SILVER PREDATOR CORP.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED MAY 31, 2013

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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, 2013. The discussion below should be read in conjunction with the Company's May 31, 2013 audited consolidated financial statements and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and with the Company's consolidated annual financial statements and Management Discussion and Analysis ("MD&A") for the year ended May 31, 2013, which were prepared in accordance with ("IFRS"). The accounting policies have been consistently followed in preparation of these financial statements. All dollar figures included in the following MD&A are quoted in Canadian dollars unless otherwise indicated. This MD&A is prepared as of August 19, 2013.

The Company is a reporting issuer in the Provinces of British Columbia, Alberta, and Ontario in Canada and is listed on the Toronto Stock Exchange under the trading symbol SPD.

Additional information related to the Company, including its Annual Information Form is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

The Company's website is www.silverpredator.com.

1. BACKGROUND AND CORE BUSINESS

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 acquired interests in 21 advanced stage and development mineral properties comprising approximately 39,000 hectares in Nevada and Yukon in a series of transactions that led to its Toronto Stock Exchange ("TSX") listing in April 2011.

The Company controls the Taylor silver deposit in Ely, Nevada, which hosts a National Instrument ("NI") 43-101 compliant mineral resource estimate. Working within stable geopolitical jurisdictions, Silver Predator is focused on silver-dominant bulk tonnage and/or high-grade opportunities. Proven management experience plus access to geological talent in Nevada and the Yukon provide the ability to maximize shareholder value from the quality asset base.

On February 28, 2012, the Company completed a business combination with Nevgold Resource Corp. ("Nevgold") through which the Company acquired all of the outstanding common shares of Nevgold. Nevgold was a public exploration company with a portfolio that includes the Cornucopia Property, located within the Cornucopia silver mining district in Elko County, Nevada, the Copper King Property located two miles north of the Lucky Friday silver mine in the Coeur d'Alene District of Idaho, and the Cordero Property located in Humboldt County, Nevada.

2. COMPANY HIGHLIGHTS

During the period the Company:

- Closed a non-brokered private placement for gross proceeds of $1,054,600;
- Reported positive initial drilling results from its Taylor Project in Nevada;
- Outlined potential new gold systems at Taylor Silver Project near Ely, Nevada;
- Published NI 4-101 Technical Report containing an updated resourced estimate on the Taylor Property;
- Made changes to the Management and the Board;
- Relocated the Company's head office from Vancouver, British Columbia to Hayden, Idaho;
- Entered into an Exploration Agreement with the Kaska Nation;
- Terminated option agreements on its Flip, Hy, Plata and Rusty projects located in the Yukon resulting in reduced commitments for cash and securities; and
- Optioned Illinois Creek project of Alaska to Plan B Minerals Corp. in exchange for $264,500 and 2,000,000 common shares of that Company.

3. CORPORATE DEVELOPMENTS AND SIGNIFICANT TRANSACTIONS AND FACTORS AFFECTING RESULTS OF OPERATIONS

Financings

On October 2, 2012, the Company closed a non-brokered private placement for gross proceeds of $1,054,600. A total of 5,858,891 units were issued at a price of $0.18 per unit with each unit consisting of one common share and one half of one non-transferable share purchase warrant. Each full warrant entitles the holder to acquire an additional common share at a price of $0.28 until December 31, 2013. In connection with the private placement, the Company paid finders' fees of $9,925. The proceeds from the private placement will be used for exploration of the Company's properties and for general corporate purposes.

Changes to Management and the Board

Anthony Jackson was appointed Chief Financial Officer of the Company in November 2012. Mr. Jackson is a Principal at BridgeMark Financial Corp. providing accounting and financial consulting services to developing and mature stage companies and by working as their chief financial officer (CFO), handling all aspects of the Company's administration, compliance, reporting and finance activities. Mr. Jackson is the founder of Jackson & Company Chartered Accountants which assists private and public companies with full service accounting and tax functions such as audit, reviews, compilations, corporate and personal tax. Prior to his time at BridgeMark Financial, Mr. Jackson worked at Ernst & Young LLP for three years while obtaining his Chartered Accountant designation before moving onto work as a senior analyst at a boutique investment banking firm. During this time he worked on a broad range of public and private companies in a variety of industries. Most recently Mr. Jackson has had extensive experience as a director and CFO of numerous publicly traded companies, and is currently the CFO of Mediterranean Resources Ltd. and Nanton Nickel Corp.

Mr. Jackson obtained his Chartered Accountant (CA) designation in 2006 and is a member of the BC and Canadian Institute of Chartered Accountants. He earned a Bachelor of Business Administration degree from the Simon Fraser University in 2004.

John W. Legg served as the Company's President from May 2011 until November 2012, and the Company's director from March 2009 until November 2012. During Mr. Legg's tenure as President, Silver Predator underwent a reorganization which included raising equity capital, acquiring its silver property portfolio and listing on the TSX. The Company subsequently acquired Nevgold Resource Corp., securing Nate Tewalt as Chief Executive Officer.

In May 2013, Robert Carne resigned as the Company's independent director, having served as a director since March 2011.

