SILVER PREDATOR CORP.

(An Exploration Stage Enterprise)

Management's Discussion & Analysis

For the Nine Months Ended September 30, 2015 and Ten Months Ended September 30, 2014

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 nine months ended September 30, 2015. The discussion below should be read in conjunction with the Company's September 30, 2015 unaudited interim condensed 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 ("IASB"); and with the December 31, 2014 audited financial statements and related notes which were prepared in accordance with IFRS. All dollar figures included in the following Management's Discussion and Analysis are quoted in Canadian dollars unless otherwise indicated. This Management's Discussion and Analysis is prepared as of November 12, 2015.

The Company is a reporting issuer in the Provinces of British Columbia, Alberta, and Ontario in Canada and is listed on the TSX Venture 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.

BACKGROUND AND CORE BUSINESS

Silver Predator was incorporated under the laws of the Province of British Columbia on May 16, 2006.

Silver Predator Corp., through its wholly owned subsidiary, Springer Mining Company ("SMC"), owns the Springer Tungsten Mine and Mill Complex ("Springer") in Nevada. The Company also controls the Taylor silver-gold project in Nevada. The Taylor project hosts a current resource estimate, is open to expansion, and is located in a district that has identified the potential for discovery of additional silver and gold deposits.

In 2014, the Company changed its fiscal year end date from May 31 to December 31. Therefore, the financial statement information contained in these disclosures is for the nine months ended September 30, 2015 compared to the ten months ended September 30, 2014.

CORPORATE DEVELOPMENTS, SIGNIFICANT TRANSACTIONS AND FACTORS AFFECTING RESULTS OF OPERATIONS

Loan from Resource Re Ltd.

On August 31, 2015, the Company announced it has arranged for a US$275,000 loan from Resource Re Ltd. ("RRL") to fund its working capital requirements. RRL is a wholly owned subsidiary of Till Capital Ltd. (TSXV:TIL) ("Till Capital") who owns 71.65% of the Company's outstanding common shares. The loan is a related party transaction within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (MI 61-101). The Company is relying on the exemption from the formal valuation requirement in section 5.5(b) of MI 61-101 (as a result of its shares being listed on the TSX Venture Exchange) and the exemption from the minority approval requirement in section in section 5.7(a) of MI 61-101 (as a result of the transaction value being less than 25% of the Company's market capitalization). The loan is secured by the assets of the Company and bears interest at 12% per annum. The loan is due December 31, 2015. The Company may prepay the principal, in whole or in part, at any time without penalty prior to maturity.

Mining lease agreement

On January 17, 2015, the Company executed a renegotiated Mining Lease and Option to Purchase Agreement ("Agreement") with Geological Services Inc. and Robert W. Schafer (the Vendors) on nine unpatented lode claims at Springer. The Agreement provides for a reduced royalty rate which will help the economics of the project. Advance royalty payments to the Vendors are required totaling US$500,000 over seven years, with annual payments of US$100,000 commencing on January 17, 2023, as well as share payments totaling 300,000 shares over the first four years. All payments are to be credited against future royalty obligations. Springer may purchase the leased property for US$2,750,000, subject to a 1.5% NSR payable on all minerals, if paid prior to the 3rd anniversary. If paid after the 3rd anniversary but on or before the 5th anniversary, the payment will escalate to US$4,000,000. If the purchase option is not exercised, the Vendors will retain a sliding-scale net smelter royalty (NSR) of 2.0% to 4.0% on Tungsten and a 2% NSR on all other minerals. The previous agreement provided for a retained NSR sliding scale of 3.0% - 5.0%.

Note payable

In conjunction with the acquisition of Springer and Nevada Royalty Corp from Till Capital (the "Acquisition") in April 2014, the Company issued a US$4,500,000 Promissory Note ("Promissory Note") that bears interest at 4.00% per annum payable in tranches of US$1,000,000, US$1,500,000, and US$2,000,000, plus accrued interest, on the first, second, and third anniversaries of the Acquisition, respectively. On April 17th, 2015, the Company issued its first payment on the Promissory Note payable to Till Capital. The payment was made by the issuance of Company shares. A total of 29,028,000 shares were issued at a value of $0.05 per share for a total payment of $1,451,400 as per the Agreement announced on December 17, 2013. In August 2015, the Company's Board of Directors approved making a full cash payment of the remaining balance of the US$4.5 million Promissory Note to Till Capital plus accrued interest upon receipt of the proceeds from the sale of SMC. The Company's Board of Directors also agreed to negotiate in good faith with Till Capital to settle upon a cash price for the existing 2.0% Net Smelter Royalty on the Springer property to Till Capital. The agreed upon dollar amount would be paid in cash by the Company in exchange for Till Capital extinguishing the royalty on the property.

