for the year ended May 31, 2009 have accordingly been adjusted to increase the future tax recovery in the consolidated statement of operations and reduce comprehensive income by $79,231. The impact on basic and diluted loss per share is a decrease of $0.06 per share

1.7 Selected financial information

	May 31, 2010	**May 31, 2009 (restated)**	**May 31, 2008**
Net sales	Nil	Nil	Nil
Net loss	221,404	432,119	208,608
Loss per share – basic and diluted	(0.05)	(0.32)	(0.03)
Total assets	914,095	3,935,139	1,214,799
Total long-term liabilities	Nil	Nil	Nil
Cash dividends declared per-share	Nil	Nil	Nil

1.8 Results of operations for the year ended May 31, 2010

The net loss for the year was $221,404 as compared to a prior year net loss of $432,119. Individual items contributing to the movement in net loss of $210,715 are as follows:

- Amortization costs increased by $571 to $5,431 (2009 - $4,860) due to a full year of depreciation on equipment and leaseholds.
- Consulting and management fees increased by $154,988 to $275,442 (2009 - $120,454) primarily due to increased director fees, hiring of a new president, and financial consulting.

- General and administrative expenses decreased by $28,965 to $99,822 (2009 - $128,787) due to decreased activity by the Company in the current fiscal year.

- Filing costs decreased by $2,480 to $39,577 (2009 - $42,057) due to decreased activity by the Company in the current fiscal year.

- Insurance fees increased by $8,500 to $19,262 (2009 - $10,762) due to the Company acquiring additional insurance in respect of directors and liability insurance.

- Professional fees increased by $118,721 to $175,549 (2009 - $56,828) due to restructuring costs and advice related to the issuance of Copper Ridge shares to shareholders.

- Salaries and wages of $46,505 (2009 - $Nil) were paid for various administrative duties, include a corporate secretary and accounting staff.

- The realized gain on sale of marketable securities of $1,832,569 (2009 - $Nil) relates to the sale of marketable securities during the year. This was offset by a loss in value of the Copper Ridge shares of $666,667.

- Write-off of resources properties of $480,266 (2009 - $Nil) were due to the write-off of the Wildhorse property and the Right of First Refusal Properties.

- The foreign exchange loss of $3,409 (2009 – $153,678) results mainly from the conversion of US monetary item balances to CAD for reporting purposes.

- Income tax of $79,231 (2009 – recovery of $79,231) results from the future tax effect of the change in fair value of the marketable securities.

- Unrealized loss on investments of $162,812 (2009 - $Nil) is a result of the estimated change in fair value of the Hy Lake warrants.

The comprehensive loss for the year includes an unrealized loss on marketable securities amounting to $84,988 compared to a gain of $554,617 in the previous year. This has arisen on the mark to market of marketable securities at the year-end.

1.9 <u>Results of operations for the three months ended May 31, 2010</u>

The net loss for the quarter was $1,066,304 compared to a net loss in prior year of $213,959. Individual items contributing to the movement in net loss of $852,345 are as follows:

- Amortization costs increased by $1,946 to $3,160 (2009 - $1,214) due to a full quarter of depreciation on equipment and leaseholds.

- Consulting and management fees increased by $71,281 to $127,295 (2009 - $56,014) primarily due to increased director fees, hiring of a new president, and financial consulting.

- General and administrative expenses decreased by $12,553 to $27,701 (2009 - $40,254) due to decreased activity by the Company in the current quarter.

- Filing costs increased by $1,639 to $22,215 (2009 - $20,576) due to increased transfer agent fees at year-end.

- Insurance fees increased by $5,875 to $8,192 (2009 - $2,317) due to the Company acquiring additional insurance in respect of directors and liability insurance.

- Professional fees increased by $81,428 to $111,232 (2009 - $29,804) due to restructuring costs and advice related to the issuance of Copper Ridge shares to shareholders.

- Salaries and wages of $46,505 (2009 - $Nil) were paid for various administrative duties, include a corporate secretary and accounting staff.