The Company thanks Mr. Legg and Mr. Carne for their many contributions to Silver Predator.

Corporate Reorganization

The Company has relocated its head office from Vancouver, British Columbia to Hayden, Idaho. This relocation of operations will result in significant reduction of continuing general and administrative costs while allowing the Company to focus on advancing its NI 43-101 compliant brownfields Taylor property in eastern Nevada and other properties in the leading silver districts of Nevada, Idaho, Yukon and Alaska.

Corporate Acquisition

Nevgold

On February 28, 2012, Silver Predator Corp. acquired 100% of Nevgold by way of a plan of arrangement (the "Arrangement"). Under the terms of the Arrangement, Silver Predator issued 0.5 of a common share of Silver Predator (the "Silver Predator Shares") for each one outstanding common share of Nevgold (the "Exchange Ratio"). Outstanding warrants to acquire common shares of Nevgold now entitled the holders thereof to receive Silver Predator Shares, upon exercise, adjusted for the Exchange Ratio with a corresponding adjustment to the exercise price.

Pursuant to the Arrangement, Silver Predator issued an aggregate of 7,059,000 Silver Predator Shares to the former Nevgold shareholders, representing approximately 18.8% of the Silver Predator Shares issued and outstanding on closing of the Arrangement. An additional 502,500 Silver Predator Shares were authorized for issuance upon the exercise of the outstanding Nevgold warrants, all 502,500 warrants expired in November 2012.

Total consideration paid of $3,134,698 included the fair value of 7,059,000 Silver Predator Shares issued at $0.415 (based on the closing price of Silver Predator Shares on February 28, 2012) amounting to $2,929,485, the fair value of 502,500 share purchase warrants amounting to $27,348, and Silver Predator's transaction costs of $177,864. The transaction was accounted for as an asset acquisition.

Upon closing of the Arrangement, the Company acquired Nevgold's portfolio of properties that includes the Cornucopia Property, located within the Cornucopia silver mining district in Elko County, Nevada, the Copper King Property, located two miles north of the Lucky Friday silver mine in the Coeur d'Alene District of Idaho, the Cordero Property, located seven miles southwest of the town of McDermitt in Humboldt County, north-central Nevada, and the McBride Property, located southwest of Lynn Lake in Manitoba.

Please see the Company's news releases dated November 15, 2011, December 12, 2011, and February 28, 2012 for additional information on the Nevgold Arrangement.

Mr. Thomas H. Chadwick, CPG, a Qualified Person as defined by National Instrument 43-101 and Vice President of Exploration for the Company, has reviewed and verified the technical information provided on the Company's Cornucopia, Copper King and Cordero Projects.

Nevgold Properties

The Cornucopia Property, is located in Elko County's Cornucopia mining district, where historic underground high grade precious metal production started in 1873 from veins averaging approximately 24.6 ounces per ton ("opt") silver and 0.43 opt gold (Smith, 1976). The property is situated approximately 15 miles (24 kilometres) north-northwest of Tuscarora, Nevada. The Company's consolidated land position covering the Cornucopia district is comprised of a contiguous block of one patented and 48 unpatented lode mining claims totaling approximately 950 acres (384 ha). The property's epithermal silver mineralization is hosted by Tertiary volcanic rocks, and has similarities to the Midas mine (Newmont Mining Corporation) and the Ivanhoe property (currently under development by Great Basin Gold) located 32 miles (51 km) to the southwest. The mineralization is associated with quartz veining, silicification and argillic alteration. High-grade silver veins of the Leopard underground mine occur with ruby silver, tetrahedrite, stephanite and electrum, and display crustiform to colliform banding, and evidence of multiple periods of vein and wall rock brecciation.

The Copper King Property consists of 50 unpatented lode mining claims covering approximately 560 acres (226.6 ha) in northern Idaho's famous Coeur d'Alene Silver District. Silver Predator's target at Copper King is a sediment-hosted, stratabound, copper-silver system similar to those found 100 miles (160 km) to the north in northwestern Montana (Troy Mine type). These deposits are also similar to the better-known examples from the copper belt of Central Africa. The Copper King claims are situated two miles north of Hecla's Lucky Friday Mine, one of the Coeur d'Alene District's largest silver producers, with production of over 144 million ounces of silver since 1942 (Hecla Mining Company website, 2011). Copper-silver mineralization occurs on the claim block, both as veins and larger stratabound disseminated bodies. The property has never been drilled despite productive mining of high grade stratabound mineralization immediately to the southeast at the Snowstorm and National Mines.