Michael Maslowski appointed Interim Chief Executive Officer

On June 25, 2015, the Company appointed Michael Maslowski as Interim Chief Executive Officer. Mr. Maslowski is a Geological Engineer with a career spanning more than 35 years of varied experience in resource exploration and mining operations in diverse parts of the world. He has directed grassroots exploration programs, developed properties from exploration to production and managed mining operations. He was the team leader for the discovery of the Diamond Hill Mine for Pegasus Gold in the 1990s and advanced the mine into production. He worked for

Coeur d'Alene Mines for 10 years in positions that included Director of Exploration and Assistant General Manager for the Palmarejo Mine in Chihuahua, Mexico. More recently he was VP Exploration and Chief Operating Officer for Golden Predator Canada. Mr. Maslowski holds a B.Sc. in Geological Engineering from Colorado School of Mines, is a Certified Professional Geologist (CPG) with the American Institute of Professional Geologists (AIPG), a Qualified Person (QP) as defined by National Instrument 43-101, and a member of the Society for Mining, Metallurgy, and Exploration (SME).

Other changes to the Company's Management and Board of Directors

The Company announced that Clifford D. Nelson Jr. resigned his position as Chief Executive Officer and Director effective June 22, 2015. Dean Schiller and Blair Shiletto resigned their position as Director on June 16, 2015 and August 3, 2015, respectively. Effective August 21, 2015, William A. Lupien and Michael Maslowski were elected to the Board of Directors.

Asset realization plan

In the second quarter of 2015, the Company announced its intention to realize value from assets by initiating the process to sell all, or part, of the tangible and intangible assets at some of its properties in Nevada. During the third quarter of 2015, significant progress has been made in selling SMC and the assets of its Taylor project ("Taylor"). The Company's Board and management are committed to a plan to sell SMC and Taylor, there is an active program in place to sell these assets, and active negotiations are being held with potential buyers. It is expected the sales will be completed within one year. Pursuant to IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* ("IFRS 5"), SMC is classified as discontinued operation and assets at Taylor are classified as assets held for sale.

OUTLOOK

Management estimates that it currently does not have adequate working capital to fund all of its expenses and planned activities for the next fiscal year. The Company's continued operations are dependent on its ability to monetize assets or raise additional funding from loans or equity financings or through other arrangements. There is no assurance that sale of assets or future financing initiatives will be successful. These conditions give rise to a material uncertainty which casts significant doubt on the Company's ability to continue as a going concern and, therefore, its ability to realize its assets and discharge its liabilities in the normal course of business. The 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 Company be unable to continue as a going concern. Such adjustments could be material.

FINANCIAL HIGHLIGHTS

The following summary of quarterly results is derived from the Company's unaudited interim condensed consolidated financial statements prepared by management:

	2015			2014				2013
	July - Sept 2015	April - June 2015	Jan - March 2015	Oct - Dec 2014	June - Sept 2014	March - May 2014	Dec 2013 - Feb 2014	Sept - Nov 2013
Operating expenses	$ (120,046)	$ (114,638)	$ (204,506)	$ (117,973)	$ (367,544)	$ (184,926)	$ (219,440)	$ (91,503)
Interest expense, net	(130,826)	(120,746)	(148,637)	(250,860)	(71,004)	(65,514)	—	—
Gain (loss) on derivative asset	(178,042)	1,173,661	254,047	2,143,518	—	488,490	—	—
Loss on investments	(6,978)	(51,219)	—	—	—	(25,000)	—	—
Write off of assets	(4,373,443)	(357,491)	(101,504)	—	—	(8,338,209)	(852,961)	—
Foreign exchange gain (loss)	(329,971)	125,307	(413,325)	(303,861)	47,668	52,413	(6,146)	490
Loss from discontinued operation	(89,685)	—	—	—	—	—	—	—
Net income (loss)	$(5,228,991)	$ 654,874	$ (613,925)	$ 1,470,824	$ (390,880)	$(8,072,746)	$ (1,078,547)	$ (91,013)
Cumulative translation adjustment	853,315	(1,050,162)	1,828,109	553,649	312,009	495,019	(274,245)	51,595
Unrealized gain (loss) on investments	6,848	(47,464)	75,000	25,000	—	—	25,000	100,000
Comprehensive income (loss)	$(4,368,828)	$ (442,752)	$ 1,289,184	$ 2,049,473	$ (78,871)	$(7,577,727)	$ (1,327,792)	$ 60,582
Basic and diluted net income (loss) per share	$(0.04)	$0.01	$(0.01)	$0.01	$(0.00)	$(0.15)	$(0.01)	$(0.00)