- Write-off of resources properties of $480,266 (2009 - $Nil) were due to the write-off of the Wildhorse property and the Right of First Refusal Properties.

- Foreign exchange gain of $2,305 (2009 – foreign exchange loss of $143,011) results mainly from the conversion of US monetary item balances to CAD for reporting purposes.

- Income tax of $79,231(2009 – recovery of $79,231) results from the future tax effect of the change in fair value of the marketable securities.

The comprehensive loss for the period includes an unrealized loss on marketable securities amounting to $84,988 compared to a gain of $554,617 in the previous year. This has arisen on the mark to market of marketable securities at the year-end.

1.10 Financial Position

The decrease in cash of $1,793,124 to $65,276 (2009 - $1,858,400) results from the Company not raising funds during the current year and funding its mineral property commitments as well as general and administrative expenses.

Prepaid expenses and deposits decreased by $7,367 to $26,426 (2009 - $33,793) due to decreased activity during the year by the Company.

Receivables increased by $14,454 to $23,161 (2009 - $8,707). This was mainly the result of an increase to Goods and Services Tax ("GST") receivable.

Marketable securities decreased by $787,145 to $752,200 (2009 - $1,539,345) as a result of the sale of the Aura Minerals Inc. securities.

Equipment and leaseholds decreased by $5,431 to $9,711 (2009 - $15,142) due to the depreciation expense recorded on these assets.

Resources properties decreased by $430,990 to $37,21 (2009 - $468,311) due to the write-off of the Wildhorse property and the Right of First Refusal properties.

Accounts payable and accrued liabilities increased by $171,048 to $235,013 (2009 – $63,965) due to additional professional and consulting fees.

The increase in share capital of $2,250 to $3,907,471 (2009 - $3,905,221) is due to the issuance of shares for the Wildhorse property.

Accumulated other comprehensive loss of $84,988 results from an decrease in the available-for-sale market value of marketable securities held by the Company.

1.11 Cash Flows

	Year-ended May 31, 2010	Year-ended May 31, 2010
Cash flows from operating activities	(484,164)	(751,509)
Cash flows from investing activities	(1,308,960)	(174,545)
Cash flows from financing activities	-	1,908,246

Cash outflows from operating activities decreased by $267,345 to $484,164 (2009 - $751,509) primarily due to the decrease in activity as compared to the prior year.

Cash outflows from investing activities increased by $1,134,415 to $1,308,960 (2009 - $174,545) due primarily to the purchase of the Copper Ridge shares.

Cash inflows from financing activities decreased by $1,908,246 to $Nil (2009 - $1,908,246) as a result of there being no financing activity in the year.

1.12 Summary of quarterly results

	2010				2009			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	-	-	-	-	-	-	-	-
Net income (loss)	(1,066,304)	(732,416)	714,629	862,687	(293,190)	(69,042)	(64,315)	(84,803)
Basic and diluted Net Income (Loss) per share	(0.25)	(0.19)	0.18	0.23	(0.01)	(0.00)	(0.00)	(0.01)

The net income in Q1 and Q2 of 2010 relates to the gain on the sale of marketable securities in those periods.

1.13 Liquidity and capital resources

At May 31, 2010, the Company had working capital of $632,050 including cash of $65,276 as compared to a working capital of $3,376,280 including cash of $1,858,400 at May 31, 2009. Also included in working capital, at May 31, 2010, were marketable securities with a market value of $752,200 (2009 - $1,539,345).

During September 2010 the Company completed two private placements, further described in section 1.3 above, for gross proceeds amounting to $2,268,940.