The Cordero Property, located in Humboldt County, north-central Nevada, includes the historic Cordero underground mercury mine adjacent to the more recently mined McDermitt open pit mercury mine, where each mine's annual production was large enough to rank them as the largest producers of mercury in the western hemisphere during their respective years of operation (1933-1991). The gold and silver-gold targets identified to date in limited reverse circulation and core drilling, include lower grade, flat-lying, potentially bulk mineable gold mineralization starting approximately 100 feet (30 metres) below the surface and higher grade vein style mineralization indicated by a 5.4 foot (1.65 m) core intercept assaying 0.15 opt gold (see Nevgold news release dated March 8, 2010). Alteration and mineralization occurs in Miocene-aged volcanics of bi-modal composition ranging from rhyolites to andesites and basalts, although past mercury production and currently identified precious metal mineralization is typically hosted in the more felsic rhyolites. Antimony is an important pathfinder to precious metal mineralization and local concentrations are high enough that an antimony recovery circuit was considered by earlier operators. Silica alteration is high level "opalite" silica, a microcrystalline to chalcedonic/opaline silica that occupies fault zones with considerable vertical extent, but can also cover substantial areas as a relatively flat-lying "cap rock". At deeper levels, quartz is locally present in some of the fault zones. Clay/zeolite alteration includes variable kaolinite-smectite-alunite and clinoptilolite-mordenite. Potassic alteration, composed of quartz and adularia, is present locally. Petrographic (SEM/EDS) work has identified pyrite, marcasite, galena, sphalerite, tetrahedrite, arsenopyrite and small grains of gold.

Mineral Property Transactions

Illinois Creek

In May 2013, the Company entered in an option agreement with Plan B Minerals Corp. ("PBM") pursuant to which PBM may acquire the Company's interest in the Illinois Creek Property located in Alaska.

As consideration, PBM will pay the Company an aggregate US $264,500 and a total of 2,000,000 common shares of PBM, to be paid in installments through December 2016. As of May 31, 2013 PBM has made installments of US $60,349. PBM has assumed all of the Company's liabilities and obligations under the underlying property option agreement between the Company and Piek Exploration LLC. The Company will retain a 0.5% net smelter returns royalty in the property, provided a feasibility study establishes a minimum proven mineral resource of 500,000 ounces of gold.

Dispositions

Claim Staking

As a result of the termination of some of the Yukon properties during the year, the Company recorded a write down of approximately $760,000. The write down reflects the prior staking work that was done on the Yukon properties.

Termination of Option Agreements related to Yukon projects:

- **Flip Property and Hy Property**
  In December 2012, the Company terminated the option agreements related to the Flip Silver Project and Hy Silver Project, both held by Strategic Metals Ltd.

- **Plata Property**
  In February 2013, the Company terminated its option agreement related to the Plata Project held by Rockhaven Resources Ltd.

- **Rusty Property**
  In February 2013, the Company terminated its option agreements related to the Rusty Project. ATAC Resources Ltd. and Strategic Metals Ltd. both hold the Rusty property.

The Company terminated its options on the Plata, Rusty, Hy and Flip properties due to exploration results. As a result of this, a write down of approximately $4.2 million was recorded.

4. DEVELOPMENT AND OPERATIONS REVIEW

During the period, the Company initiated and reported the results its 2012 drilling program on the Taylor Project and conducted preliminary field work on a few of its other mineral properties, and continued to evaluate additional properties for potential acquisition.

Taylor Property, Nevada

Property Acquisition

Americas Bullion Royalty Corp. ("Americas Bullion") has granted the Company an option to acquire a 100% interest in 294 unpatented mining claims and 4 patented mining claims located in White Pine County, Nevada, known as the Taylor Property. The option was structured as a purchase, by Silver Predator, of the shares of Fury Explorations Ltd., which in turn owns all of the shares of Anglo Nevada Metals Corporation ("Anglo Nevada"). Anglo Nevada owns the Taylor Property. To exercise this option, the Company must issue, in stages, a minimum of 12,000,000 common shares ("Common Shares") having a minimum aggregate value of $8,214,000 but subject to a maximum of 18,463,333 shares. 1,000,000 shares were issued on closing of the agreement with a fair value of $900,000, an additional 2,533,333 shares were issued in February 2012 with a fair value of $988,000, and in March 2013, 6,240,000 shares were issued with a fair value of $862,140. The Company is required to issue up to an additional 6,283,333 by February 28, 2014 in order to complete the option payments.

On exercise of this option the Company will grant to Americas Bullion a 2% net smelter returns royalty ("NSR") on all precious metals and 1% NSR on all other metals, except for metals extracted from claims subject to pre-existing royalties on which Americas Bullion will receive a 1% NSR on precious metals and 0.5% NSR on all other metals. The Company accounted for the fair value of the shares issued as acquisition costs of the Taylor Property.

Historical Exploration

Silver (along with lead and copper) was first discovered by prospectors B. Taylor and J. Platt in 1872. Historical records indicate that approximately 1.2 million ounces of silver were produced from 1875 until 1892 at reported grades of 20 ounces per ton silver (Havenstrite 1984, S.E.G. Field Trip Guide). Over the next 87 years attempts were made to reopen the mine and sporadic production was attempted with the bulk of the effort occurring between 1934 and 1942. All ore was produced from high grade sub-vertical structures.

In 1960, K. Stoker acquired the Taylor Mine area and in 1961 formed Silver King Mines Inc. In 1962, Silver King began exploration of the area and succeeded in defining a small high grade resource along a sub-vertical structure. In 1966, mine development to 400 feet was completed and the mine produced approximately 120,000 ounces of silver from 4,000 tons (30 oz/ton Ag) of rock (Havenstrite 1984, S.E.G. Field Trip Guide). Underground exploration continued through to the mid -1970's but no significant new resources were discovered and the mine was forced to close.

