



SILVER PREDATOR CORP.

(An Exploration Stage Enterprise)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED FEBRUARY 28, 2014

Notice of Non-review of Condensed Interim Consolidated Financial Statements

The attached condensed interim consolidated financial statements for the three and nine month period ended February 28, 2014 have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

Silver Predator Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

	As at February 28, 2014	As at May 31, 2013
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$ 629,319	\$ 512,976
Prepaid expenses and deposits	21,549	27,164
Receivables (Note 4)	19,292	18,687
Investments (Note 5)	170,000	195,000
	<u>840,160</u>	<u>753,827</u>
Reclamation Bond	117,965	22,206
Exploration and evaluation assets (Note 6)	<u>14,770,590</u>	<u>14,762,333</u>
	<u>\$ 15,728,715</u>	<u>\$ 15,538,366</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 48,047	\$ 55,801
Due to related parties (Note 9)	12,789	5,128
	<u>60,836</u>	<u>60,929</u>
Shareholders' equity		
Share capital (Note 8)	28,889,652	28,254,839
Shares to be issued (Note 8)	229,006	-
Reserves	2,592,511	2,438,812
Accumulated other comprehensive income	716,317	290,296
Deficit	<u>(16,759,607)</u>	<u>(15,506,510)</u>
	<u>15,667,879</u>	<u>15,477,437</u>
	<u>\$ 15,728,715</u>	<u>\$ 15,538,366</u>

Nature of operations and going concern (Note 1)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Silver Predator Corp.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended February 28, 2014	Three Months Ended February 28, 2013	Nine Months Ended February 28, 2014	Nine Months Ended February 28, 2013
EXPENSES				
Consulting and management fees	\$ 31,478	\$ 60,558	\$ 59,931	\$ 156,059
General and administrative	7,757	6,161	14,977	88,850
Filing	544	404	6,281	21,777
Insurance	4,125	7,269	26,775	19,019
Professional fees	91,740	60,919	120,262	133,160
Salaries and wages	1,696	4,815	2,758	84,791
Share-based compensation (Note 9)	79,518	105,380	153,699	234,406
Travel and promotion	2,582	711	9,927	61,079
	(219,440)	(246,217)	(394,610)	(799,141)
OTHER ITEMS				
Write off Exploration and evaluation assets	852,961	4,260,297	852,961	4,260,297
Foreign exchange loss	6,146	149	5,526	5,287
Interest income	-	2,270	-	5,479
	859,107	4,262,716	858,487	4,271,063
Loss for the period	(1,078,547)	(4,504,393)	(1,253,097)	(5,059,246)
Loss for the period	\$ (1,078,547)	\$ (4,504,393)	\$ (1,253,097)	\$ (5,059,246)
Change in cumulative translation adjustment	274,245	208,326	451,021	(11,460)
Unrealized gain (loss) on available-for-sale marketable securities, net of tax	-	(43,750)	(25,000)	(437,500)
Loss and comprehensive income (loss) for the period	\$ (804,302)	\$ (4,339,817)	\$ (827,076)	\$ (5,508,206)
Basic and diluted income (loss) per common share	(0.01)	(0.10)	\$ (0.01)	\$ (0.12)
Weighted average number of common shares outstanding	66,258,427	45,006,669	57,939,290	45,615,090

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Silver Predator Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended February 28, 2014	Nine Months Ended February 28, 2013
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	\$ (1,253,097)	\$ (5,059,246)
Items not affecting cash:		
Deferred income tax expense	-	-
Amortization	852,961	4,260,297
Share-based compensation	153,699	234,406
Unrealized foreign exchange difference	451,021	(10,460)
	<u>204,584</u>	<u>(575,003)</u>
Changes in non-cash working capital items:		
Decrease in receivables	(605)	534,936
(Decrease) increase in prepaid expenses and deposits	5,615	9,058
(Decrease) increase in due to related parties	7,661	(132,114)
Decrease in accounts payable and accrued liabilities	(7,754)	(57,661)
	<u>209,501</u>	<u>(220,784)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Promissory note payment	(95,759)	100,000
Exploration and evaluation costs capitalized	(861,218)	(879,802)
	<u>(956,977)</u>	<u>(779,802)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Private placements	637,327	1,054,600
Shares to be issued	229,006	-
Share issuance costs	(2,514)	(9,925)
Cash acquired in subsidiary	-	11,812
	<u>863,819</u>	<u>1,056,487</u>
Change in cash and cash equivalents during the period	<u>116,343</u>	<u>55,901</u>
Cash and cash equivalents, beginning of period	<u>512,976</u>	<u>790,661</u>
Cash and cash equivalents, end of period	<u>\$ 629,319</u>	<u>\$ 846,562</u>