Results of operations for the three months ended September 30, 2015

The net loss for the three months ended September 30, 2015 is $5,228,991 (four months ended September 30, 2014 - loss of $390,880). Individual items contributing to the change of $4,838,111 are as follows:

- Higher exploration asset write-offs of $4,373,443 during the three months ended September 30, 2015 compared to the four months ended September 30, 2014. During the three months ended September 30, 2015, the Company recorded a write-down of $4,268,565 in its

Taylor assets due to the re-measurement as a result of Taylor assets being classified as Assets Held for Sale. There was no asset write-off during the four months ended September 30, 2014.

- Loss on derivative asset of $178,042 as a result of the increase in the price of the Company's shares from $0.01 to $0.015 per share at September 30, 2015 from June 30, 2015. There was no gain or loss on derivative asset during the four months ended September 30, 2014. The derivative asset is valued using the Black-Scholes model.

- Higher foreign exchange loss of $377,639 due to weakening of the Canadian dollar compared to the US dollar for the three months ended September 30, 2015 compared to the four months ended September 30, 2014.

- Lower loss on operating activities of $142,809 primarily due to decreased administrative activity and no stock-based compensation during the three months ended September 30, 2015 compared to the four months ended September 30, 2014.

- Higher interest expense of $59,822 due to the foreign exchange effects from the strengthening of the US dollar in the three months ended September 30, 2015 as compared to the four months ended September 30, 2014.

Results of operations for the nine months ended September 30, 2015

The net loss for the nine months ended September 30, 2015 is $5,188,042 (ten months ended September 30, 2014 - loss of $9,542,173). Individual items contributing to the change of $4,354,131 are as follows:

- Lower exploration asset writeoffs of $4,459,900 in the nine months ended September 30, 2015 compared to the ten months ended September 30, 2014. During the nine months ended September 30, 2015, the Company wrote off Illinois Creek in the amount of $364,930, and wrote down $4,268,565 in its Taylor assets due to the re-measurement as a result of Taylor assets being classified as Assets Held for Sale. During the ten months ended September 30, 2014, the Company wrote off the Grayling, Zap, Touchdown, Pigskin, Shar, McBride, and Magistral properties and recorded a writedown for Treasure Hill, Pinchot, Illinois Creek, Cordero and Cornucopia, to reflect the assessments of fair value of these properties totaling $9,191,170.

- Higher gain on derivative asset of $761,176 as a result of the decline in the price of the Company's shares from $0.025 to $0.015 per share at September 30, 2015 from December 31, 2014, and a realized gain from making the first payment by the Company's shares at the agreed upon price of $0.05. The derivative asset is valued using the Black-Scholes model.

- Lower loss on operating activities of $279,167 due primarily to decreased administration activity and lower stock-based compensation expense in the nine months ended September 30, 2015 compared to the ten months ended September 30, 2014.

- Foreign exchange loss increased by $711,924 due to the weakening of the Canadian dollar compared to the US dollar during the nine months ended September 30, 2015 compared to the ten months ended September 30, 2014.

- Interest expense increased by $263,691 due to nine months of interest in the nine months ended September 30, 2015 on the Promissory Note issued to Till Capital compared to only five and a half months of interest in the ten months ended September 30, 2014.

Cash flows for the nine months ended September 30, 2015

Cash outflows from operating activities increased by $64,124 to $563,567 (ten months ended September 30, 2014 – $499,443) due primarily to a decrease in payables and increase in receivables, partly offset by the lower operating loss adjusted for non-cash items of $118,857.

Cash outflows from investing activities decreased by $309,039 to $303,519 (ten months ended September 30, 2014 – $612,558) due to less exploration costs capitalized, no equipment purchases, and proceeds from the sale of marketable securities of $17,837 .

Cash inflows from financing activities decreased by $1,678,052 to $315,135 (ten months ended September 30, 2014 – $1,993,187) due to proceeds received from a private placement during the ten months ended September 30, 2014, partially offset by proceeds received from a loan during the nine months ended September 30, 2015.