Silver King and Phillips Petroleum formed a joint venture in 1966 and explored the district until the early 1970s. A total of approximately 440 holes were drilled in the district of which 22 were diamond drill holes and the remainder was percussion drill holes. The results of the drilling outlined a zone of low grade silver mineralization.

A decision to build an open pit mine and mill complex was made in 1979. A 1,200 ton-per-day counter current decantation cyanide leach plant was completed and production at the mine began in 1981. The mine produced silver in a series of open pits from April 1981 until March 1984 when the price of silver dropped below the breakeven price to sustain mining and milling and resulted in the mine closing in 1984.

The Taylor mine site retains a mill from its mining operations in the 1980s. Power, water and excellent road access are also available on site.

During 2009, Americas Bullion drilled 11 additional holes amounting to 4,595 feet of drilling at Taylor to test various areas of the deposit for potential higher grade structures.

In 2011, the Company drilled 35 reverse circulation ("RC") holes on the Taylor property totaling 11,710 feet. In 2012, SPD drilled an additional 25 RC holes on the Taylor property totaling 6,535 feet.

Mineralization and Geology

The Taylor Silver Deposit is a sediment-hosted, epithermal, high-silica, low-sulfide replacement deposit in Devonian carbonate rocks. The deposit occurs as argentiferous jasperoid replacement bodies and mineralized limestone in the upper Guilmette Formation. The jasperoid bodies and mineralized limestone are localized by a combination of steep structural conduits associated with rhyolitic intrusions, and the damming effects of overlying shale units. The mineralizing fluids traveled upward along the near vertical north-northwest, north-south, and northeast fracture zones. Here, the fluids brecciated and replaced limestones with silica, barite, sulfides and other minerals including argentiferous sulfosalts. A broad north-northwest structural corridor ("Taylor Trend"), bounded on the east by the Bullseye Fault and on the west by the Hinge Fault, is centered on the Bishop Pit. The structural controls resulted in the jasperoid forming large, relatively flat, tabular bodies. Elsewhere on the property, mineralization occurs in the silicified portions of the shales of Chainman and Pilot Formations and along previously mentioned north-northwest trending structures as well as in jasperoids and silicified structures cropping out in the underlying and overlying Joanna limestone. The highest silver assays within the surface mined areas are near apparent structures (feeders). Silver assays above one ounce per ton form a blanket at the top of the Guilmette Limestone that averages about 15 m (50 ft) thick over the breadth of the "Taylor Trend" and covers an area of approximately 16 hectares (40 acres).

Current Work

In March 2012, Silver Predator focused primarily on advancing the Taylor silver mine in eastern Nevada towards production.

Work at Taylor has been geared towards achieving three primary goals: 1) bringing together all new drill data and available historic work to update the current technical report on the silver resource, 2) establish additional silver resources in and around the existing resource and mines area, and 3) combine our understanding of the geologic controls to mineralization in the resource area with newly acquired mapping and sampling to develop new silver and gold exploration targets on the property. As of mid-2013 all three goals have been met and targeting of the outlying exploration targets has been completed. Permitting of the resulting drill sites is projected for completion in the fall of this year.

a) Update of current NI 43-101 compliant silver resource:

- During the spring and summer months of 2012, the Company completed 25 reverse circulation drill holes totaling 6,535 feet. The program was successful in identifying previously unknown high grade silver mineralization south of the Taylor shaft area and has provided vital geologic data in several areas.

- A line by line validation and re-build of the digital assay database was completed late in 2012. Further refinements to the geologic portion of the database via re-logging were also completed.

- Outstanding metallurgical reporting from McClelland Labs in Sparks, Nevada was finalized.

- A detailed review and check program on the silver assay methodology for a significant portion of the drillhole database found that silver results for 2009-2011 drilling were, in many cases, under reporting the true assay values. This resulted in a comprehensive rigidly controlled program of re-assay for all of the drilling for that time period and will provide reliable data for the updated resource. The silver assay methodology determined to be most reliable was implemented for the 2012 drilling program.

- Detailed geologic mapping across the entire resource area was completed in the late fall of 2012. A review of the historic underground work resulted in the construction of a three-dimensional underground model using the Vulcan software package.

b) Developing additional silver and silver-gold targets in and around the existing resource area:

- Detailed mapping and drill assay analysis has resulted in a newly acquired understanding of the detailed geologic controls to silver mineralization at Taylor. These controls include northwest and north-south oriented faults, favorable silty carbonate host rocks, and proximity to rhyolitic dikes and sills.

- The identification of new near surface silver targets has resulted from the current work and could provide the most near-term upside to the Taylor deposit resource.