Supplemental disclosures with respect to cash flows (Note 11)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Silver Predator Corp.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars)

(Unaudited)

	Share capital		Shares to be issued	Reserves	Accumulated other comprehensive income (loss)	Deficit	Total
	Number	Amount					
Balance, May 31, 2012	41,791,468	\$ 26,518,193	\$ -	\$ 1,954,638	\$ 339,611	\$ (9,705,878)	\$ 19,106,564
Private placement	5,858,891	1,054,600	-	-	-	-	1,054,600
Exercise of warrants	-	-	-	1,000	-	-	1,000
Issuance of shares – properties	25,000	5,250	-	-	-	-	5,250
Share issuance costs – cash	-	(9,925)	-	-	-	-	(9,925)
Stock-based compensation	-	-	-	234,406	-	-	234,406
Change in value of investments	-	-	-	-	(350,000)	-	(350,000)
Cumulative translation adjustment	-	-	-	-	(11,460)	-	(11,460)
Cash acquired in subsidiary	-	11,812	-	-	-	-	11,812
Net loss for the period	-	-	-	-	-	(5,059,246)	(5,059,246)
Balance, February 28, 2013	47,675,359	\$ 27,579,930	\$ -	\$ 2,190,044	\$ (21,849)	\$ (14,765,124)	\$ 14,983,001
Balance, May 31, 2013	53,915,359	\$ 28,254,839	\$ -	\$ 2,438,812	\$ 290,296	\$ (15,506,510)	\$ 15,477,437
Private placement	7,719,869	385,994	229,006	-	-	-	615,000
Issuance of shares – properties	6,283,333	251,333	-	-	-	-	251,333
Share issuance costs – cash	-	(2,514)	-	-	-	-	(2,514)
Stock-based compensation	-	-	-	153,699	-	-	153,699
Change in value of investments	-	-	-	-	(25,000)	-	(25,000)
Cumulative translation adjustment	-	-	-	-	451,021	-	451,021
Net loss for the period	-	-	-	-	-	(1,253,097)	(1,253,097)
Balance, February 28, 2014	67,918,561	\$ 28,889,652	\$ 229,006	\$ 2,592,511	\$ 716,317	\$ (16,759,607)	\$ 15,667,879

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Silver Predator Corp. (the “**Company**”) was incorporated under the laws of the Province of British Columbia on May 16, 2006. The Company is in the business of exploring for and developing economically viable silver, gold and tungsten deposits in Canada and the United States, with a focus on Nevada and Idaho.

The Company’s principal address is 800 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5.

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, and the ability of the Company to obtain financing to complete project development and future profitable operations or sale of the properties.

The condensed interim consolidated statements of financial position have been prepared assuming the Company will continue on a going-concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. For the nine months ended February 28, 2014, the Company reported a loss of \$1,253,097 and as at that date had a net working capital balance of \$779,324 and an accumulated deficit of \$16,759,607.

As an exploration stage company, the Company does not have traditional sources of revenue, and has relied on share capital financing to cover its operating expenses. Management will need to raise additional financing for the Company to continue as a going concern. There can be no guarantee that the Company will be able to raise additional financing to complete its mineral exploration projects or bring its properties into production. If the going concern assumption were not appropriate for these condensed interim consolidated financial statements it would be necessary to restate the Company’s assets and liabilities on a liquidation basis.

2. BASIS OF PRESENTATION

Statement of Compliance

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) including IAS 34 *Interim financial reporting*. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended May 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods of application adopted are consistent with those disclosed in Note 3 of the Company’s consolidated financial statements for the year ended May 31, 2013.

These consolidated financial statements were approved for issue by the board of directors on April 4, 2014.