As at May 31, 2010, the Company had working capital of $632,050, however, this may not be adequate to meet the Company's operating, exploration, and other obligations over the next 12 months. These circumstances lend significant doubt as to the Company's ability to continue as a going concern and accordingly the appropriateness of the use of accounting principles applicable to a going concern. The Company's continued existence as a going concern is dependent upon its ability to continue to obtain adequate financing arrangements and to achieve profitable operations. These consolidated financial statements do not include adjustments to the carrying values of assets and liabilities and reported expenses and balance sheet classifications that would be necessary should the Company be unable to continue as a going concern. It is anticipated that any additional funding will be in the form of equity financing from the sale of common shares (Note 14(a)), however, there is no guarantee that funding from such financings will be available in amounts sufficient to meet the commitments of the Company.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, receipt of necessary permits and regulatory approvals, the ability of the Company to obtain financing to complete project development and future profitable operations or sale of the properties.

1.14 Off balance sheet arrangements

At May 31, 2010, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

1.15 Outstanding share data

At the date of this report the Company has 9,398,575 issued and outstanding common shares, 420,000 outstanding stock options currently outstanding, vested at a weighted average exercise price of $0.50, and 2,595,750 outstanding warrants at a weighted average exercise price of $0.50.

On December 18, 2009, the Company completed a share consolidation on a 12:1 basis. The number of issued and outstanding shares has been retrospectively restated for all periods presented.

1.16 Transactions with related parties

Amounts paid to related parties were incurred in the normal course of business and measured at the exchange amount, which is the amount agreed upon by the transacting parties and on terms and conditions similar to non-related parties.

The Company incurred management and consulting fees of $243,840 (2009 - $104,323) paid to four companies controlled by directors of the Company and four directors of the Company.

The Company incurred consulting and geological fees of $Nil (2009 - $72,064) from a company related by directors in common. These amounts were capitalized to mineral properties.

As at May 31, 2010, accounts payable and accrued liabilities includes $90,942 (2009 - $Nil) due to a Company with common directors and two directors of the Company.

1.17 Proposed transactions

The Company, Strategic Metals Ltd., Rockhaven Resources Ltd. and Golden Predator have executed a Letter of Intent, further described in Section 1.3 above, pursuant to which the Golden Predator, Strategic and Rockhaven will contribute a portfolio of silver assets into the Company.

The properties to be contributed by the Company include the Taylor, Silver Bow, and Treasure Hill projects in Nevada, the Magistral property in Mexico, as well as a joint venture option agreement on Golden Predator's 1,200-tonne-(1,320-ton)-per-day Taylor Mill facility.

1.18 Subsequent events

Subsequent to the year ended May 31, 2010, the Company:

a) On September 21, 2010, completed a non-brokered private placement whereby the Company issued 5,191,500 units at a price of $0.36 per unit for gross proceeds of $1,868,940. Each unit consisted of one common share and one half of one share purchase warrant with each full warrant exercisable at $0.50 for 1 year.

b) Granted 420,000 stock options with an exercise price of $0.50 per share to directors, officers, and consultants.

1.19 Critical Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting policies requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on past experience, industry trends and known commitments and events. By their nature, these estimates are subject to measurement uncertainty and the effects on the financial statements of changes in such estimates in future periods could be significant. Actual results will likely differ from those estimates.

Carrying value of mineral interests

The Company has capitalized the cost of acquiring mineral interests and on-going exploration and maintenance costs. Capitalized property costs are expensed in the period in which the Company determines that the mineral interests have no future economic value. Capitalized property costs may also be written down if future cash flow, including potential sales proceeds and option payments, related to the property are estimated to be less than the carrying value of the property. The Company reviews the carrying value of its mineral properties periodically, and whenever events or changes in circumstances indicate the carrying value may not be recoverable, reductions in the carrying value of each property would be recorded to the extent that the carrying value of the investment exceeds the property's estimated fair value. Such events or changes in circumstances involve changes in political risk, economic risk, commodity prices, exchange rates, and interest rates among others.

Future income taxes

The Company accounts for tax consequences of the differences in the carrying amounts of assets and liabilities and their tax bases using tax rates expected to apply when these temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no future income tax asset is recognized. The Company has taken a valuation allowance against all such potential tax assets.