- A better understanding of the host rocks suggests additional deeper high grade targets may also be available in the resource area and in other newly developed target areas on the property.

c) New gold and gold-silver targets on the property:

- A review of historic gold exploration data and geologic comparisons to other sediment hosted precious metal systems in Nevada, suggests that Taylor may have significant potential for multiple gold and gold-silver deposits as both near surface and deeper target types. Multiple gold intercepts in historic reverse circulation drilling in both the Antimony Pits and Chipps areas of the property have shown that locally at least, the relatively unfavorable host rocks of the Pilot Formation and cross-cutting intrusive dikes can host significant gold mineralization.

- Detailed mapping to the east and southeast of the resource area in late 2012 has identified multiple areas of interest based on alteration and structure. This mapping also identified previously unknown small to large intrusive rhyolite bodies that have a well-established link to precious metals mineralization on the property.
- A follow-up extensive soil sampling program was completed by year-end 2012. Each sample has a GPS location and sample description and has been assayed via a 51-element package that includes gold, silver, antimony, arsenic, mercury and the base metals.

- The 1,166 sample soil program followed an extensive six months of mapping and produced soil results that include individual sample values of up to 1.7g/t for gold and 58.0 g/t for silver. This integrated field program identified key fault zones and other geological features that correlate with the gold-silver anomalies and related pathfinder elements. These geologic and geochemical characteristics are common to gold-dominant "Carlin type" sediment hosted deposits in Nevada. New gold and gold-silver target areas were identified at South Taylor, Crescent and Enterprise, with the Enterprise target area exhibiting the largest areal extent found at Taylor to date. A drill plan is currently being developed and permitted that will evaluate near surface and deeper underground targets at these prospects.

- In March 2013, the Company announced that it has updated its mineral resource estimate for the Taylor silver project in eastern Nevada, USA. The resource remains open for expansion and has demonstrated potential for higher grade silver mineralization in underlying host rocks. The Company's recent exploration work significantly contributed to a new geological model based on an increased understanding of the controls on mineralization.

Taylor Resource Estimate Update

2013 Taylor Resource at 1.0 oz/t Cutoff Grade[1]					
Measured and Indicated Resource					
	Short Tons	**Silver (oz/ton)**	**Metric Tonnes**	**Ag g/t**	**Contained Silver (oz)**
Measured	1,143,000	2.10	1,037,000	72.1	2,402,000
Indicated	7,751,000	1.86	7,032,000	63.8	14,418,000
Meas. & Ind.	**8,894,000**	**1.89**	**8,069,000**	**64.8**	**16,820,000**
Inferred Resource					
Inferred	1,716,000	2.30	1,557,000	78.8	3,941,000

[1] Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. Inferred Mineral Resources have a high degree of uncertainty as to their existence, and great uncertainty as to their economic feasibility. It cannot be assumed that all or any part of an Inferred Resource will ever be upgraded to a higher category. All figures for tonnage and ounces are rounded to the nearest thousand and may not produce exact sums due to rounding.

A cutoff grade of 1.0 oz/ton silver was based upon assumptions of (in USD): a $30 per ounce silver price, 90% recovery, mining costs of $2.50 per ton for in situ material and $2.00 per ton for unconsolidated material, mill process costs of $21.50 per ton, and G & A costs of $2.50 per ton. In order to meet the criteria for "reasonable prospects for economic extraction" as required by CIM, the block model was constrained by an optimized open pit using the baseline silver price and operating costs. All mineralization is above the water table and oxidized.

The Company's programs over the last year provided a significant improvement in the geologic model and underlying drill database used for resource estimation. The 1.0 oz/ton cut-off reflects a combination of increased silver prices balanced against higher costs since the original 2007 resource work, and contributes to the updated resource's increased tons and contained silver in the indicated and inferred categories.

The updated Taylor resource estimate conforms to guidelines and definitions established by NI 43-101 and the Canadian Institute of Mining and Metallurgy. The mineral resources for the Taylor Silver project were estimated by consulting geologist Dean D. Turner, CPG, and independent consulting geologist P.J. Hollenbeck, CPG. The Company filed a NI 43-101 technical report in support of the resource estimate on May 2, 2013. The report, entitled, "Taylor Silver Project Technical Report", is dated effective March 18, 2013 and can be found on the Company's website and under the Company's profile on SEDAR.

5. OUTLOOK

The Company has a portfolio of advanced stage silver assets and intends to 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.

The Company has incurred the exploration expenditures required in order to meet its flow through renunciation obligations.

6. SELECTED FINANCIAL INFORMATION

	May 31, 2013 $	May 31, 2012 $	May 31, 2011 $
Net sales	Nil	Nil	Nil
Net loss	5,800,632	4,740,820	1,642,675
Loss per share – basic and diluted	(0.12)	(0.14)	(0.11)
Total assets	15,538,366	20,079,410	17,931,475
Total long-term liabilities	Nil	622,996	Nil
Cash dividends declared per-share	Nil	Nil	Nil

6.1 Results of operations for the year ended May 31, 2013

The net loss for the year was $5,800,632 compared to a net loss in the prior year of $4,740,820. Individual items contributing to the increase in net loss of 1,059,812 are as follows:

- Consulting and management fees increased by $101,826 to $203,589 (2012 - $101,763) primarily due the Company incurring these costs as consulting fees rather than salaries in the current year.