Critical accounting estimates and judgments

Areas of critical accounting estimates and judgments that have the most significant effect on the amounts recognized in the financial statements are disclosed in Note 3 of the Company’s consolidated financial statements as at and for the year ended May 31, 2013.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	February 28, 2014	May 31, 2013
Cash	\$ 506,319	\$ 389,976
Short term investments	123,000	123,000
	\$ 629,319	\$ 512,976

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2014
(Expressed in Canadian Dollars)
(Unaudited)

4. RECEIVABLES

Receivables comprise the following:

	February 28, 2014	May 31, 2013
Harmonised Sales Tax recoverable	\$ 6,449	\$ 2,451
Other receivables	12,843	16,236
	<u>\$ 19,292</u>	<u>\$ 18,687</u>

5. INVESTMENTS

The Company holds securities in other companies as follows:

	February 28, 2014	May 31, 2013
Common shares in public companies – fair value	\$ 150,000	\$ 175,000
Common shares in private companies – fair value	20,000	20,000
	<u>\$ 170,000</u>	<u>\$ 195,000</u>

	February 28, 2014	May 31, 2013
Common shares in public companies – cost	\$ 684,988	\$ 684,988
Common shares in private companies – cost	-	-
	<u>\$ 684,988</u>	<u>\$ 684,988</u>

Accumulated other comprehensive loss for the nine months ended February 28, 2014 includes \$25,000 (2013 – gain \$437,500) which is a result of the movement in the difference between original cost and fair value, net of tax.

Silver Predator Corp.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2014

(Expressed in Canadian Dollars)

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS

2014	Balance May 31, 2013	Acquisition costs incurred in year	Exploration costs incurred in year	*Dispositions and other adjustments	Balance February 28, 2014
Canada					
Groundhog, Cyr, Grayling, Zap	1,987,390	-	-	-	1,987,390
Touchdown, Pigskin, Shar McBride	1,836,609 453,591	-	-	-	1,836,609 453,591
Total Canada Properties	4,277,590	-	-	-	4,277,590
USA					
Treasure Hill, Silver Bow	\$ 1,649,133	27,022	525	99,286	\$ 1,775,966
Taylor	4,356,984	30,425	134,663	262,310	4,784,382
Illinois Creek	376,787	-	-	22,684	399,471
Pinchot	20,138	-	-	1,212	21,350
Cordero	2,252,994	29,025	4,364	135,641	2,422,024
Copper King	773,732	7,773	19,303	46,582	847,390
Cornucopia	202,014	22,713	5,528	12,162	242,417
Total USA Properties	9,631,782	116,958	164,383	579,877	10,493,000
Mexico					
Magistral	852,961	-	-	(852,961)	-
Total Mexico Property	852,961	-	-	-	-
Total Property Costs	14,762,333	\$ 116,958	\$ 164,383	\$ (275,449)	14,770,590

**Includes the effect of foreign exchange differences.*

2013	Balance May 31, 2012	Acquisition costs incurred in year	Exploration costs incurred in year	*Dispositions and other adjustments	Balance May 31, 2013
Canada					
Plata	\$ 2,384,907	-	45,629	(2,430,536)	-
Groundhog, Cyr, Grayling, Zap	1,954,121	-	33,269	-	1,987,390
Touchdown, Pigskin, Shar Rusty, Hy, and Flip McBride	1,834,355 1,876,515 453,591	-	2,254	-	1,836,609 -
Staking and other	759,013	-	3,417	(762,430)	453,591
Total Canada Properties	9,262,502	250	199,422	(5,184,584)	4,277,590
USA					
Treasure Hill, Silver Bow	\$ 1,583,014	3,309	39,176	23,634	\$ 1,649,133
Taylor	2,771,834	901,060	770,823	(86,733)	4,356,984
Illinois Creek	194,132	5,250	190,041	(12,636)	376,787
Pinchot	15,908	-	8,858	(4,628)	20,138
Cordero	2,224,161	9,002	10,326	9,505	2,252,994
Copper King	760,115	-	8,960	4,657	773,732
Cornucopia	159,577	22,398	13,436	6,603	202,014
Total USA Properties	7,708,741	941,019	1,041,620	(59,598)	9,631,782
Mexico					
Magistral	852,961	-	-	-	852,961
Total Mexico Property	852,961	-	-	-	852,961
Total Property Costs	17,824,204	\$ 941,269	\$ 1,241,042	\$ (5,244,182)	14,762,333

Silver Predator Corp.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

February 28, 2014

(Expressed in Canadian Dollars)

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (Cont'd...)

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral property interests. The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all of its properties are in good standing.