1.20 Changes in accounting policy including initial adoption

Goodwill and intangible assets

The Company adopted the new standard "Goodwill and Intangible Assets" (Section 3064) for its fiscal year beginning January 1, 2009. This Section replaces Section 3062 "Goodwill and Other Intangible Assets" and Section 3450 "Research and Development Costs". The new Section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in Section 3062. The adoption of the section did not have a significant impact on the Company's financial position.

Credit Risk and the Fair Value of Financial Assets and Liabilities (EIC-173)

In January 2009, the Emerging Issues Committee ("EIC") issued EIC-173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." This abstract requires companies to take counterparty credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives. The adoption of this guidance did not have a material impact on the Company's financial statements.

Mining Exploration Costs (EIC-174)

On March 27, 2009, the CICA approved EIC-174 "Mining Exploration Costs." This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. This standard was effective for the Company beginning April 1, 2009. The adoption of this guidance did not have any impact on the Company's financial statements.

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning March 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently. Management is currently evaluation the effect these standards may have on the company's financial statements.

1.21 IFRS Changeover Plan Disclosure

The Canadian Accounting Standards Board ("AcSB") has announced its decision to replace Canadian generally accepted accounting principles ("GAAP") with International Financial Reporting Standards (IFRS) for all Canadian Publicly Accountable Enterprises ("PAEs"). The effective changeover date is June 1, 2011, at which time Canadian GAAP will cease to apply for the Company and will be replaced by IFRS. Following this timeline, the Company will issue its first set of interim financial statements prepared under IFRS for the quarter ended August 31, 2011 including comparative IFRS financial results and an opening balance sheet as at June 1, 2010. The first annual IFRS consolidated financial statements will be prepared for the year ended May 31, 2012 with restated comparatives for the year ended May 31, 2011.

Management has developed a project plan for the conversion to IFRS based on the current nature of operations. The conversion plan is comprised of three phases: 1) Scoping phase which will assess the overall impact and effort required by the Company in order to transition to IFRS; 2) Planning phase which will include a detailed analysis of the conversion process and implementation plan required for disclosure for the Company's first quarter; and, 3) Transition phase which will include the preparation of an IFRS compliant opening balance sheet as at June 1, 2010, any necessary conversion adjustments and reconciliations, preparation of a fully compliant set of IFRS financial statements including all note disclosures.

Management has completed phase one, IFRS Scoping phase, and is now advancing through phase two, the Planning stage. Management prepared a component evaluation of its existing financial statement line items, comparing Canadian GAAP to the corresponding IFRS guidelines, and has identified a number of differences. Many of the differences identified are not expected to have a material impact on the reported results and financial position.

Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as of the date of the first comparative balance sheet presented based on standards applicable at that time.

IFRS 1, "First-Time Adoption of International Financial Reporting Standards", provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS. During the fourth quarter of 2010, management will prepare a presentation to the Audit Committee and the Board of Directors which will focus on the key issues and transitional choices under IFRS 1 applicable to the Company.

Set out below are the most significant areas management has identified to date, where changes in accounting policies may have the highest potential impact on the Company's consolidated financial statements.

Impairment of Assets

Canadian GAAP generally uses a two-step approach to impairment testing: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with discounted cash flows. International Accounting Standard ("IAS") 36, "Impairment of Assets" uses a one-step approach for both testing and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may potentially result in write downs where the carrying value of assets were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis.

Share Based Payments

IFRS and Canadian GAAP largely converge on the accounting treatment for share – based transactions with only a few differences.

Canadian GAAP allows either accelerated or straight line method of amortization for the fair value of stock options under graded vesting. Currently, the Company is using the grading accelerated method and therefore the adoption of IFRS 2 is not expected to have a significant impact on the Company's financial statements.

Under IFRS, the estimate for forfeitures must be made when determining the number of equity instruments expected to vest, while under Canadian GAAP forfeitures can be recognized as they occur. The Company is using an estimate of forfeitures when determining the number of equity instruments expected to vest.