- General and administrative expenses decreased by $216,213 to $93,212 (2012 - $309,425) due to decreased administrative activity by the Company in the current year.

- Filing costs decreased by $85,216 to $21,827 (2012 - $107,043), reflecting less financing and corporate activities compared to the prior year.

- Professional fees increased by $32,232 to $192,904 (2012 - $160,672) as a result of an increase in legal costs related to general corporate activity as well as audit related activities as compared to the prior year.

- Salaries and wages decreased by $290,851 to $91,884 (2012 - $382,735) due to decreased staffing: in the prior period, these costs were paid for various administrative employees, including a corporate secretary and accounting staff, under a terminated cost-sharing agreement under which the Company was provided with the use of office space, office and administrative resources and technical services, on a cost recovery basis.

- Stock-based compensation of $227,003 (2012 – $751,244) reflects the recognition of stock option expense that is reduced in the current period as a result of a decrease in stock option grants.

- Travel decreased by $159,632 to $61,480 (2012 - $221,112) due to decreased investor relations activity as well as decreased efforts to promote the Company and financing activities.

- Write off of resource properties of $4,998,270 (2012 - $2,030,216). During the year, the Company wrote-off the Staking, Rusty, Hy, Flip and Plata properties. During 2012, the Company wrote-off the Quarterback, Blue Heaven, Ranch and Silver Bow properties.

- Write off of investments of $509,988 (2012 - $ Nil) in the current year results from the write off of the investment in Hy Lake Gold Inc.

- Foreign exchange loss of $6,025 (2012 – gain of $5,283) increased in the current year due mainly from the conversion of US monetary item balances to CAD for reporting purposes.

- Interest income of $5,479 (2012 - $69,499) decreased over the prior year as a result of fewer investments due to the Company having a smaller cash balance in the current year.

- Future income tax recovery of $622,996 (2012 – expense of $708,620) decrease relates to a reduction in mineral properties impairment recognized during the year.

The comprehensive loss for the period includes an unrealized loss on available for sale marketable securities of $65,012 compared to a gain of $514,376 in the previous year. This has arisen from the mark to market of marketable securities at the year-end. Comprehensive loss also includes the cumulative translation adjustment of one of the subsidiaries belonging to Silver Predator.

6.2 Cash flows for the year ended May 31, 2013

Cash outflows from operating activities decreased by $1,237,683 to $430,800 (2012 – $1,668,483) primarily due a decrease in working capital requirements.

Cash outflows from investing activities decreased by $4,023,450 to $891,560 (2012 - $4,915,010) due primarily to the decrease in acquisition and exploration expenditures for the mineral properties as compared with the prior year.

Cash inflows from financing activities increased by $254,730 to $1,044,675 (2012 - $789,945) due to a financing during the current fiscal year.

6.3 Results of operations for the three months ended May 31, 2013

The net loss for the quarter was $714,229 compared to $2,433,419 in the prior year. Individual items contributing to the decrease in net loss of $1,719,190 are as follows:

- Consulting and management fees increased by $22,850 to $47,530 (2012 - $24,680) primarily due the Company engaging consultants for management and exploration services during the quarter.

- General and administrative expenses decreased by $72,974 to $4,362 (2012 - $77,336) due to less staffing and operational activity by the Company in the current quarter.

- Filing costs decreased by $36,789 to $50 (2012 - $36,839) due to the reduced number of shares issued during the quarter compared to prior year.

- Professional fees increased by $54,762 to $59,744 (2012 - $4,982) as a result of higher legal fees related to general corporate and audited related activities in the quarter.

- Salaries and wages decreased by $59,861 to $7,093 (2012 - $66,954) due to reduced staffing upon the termination of the cost sharing agreement under which the Company was provided with the use of office space, office and administrative resources and technical services, on a cost recovery basis.

- Stock-based compensation of $(7,403) (2012 – $29,991) was reduced in the quarter due to amounts reallocated from stock-based compensation expense to capitalized mineral property expenditures for options issued and vested to geological consultants.

- Travel decreased by $31,525 to $401 (2012 - $31,926) due to decreased investor relations activity as well as decreased efforts financing activity.

- Write off of resource properties of $737,973 (2012 - $2,030,216) reflects write-offs of mineral property costs relating to the staking of Yukon properties. A larger number of properties were written off curing the current year quarter.

- Foreign exchange loss of $738 (2012 – $134,498) is less in the current quarter due to lower cash balances. This amount mainly reflects the conversion of US monetary item balances to CAD for reporting purposes.

- Future income tax recovery of $622,996 (2012 – $1,379) relates to the adjustment to the estimated future tax from the renunciation of flow-through expenditures.

The comprehensive loss for the quarter includes an unrealized loss on available for sale marketable securities of $Nil compared to a loss of $196,875 in the previous year. This has arisen from the mark to market of marketable securities at the quarter-end. It also includes the cumulative translation adjustment of one of the subsidiaries belonging to Silver Predator.