The Company relinquished the Magistral property during the period due to poor exploration results and recorded a write-down of \$852,961.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise the following:

	February 28, 2014	May 31, 2013
Trade payables	\$ 46,497	\$ 23,301
Accruals	1,550	32,500
	<u>\$ 48,047</u>	<u>\$ 55,801</u>

8. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common shares without par value.

During the period ended February 28, 2014 the company closed the first tranche of a non-brokered private placement of 12,300,000 common shares ('Shares') at a price of \$0.05 per Share. On closing of the first tranche, 7,719,869 Shares were issued for proceeds of \$385,994. American Bullion Royalty Corp ("AMB"), a company related by common directors, purchase 5,419,869 Shares.

Subsequent to the quarter end, the Company amended the terms of the second tranche of the private placement. The second tranche of 4,580,131 shares were issued to AMB at \$0.06 per share to raise gross proceeds of \$274,808. The Company received \$229,006 subscription funds during the period ended February 28, 2014. These funds were recorded as shares to be issued.

On December 11, 2013 the Company issued 6,283,333 Shares to AMB pursuant to a property option agreement. Upon issuance of this the last tranche of Shares, the Company acquired 100% interest in the Taylor Project.

b) Stock options and warrants

As at the end of the period, the Company had a Stock Option Plan to provide an incentive to its directors, officers, employees and consultants. The maximum number of shares issuable under the Stock Option Plan may not exceed 15% of the shares outstanding and the maximum number of options granted to insiders of the Company may not exceed 10% of the shares outstanding. The exercise period of the options may not exceed five years from the date of grant. Vesting and the exercise price is as determined by the Company's Board of Directors and the exercise price cannot be less than the market price of the Company's shares on the date of grant.

During the period, the Company granted 2,415,000 stock options to directors, officers, and employees of the Company with an exercise price of \$0.08 and a term expiring on January 22, 2019.

During the nine months ended February 28, 2014, the Company recognized share-based compensation expense of \$153,699 (2013 - \$234,406) that was recorded in the condensed interim consolidated statement of loss.

The fair value of all compensatory options granted is estimated on grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

	2014	2013
Risk-free interest rate	1.25	1.25
Expected life	5.00 years	5.00 years
Volatility	110.75	110.75
Dividend rate	-	-

Silver Predator Corp.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

February 28, 2014

(Expressed in Canadian Dollars)

(Unaudited)

9. 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 \$32,638 for the nine months ended February 28, 2014 (2013 - \$54,000) due to directors of the Company.

The amounts due to related parties, totaling \$12,789 (2013 - \$5,128), are non-interest bearing, due on demand, and were paid subsequent to the period end.

10. SEGMENTED INFORMATION

The Company's mineral properties are located in Canada, Mexico, and the United States as shown below:

February 28, 2014	<u>Canada</u>	<u>Mexico</u>	<u>United States</u>	<u>Total</u>
Mineral properties	\$ 4,277,590	\$ -	\$ 10,493,000	\$ 14,770,590
Loss for the nine month period	\$ (358,806)	\$ (852,961)	\$ (41,330)	\$ (1,253,097)
February 28, 2013	<u>Canada</u>	<u>Mexico</u>	<u>United States</u>	<u>Total</u>
Mineral properties	\$ 5,038,658	\$ 852,961	\$ 8,577,340	\$ 14,448,959
Loss for the nine month period	\$ (5,022,929)	\$ (173)	\$ (36,144)	\$ (5,059,246)

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non cash transactions for the nine months ended February 28, 2014 included:

- The Company issued 6,283,333 common shares with a fair value of \$251,333 for the acquisition of mineral properties.

Significant non cash transactions for the nine months ended February 28, 2013 included:

- The Company has written off exploration and evaluation assets by \$4,410,297

12. SUBSEQUENT EVENTS

- On March 17, 2014 the Company closed the amended second tranche of a non-brokered private placement subscribed for by AMB, which financing the Company originally announced on October 25, 2013. The second tranche of 4,580,131 Shares were issued at \$0.06 per Share to raise gross proceeds of \$274,808. AMB now holds approximately 41.46% of the Company's issued and outstanding Shares.
- On March 13, 2014, the Company was voluntarily delisted from the Toronto Stock Exchange and its Shares commenced trading on the TSX Venture Exchange, continuing under the trading symbol of "SPD".