Upon adoption of IFRS 2, the Company will be compliant with the new standard and the adoption is not expected to have an impact on the financial statements.

Exploration and Evaluation Assets

Under the Company's current accounting policy, acquisition costs of mineral properties, together with direct exploration and development expenses incurred thereon are capitalized.

Upon adoption of IFRS, the Company has to determine the accounting policy for exploration and evaluation assets. The Company can decide to apply the International Accounting Standards Board ("IASB") Framework which requires exploration expenditures to be expensed and capitalization of expenditures only after the completion of a feasibility study or disregard the IASB Framework and keep the existing Company policy, if relevant and reliable.

Management has yet to decide on whether or not to fully adopt IFRS 6, "Exploration and Evaluation of Mineral Properties", and apply the IASB framework. If management elects to fully adopt IFRS 6, the result of the application of the IASB Framework at the transition date, mineral properties will decrease by $37,321 together with an increase to accumulated deficit by the same amount reflecting the derecognized exploration costs.

Property, Plant and Equipment

Under IFRS, Property, Plant and Equipment ("PP&E") can be measured at fair value or at cost while under Canadian GAAP, the Company has to carry PP&E on a cost basis.

Upon adoption of IFRS, the Company has to determine whether to elect a cost model or revaluation model. Management has yet to decide on which model to adopt. The Company is in the process of identifying the potential impact on the property, plant and equipment balance.

Foreign Currency

IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with IAS 21 and the entity's financial results and position should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

As events and conditions relevant to the Company change, it will re-consider the primary and secondary indicators, as described in IAS 21, in determining the functional currency for each entity. Going forward under IFRS, management will assess the appropriate functional currency based on existing circumstances which may have a significant impact on the Company's consolidated financial statements prepared under IFRS.

Future Income Taxes

Like Canadian GAAP, deferred income taxes under IFRS are determined using the liability method for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and by generally applying tax rates applicable to the Company to such temporary differences. Deferred income taxes relating to temporary differences that are in equity are recognized in equity and under IFRS subsequent adjustments thereto are backward traced to equity.

As the Company elects and approves the IFRS accounting policy for each of the areas above, management will determine and disclose impact of the IFRS adoption at the transition date on our financial statements. The International Accounting Standards Board will also continue to issue new accounting standards during the conversion period and, as a result, the final impact of IFRS on the Company's consolidated financial statements will only be measured once all the IFRS applicable accounting standards at the conversion date are known.

Based on management assessment of the information system currently used by the Company, all information required to be reported under IFRS will be available with minimal system changes.

One of the more significant impacts identified to date of adopting IFRS is the expanded presentation and disclosures required. Disclosure requirements under IFRS generally contain more breadth and depth than those required under Canadian GAAP and, therefore, will result in more extensive note disclosures. The Company is continuing to assess the level of presentation and disclosures required to its consolidated financial statements.

1.22 Risk Factors

Prior to making an investment decision investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware, or which they consider not to be material in relation to the Group's business, actually occur, the Group's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

The Company Will Require Significant Amounts of Additional Capital in the Future

The Company has limited financial resources. The Company will continue to make substantial capital expenditures related to exploration, development and production. In particular the Company will have further capital requirements as it proceeds to expand its present exploration activities, or to take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it.

In addition, the Company may incur major unanticipated liabilities or expenses. There can be no assurance that the Company will be able to obtain necessary financing in a timely manner on commercially acceptable terms, if at all.

Volatile demand for silver and other metals and the volatile prices for silver and other metals may make it difficult or impossible for the Company to obtain debt financing or equity financing on commercially acceptable terms or at all. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its silver and other mineral projects with the possible loss of the rights to such properties. If exploration or the development of any mine is delayed, such delay would have a material and adverse effect on the Company's business, financial condition and results of operation.