6.4 Summary of quarterly results

	2013				2012			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	-	-	-	-	-	-	-	-
Net income (loss)	(741,386)	(4,504,393)	(134,629)	(420,224)	(2,433,419)	(620,157)	(778,665)	(908,579)
Basic and diluted Net Income (Loss) per share	(0.02)	(0.10)	(0.00)	(0.01)	(0.13)	(0.02)	(0.03)	(0.03)

The increase in operating loss in Q4 of 2013 results from the impairment of mineral properties. The loss in Q4 2012 results primarily from the impairment of mineral properties.

6.5 Financial position

The decrease in cash of $277,685 to $512,976 (2012 - $790,661) results primarily from expenditures on mineral properties of approximately $0.9 million as well as operating cash flows of $0.4 million, offset by $1.1 million raised by closing a private placement.

Prepaid expenses and deposits decreased by $12,865 to $27,164 (2012 - $40,029) due to decreased operations activity during the year by the Company.

Receivables decreased by $533,623 to $18,687 (2012 - $552,310). This was mainly the result of a more timely collection of the Harmonized Sales Tax ("HST") receivable in the current year.

Investments decreased by $555,000 to $195,000 (2012 - $750,000) as a result a decrease in fair market value of the Hy Lake Gold Inc. common shares.

Short-term promissory note of $Nil (2012 - $100,000) resulted from the Company selling its subsidiary, 1794298 Ontario Inc. for the sum of $300,000, of which $200,000 was received last year and $100,000 was received during the current year.

Reclamation bonds remained unchained at $22,206 (2012 - $22,206) and is associated with the properties acquired in the Nevgold arrangement.

Resource properties decreased by $3,061,871 to $14,762,333 (2012 - $17,824,204) primarily due to properties relinquished during the year.

Accounts payable and accrued liabilities decreased by $151,519 to $55,801 (2012 – $207,320) due to reduced business activities during the year.

Due to related parties of $5,128 (2012 – $142,530) mainly relates to payables for consulting services provided during the year. The prior year amount reflects amounts due under the cost sharing agreement which was terminated.

Share capital increased by $1,736,646 to $28,254,839 (2012 – $26,518,193) primarily due to the private placement that closed during the year.

Reserves increased by $484,174 to $2,438,812 (2012 – $1,954,638) primarily due the fair value of warrants issued during the private placement.

Accumulated other comprehensive gain of $290,296 results from an increase in the market value of marketable securities, as compared to the cost, designated as available-for-sale, net of tax as well as the inclusion of the cumulative translation amount of one of the Company's subsidiaries.

7. LIQUIDITY, CAPITAL RESOURCES, AND GOING CONCERN

While these consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, certain conditions and events cast significant doubt on the validity of this assumption. For the year ended May 31, 2013, the Company reported a loss of $5,800,632 and as at that date had a net working capital balance of $692,898 and an accumulated deficit of $15,506,510. Management estimates that it presently does not have adequate working capital to fund all of its planned activities for the next fiscal year. The Company's continued operations are dependent on its ability to raise additional funding from loans or equity financings or through other arrangements. Management's plan in this regard is to raise equity financing as required. The success of such initiatives cannot be assured.

The consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

Refer to note 17 in the consolidated financial statements.

8. OUTSTANDING SHARE DATA

At the date of this report the Company has 53,915,359 issued and outstanding common shares, 4,628,250 outstanding stock options currently outstanding, vested at a weighted average exercise price of $0.52, and 3,454,445 outstanding warrants at a weighted average exercise price of $0.26.

9. OFF BALANCE SHEET ARRANGEMENTS

At May 31, 2013, 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.

10. RELATED PARTY TRANSACTIONS

Amounts paid to related parties were incurred in the normal course of business and measured at the estimated fair values.

The Company expensed management and consulting fees of $132,990 for the year ended May 31, 2013 (2012 - $72,000) that were due to directors of the Company.

The amounts due to related parties, totaling $5,128 (2012 - $142,530), are non-interest bearing, due on demand, and were paid subsequent to the period end.

Key management personnel compensation

Key management personnel are comprised of the Chief Executive Officer, President, Chief Financial Officer, and Vice President, Exploration. Compensation of the Company's key management personnel is comprised of the following:

	May 31, 2013	May 31, 2012
Executive salaries and management fees	$246,390	$232,082
Share based payments	179,455	252,547
Total	$425,845	$484,629

11. CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from the amounts included in the financial statements.

Areas of estimation and judgment that have the most significant effect on the amounts recognized in the financial statements include:

Valuation of mineral properties - The Company, from time to time, acquires exploration and development properties. When a number of properties are acquired in a portfolio, the Company must make a determination of the fair value attributable to each of the properties within the total portfolio. When the Company conducts further exploration on acquired properties, it may determine that certain of the properties do not support the fair values applied at the time of acquisition. If such a determination is made, the property is written down, which could have a material effect on the balance sheet and statement of loss.

New standards not yet adopted

The Company is currently evaluating the impact of the following pronouncements; however, the Company does not anticipate the adoption of the new standards to have a significant impact on its consolidated financial statements.