Financial position

The decrease in cash and equivalents of $551,951 to $724 (December 31, 2014 - $552,675) results primarily from paying operating and exploration expenditures during the period, partly offset by proceeds received from a loan from Resource Re Ltd., a subsidiary of Till Capital.

The fair value of the derivative asset increased by $669,105 to $3,437,109 at September 30, 2015 (December 31, 2014 - $2,768,004) as a result of the decline in the Company's share price from $0.025 to $0.015 from December 31, 2014 to September 30, 2015.

Reclamation bonds decreased by $72,879 to $121,899 (December 31, 2014 - $194,778) due to the reclassification of certain reclamation bonds recoverable within a year to receivables. Reclamation bonds are posted with the Bureau of Land Management ("BLM") in the State of Nevada and with the United States Forest Service (Nevada) as security for reclamation requirements on the Company's mineral properties. Reclamation liabilities as at September 30, 2015 are not material and the Company is actively pursuing the release of the remaining bonds.

Property, plant and equipment decreased by $4,730,378 to $nil (December 31, 2014 - $4,730,378) due to the accounting treatment of reclassifying the assets to Assets Held for Sale in the current period.

Mineral properties decreased by $6,467,898 to $1,395,434 (December 31, 2014 - $7,863,332) due to write-offs of $4,722,176 mostly attributable to Taylor, and the accounting treatment of reclassifying the Springer and Taylor mineral properties to Assets Held for Sale ($2,991,099), partially offset by the effect of changes in the foreign exchange rate and additional amounts capitalized for expenditures on mineral properties in the current period.

The Company made its first payment on the Promissory Note, including principal and accrued interest, on April 17, 2015 by issuing to Till Capital a total of 29,028,000 shares at a value of $0.05 per share for a total payment of $1,451,400 as per the Agreement announced on December 17, 2013. As a result, the Promissory Note balance decreased to $4,130,695 (December 31, 2014 - $4,638,595), the interest payable increased by $85,268 to $233,202 (December 31, 2014 - $147,934), and the share capital increased by $873,240 to $31,797,380 (December 31, 2014 – $30,924,140). During the period the Company received proceeds of $315,135 (US$235,000) from a loan from Resource Re Ltd., a subsidiary of Till Capital.

LIQUIDITY AND CAPITAL RESOURCES

The 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 September 30, 2015, the Company reported net cash outflow from operating activities of $563,567 and as at that date had a net working capital balance of $7,495,323 and an accumulated deficit of $28,940,452. The Company has no source of operating cash flows and as such the Company's ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing. The ability of the Company to monetize assets or obtain additional financing is uncertain, casting significant doubt upon the Company's ability to continue as a going concern.

OUTSTANDING SHARE DATA

At the date of this report, the Company has 128,049,192 issued and outstanding common shares, 450,000 outstanding warrants at a weighted average exercise price of $0.14, and 4,456,000 stock options outstanding at a weighted average exercise price of $0.30.

RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2015, the Company incurred expenses of $10,193 (ten months ended September 30, 2014 - $263,803) to directors and officers as compensation for services received.

Amounts paid to related parties were incurred in the normal course of business and measured at the estimated fair values. The Company is party to service agreements with Till Capital whereby the Company receives accounting, corporate communication, and technical services on a cost plus recovery basis. In the ten months ended September 30, 2015, the Company was charged $250,219 for these services. As at September 30, 2015 the amounts due to related parties totaled $82,978 (December 31, 2014 - $88,003).

OFF BALANCE SHEET ARRANGEMENTS

At September 30, 2015, the Company had no material off-balance sheet arrangements, such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments (other than the derivative instrument related to the Promissory Note which is disclosed in note 6 of the interim condensed consolidated financial statements), or any obligations that trigger financing, liquidity, market or credit risk to the Company.

CRITICAL ACCOUNTING ESTIMATES

The Company has prepared its unaudited interim condensed consolidated financial statements in accordance with IFRS as issued by the IASB. Note 3 to the audited consolidated financial statements for the period ended December 31, 2014 provides details of significant accounting policies and accounting policy decisions for significant or potentially significant areas that have had an impact on the Company's financial statements or may have an impact in future periods. There were no changes to the accounting policies applied by the Company to the unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2015, from those applied to the audited consolidated financial statements for the period ended December 31, 2014.