Stage of Development

The Company's properties are in the exploration stage and the Company does not have an operating history. Exploration and development of mineral resources involves a high degree of risk and few properties which are explored are ultimately developed into producing properties. The amounts attributed to the Company's interest in its properties as reflected in its financial statements represent acquisition and exploration expenses and should not be taken to represent realizable value. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors such as unusual or unexpected geological formations, and other conditions.

As a result of the Company's lack of operating history, it also faces many of the risks inherent in starting a new business.

Profitability of Operations

The Company is not currently operating profitably and it should be anticipated that it will operate at a loss at least until such time as production is achieved from one of the Company's properties, if production is, in fact, ever achieved. The Company has never earned a profit. Investors also cannot expect to receive any dividends on their investment in the foreseeable future.

Silver and other mineral Industries Competition is Significant

The international silver and other mineral industries are highly competitive. The Company will be competing against competitors that may be larger and better capitalized, have state support, have access to more efficient technology, and have access to reserves of silver and other mineral that are cheaper to extract and process. As such, no assurance can be given that the Company will be able to compete successfully with its industry competitors.

Fluctuations in Metal Prices

Although the Company does not hold any known mineral reserves of any kind, its future revenues, if any, are expected to be in large part derived from the future mining and sale of silver and other metals or interests related thereto. The prices of these commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumption patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the prices of silver and other metals, and therefore the economic viability of the Company's operations, cannot be accurately predicted.

Depending on the price obtained for any minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

The Company's Operations are Subject to Operational Risks and Hazards Inherent in the Mining Industry

The Company's business is subject to a number of inherent risks and hazards, including environmental pollution; accidents; industrial and transportation accidents, which may involve hazardous materials; labour disputes; power disruptions; catastrophic accidents; failure of plant and equipment to function correctly; the inability to obtain suitable or adequate equipment; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, underground floods, earthquakes, pit wall failures, ground movements, tailings, pipeline and dam failures and cave-ins; and encountering unusual or unexpected geological conditions and technical failure of mining methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's silver and other mineral properties, personal injury or death, environmental damage, delays in the Company's exploration or development activities, costs, monetary losses and potential legal liability and adverse governmental action, all of which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Exploration, Development and Operating Risk

The exploration for and development of silver and other mineral properties involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical, drilling and other related costs which appear to be rising; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Currency Risk

The Company maintains accounts in Canadian and American currency. The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its expenditures in local currencies or in US dollars. The Company's operations are subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company does not engage in currency hedging activities.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures estimated by management may differ from the actual expenditures required.

Government Regulation

The Company's mineral exploration and planned development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although the Company believes its exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Many of the mineral rights and interests of the Company are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations or applicable laws or regulations.

Amendments to current laws and regulation governing operations or more stringent implementation thereof could have a substantial impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

The Company has no History of Mineral Production or Mining Operations

The Company has never had silver and other mineral producing properties. There is no assurance that commercial quantities of silver and other minerals will be discovered at the Properties or other future properties nor is there any assurance that the Company's exploration program thereon will yield positive results. Even if commercial quantities of silver and other minerals are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where silver and other mineral resources can profitably be produced therefrom. Factors which may limit the ability of the Company to produce silver and other mineral resources from its properties include, but are not limited to, the spot prices of silver and other metals, availability of additional capital and financing and the nature of any mineral deposits.

The Company does not have a history of mining operations and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares. Substantially all of the Common Shares can be resold without material restriction in Canada.

No Assurance of Titles or Borders

The acquisition of the right to exploit mineral properties is a very detailed and time consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that such rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's surface or mineral properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by, among other things, undetected defects. Such third party claims could have a material adverse impact on the Company's operations.

1.23 Information Regarding Forward Looking Statements

This Management's Discussion and Analysis of Financial Condition and Results of Operations contain certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the prices of gold and other metals, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, Government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions or economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or incompletion of development or construction activities, risks relating to the integration of acquisitions, to international operations, and to the prices of silver and other metals. While the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities law.