- IFRS 7 *Financial instrument – disclosure,* was further amended to provide guidelines on the eligibility criteria for offsetting assets and liabilities as a single net amount in the balance sheets. This amendment is effective for annual periods beginning on or after January 1, 2013.
- IFRS 9 *Financial instruments*, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39, *Financial instruments – Recognition and Measurement*, for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognize in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.
- Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39 except that fair value change due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This standard is effective for annual periods beginning on or after January 1, 2015.
- IFRS 10 *Consolidated financial statements* requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation—special purpose entities* and parts of IAS 27 *Consolidated and separate financial statements*. This standard is effective for annual periods beginning on or after January 1, 2013.
- IFRS 11 *Joint arrangements* requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, *Interests in joint ventures*, and SIC-13, *Jointly controlled entities—non-monetary contributions by venturers*. This standard is effective for annual periods beginning on or after January 1, 2013.
- IFRS 12 *Disclosure of interests in other entities* establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. This standard is effective for annual periods beginning on or after January 1, 2013.

- IFRS 13 *Fair value measurement* is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. This standard is effective for annual periods beginning on or after January 1, 2013.

- IAS 1 *Presentation of financial statements* was amended to require entities to group items within other comprehensive income that may be reclassified to profit or loss. This standard is effective for annual periods beginning on or after July 1, 2012.

12. MANAGEMENT OF FINANCIAL RISK

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, receivables, loan receivable, and reclamation bonds. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of bankers' acceptances issued by major banks and corporations, for which management believes the risk of loss to be minimal. Receivables mainly consist of interest receivable from the bankers' acceptances, loan receivables, and goods and services tax refunds due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to receivables is minimal. Reclamation bonds consist of term deposits and guaranteed investment certificates, which have been invested with reputable financial institutions, from which management believes the risk of loss to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed share capital financings or proceeds from property sales or options.

At May 31, 2013, the Company had a working capital balance of $692,898. Additional information regarding liquidity risk is disclosed in note 1 of the Company's audited consolidated financial statements.

Interest rate risk

Management believes the interest rate risk is low given the current low global interest rate environment.

Foreign currency risk

The Company's raises funds in Canadian dollars and major purchases and expenditures are transacted in US dollars. The Company also funds certain operations and exploration and administrative expenses in US dollars. Management believes the foreign exchange risk derived from currency conversions and relative exchange rate between Canadian dollars and US dollars is negligible and therefore does not hedge its foreign exchange risk.

Sensitivity analysis

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by interest rate risk, foreign currency risk and price risk within the next three months. In particular, interest rate risk is remote as the interest rates on the Company's short-term investments are fixed with an interest rate range between 0.35% and 1.35% with maturity dates shorter than three months.

The Company's significant subsidiaries are located in United States and the parent company is in Canada. As a result a portion of the Company's accounts receivable, accounts payable and accruals are denominated in the US Dollar and are therefore subject to fluctuation in exchange rates.

As the Company's parent company functional currency is the Canadian dollar, a 100 basis point (one per cent) increase/ strengthening (decrease/ weakening) in the U.S. dollar at year end would have resulted in the net loss being $663 lower ($663 higher).

13. DISCLOSURE CONTROLS & PROCEDURES AND INTERNAL CONTROL PROCEDURES OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer, of the Company have evaluated or caused to be evaluated for effectiveness the Company's disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") which have been designed or caused to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company took into consideration the following two characteristics common to companies of a similar size:

- The limited number of personnel in smaller companies, which constrains the Company's ability to fully segregate conflicting duties;
- The Company relies on an active board of directors, and management with open lines of communication to maintain the effectiveness of the Company's disclosure controls and procedures.

In addition, management has relied upon certain informal procedures and communication, and upon "hands-on" knowledge of senior management to maintain the effectiveness of disclosure controls and procedures.

As a result of the evaluation, the Company has concluded that the DC&P and ICFR are effective as required by its current size, and in compliance with the recommendations of National Instrument 52-109. However, there can be no assurance that the risk of a material misstatement in the financial statements can be reduced to less than a remote likelihood.

There have been no changes in the Company's CFR during the year ended May 31, 2013, that have materially affected, or are reasonably likely to materially affect, the Company's CFR.

14. INFORMATION REGARDING FORWARD LOOKING STATEMENTS

This Management Discussion and Analysis of Financial Condition and Results of Operations contains "forward-looking information" which include, but is not limited to, information about the transactions, statements with respect to the future financial or operating performances of Silver Predator and its projects, the future price of silver, the future price of gold, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production revenues, margins, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, cost and timing of plant and equipment, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation and rehabilitation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking information statements can be identified by the use of words such as "proposes", "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state 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 Silver Predator and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities and feasibility studies; assumptions in economic evaluations that may prove inaccurate; fluctuations in the value of the Canadian or US dollar; future prices of silver; possible variations of ore grade or recovery rates; failure of plant or equipment or failure to operate as anticipated; accidents; labour disputes or slowdowns or other risks of the mining industry; climatic conditions; political instability; or arbitrary decisions by government authorities.

Although Silver Predator 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 to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Management Discussion and Analysis of Financial Condition and Results of Operations based on the opinions and estimates of management, and Silver Predator disclaims any obligation to update any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise. 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.