The preparation of financial statements in conformity with IFRS requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities, as well as revenues and expenses. Other than the estimates used in the derivative asset valuation disclosed in note 6 of the interim condensed consolidated financial statements and the estimates used in the remeasurement of Taylor assets as a result of it being classified as Assets Held for Sale, there have been no changes to the Company's critical accounting estimates since December 31, 2014. Readers are encouraged to refer to the critical accounting policies and estimates as described in the Company's audited consolidated financial statements and Management's Discussion and Analysis for the period ended December 31, 2014.

RISKS AND UNCERTAINTIES

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 Company's business, actually occur, the Company'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.

Sale of assets and availability of financing

There is no assurance that sale of assets or future financing initiatives will be successful. There is no assurance that additional funding will be available to the Company for additional exploration or for the substantial capital that is typically required in order to bring a mineral project to the production decision or to place a property into commercial production. There can be no assurance that Silver Predator will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Title matters

While Silver Predator has performed due diligence with respect to title of its properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements of transfer or other adverse land claims, and title may be affected by undetected defects.

Management

The Company is dependent on a relatively small number of key personnel and management services provided by Till Capital pursuant to the intercompany service agreement, the loss of any of whom could have an adverse effect on the Company.

Economics of developing mineral properties

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. With respect to Silver Predator's properties, should any mineral resource exist, substantial expenditures will be required to confirm that mineral reserves which are sufficient to commercially mine exist on its current properties, and to obtain the required environmental approvals and permits required to commence commercial operations. Should any resource be defined on such properties, there can be no assurance that the mineral resources on such properties can be commercially mined or that the metallurgical processing will produce economically viable, merchantable products. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (i) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (ii) availability and costs of financing; (iii) ongoing costs of production; (iv) market prices for the minerals to be produced; (v) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (vi) political climate and/or governmental regulation and control.

The ability of Silver Predator to sell and profit from the sale of any eventual mineral production from any of its properties will be subject to the prevailing conditions in the global minerals marketplace at the time of sale. The global minerals marketplace is subject to global economic activity and changing attitudes of consumers and other end-users' demand for mineral products. Many of these factors are beyond the control of the Company and therefore represent a market risk which could impact the long term viability of the Company and its operations.

Foreign Exchange Risk

A portion of the Company's financial assets and liabilities are denominated in US dollars. The Company monitors this exposure, but has no hedge positions. At September 30, 2015, a 5% change in the value to the US dollar as compared to the Canadian dollar would result in an immaterial change in net loss and shareholders' equity.

Credit Risk

Credit risk arises from cash held with banks and financial institutions and receivables. The maximum exposure to credit risk is equal to the carrying value of these financial assets. The Company's cash is primarily held with a major Canadian bank and a major US bank.

Interest Rate Risk

Interest rate risk mainly arises from the Company's cash and cash equivalents, which receive interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its current obligations as they become due. The majority of the Company's accounts payable and accrued liabilities are payable in less than 90 days. The Company prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of the Company's activities, funding for long-term liquidity needs is dependent on the Company's ability to obtain additional financing through various means, including equity financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favourable.

Stage of Development

The Company's properties are in the development and 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.

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 realized an operating profit. Investors also cannot expect to receive any dividends on their investment in the foreseeable future.

Mineral Industries Competition is Significant

The international 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 minerals 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

The Company's future revenues, if any, are expected to be in large part derived from the future mining and sale of 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 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 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.

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 there under, 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.

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.

The Company could be deemed a passive foreign investment company which could have negative consequences for U.S. investors

Depending upon the composition of the Company's gross income or its assets, the Company could be classified as a passive foreign investment company ("PFIC") under the United States tax code. If the Company is declared a PFIC, then owners of the common shares who are U.S. taxpayers generally will be required to treat any "excess distribution" received on their common shares, or any gain realized upon a disposition of common shares, as ordinary income and to pay an interest charge on a portion of such distribution or gain, unless the taxpayer makes a qualified electing fund ("QEF") election or a mark-to-market election with respect to the common shares. A U.S. taxpayer who makes a QEF election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any year in which the Company is classified as a PFIC, whether or not the Company distributes any amounts to its shareholders. U.S. investors should consult with their tax advisor for advice as to the U.S. tax consequences of an investment in the common shares.

INFORMATION REGARDING FORWARD LOOKING STATEMENTS

This Management's 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 the Company 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 the Company 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; future prices of gold; 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 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 to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Management's 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.