SILVER PREDATOR CORP.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED MAY 31, 2014

TABLE OF CONTENTS

1. BACKGROUND AND CORE BUSINESS 3

2. COMPANY HIGHLIGHTS 3

3. CORPORATE DEVELOPMENTS AND SIGNIFICANT TRANSACTIONS AND FACTORS AFFECTING RESULTS OF OPERATIONS 4

FINANCINGS 4
CORPORATE ACQUISITION 4
Nevgold ..... **Error! Bookmark not defined.**
Springer mining company and other assets 4
MINERAL PROPERTY TRANSACTIONS 4
Illinois Creek 4
Dispositions 5

4. DEVELOPMENT AND OPERATIONS REVIEW 5

Springer Tungsten, Nevada 5
Taylor Property, Nevada 6

5. OUTLOOK 11

6. SELECTED FINANCIAL INFORMATION 11

6.1 RESULTS OF OPERATIONS FOR THE YEAR ENDED MAY 31, 2014 12
6.2 CASH FLOWS FOR THE YEAR ENDED MAY 31, 2014 12
6.3 RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MAY 31, 2014 12
6.4 SUMMARY OF QUARTERLY RESULTS 13
6.5 FINANCIAL POSITION 13

7. LIQUIDITY, CAPITAL RESOURCES, ... 14

8. OUTSTANDING SHARE DATA 14

9. OFF BALANCE SHEET ARRANGEMENTS 14

10. RELATED PARTY TRANSACTIONS 14

11. CRITICAL ACCOUNTING ESTIMATES 15

12. MANAGEMENT OF FINANCIAL RISK 16

13. INFORMATION REGARDING FORWARD LOOKING STATEMENTS 17

14. SUBSEQUENT EVENTS 17

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, 2014. The discussion below should be read in conjunction with the Company's May 31, 2014 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; with the Company's Management Discussion and Analysis ("MD&A") for the year ended May 31, 2013; and with the Company's audited consolidated financial statements and related notes 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 September 2, 2014.

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 economically viable mineral resource deposits in the leading silver districts of Nevada, USA. The Company acquired interests in 9 advanced stage and development mineral properties comprising approximately 39,000 hectares in Nevada in a series of transactions that led to its Toronto Stock Exchange ("TSX") listing in April 2011. In March 2014, the Company voluntarily de-listed from the TSX and was listed on the TSX Venture Exchange.

The Company controls the Taylor silver deposit in Ely, Nevada, which hosts a current 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 provide the ability to maximize shareholder value from the quality asset base.

On February 28, 2012, the Company completed an asset purchase 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.

On April 17, 2014, the Company completed the acquisition of Springer Mining Company ("SMC") and Nevada Royalty Corporation ("NRC") from Americas Bullion Royalty Corp ("AMB") (the "Acquisition"). The assets of SMC and NRC include the Springer Mine and Springer Mill, the Taylor Mill, and other mineral properties. The Acquisition has been accounted for as an asset purchase.

2. COMPANY HIGHLIGHTS

During the period the Company:

- Closed a non-brokered private placement for gross proceeds of $660,801;
- Completed the acquisition of SMC and NRC from AMB (the "Acquisition");
- Outlined potential new gold systems at the Taylor Silver Project near Ely, Nevada;
- Published NI 43-101 Technical Report containing an updated resourced estimate on the Taylor Property;
- Dropped all Canadian claims requiring any near- term holding costs

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.

On December 12, 2013 the Company closed a non-brokered private placement of 12,300,000 common shares at a price of $0.05 per Share. On closing of the first tranche, 7,719,869 shares were issued for gross proceeds of $385,994. Till Capital Ltd ("Till") a company related by its shareholding in Silver Predator Corp., purchased 5,419,869 Shares.

On March 17, 2014, 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 for gross proceeds of $274,807.

Corporate Acquisition

Springer mining company and other assets

On April 17, 2014 the Company completed the acquisition of SMC and NRC from AMB (the "Acquisition"). The assets of SMC and NRC include the Springer Mine and Springer Mill, the Taylor Mill, and other mineral properties. The Acquisition has been accounted for as an asset purchase.

In consideration for the acquired assets, the Company:

- issued AMB 6,892,500 common shares of the Company on closing (note 13);
- issued AMB a promissory note with a face value of US$ 4,500,000, stated interest of 4.00% per annum, payable over three years (note 8);
- granted AMB royalty interests in the mineral properties owned by the Company prior to the Acquisition; and
- granted AMB royalty interests in the mineral properties acquired by the Company in the Acquisition.

The fair value of the consideration paid was calculated as follows, expressed in Canadian dollars:

Common Shares issued on closing	516,938
Promissory Note	4,152,069
Derivative asset	(135,997)
	4,533,010

The following table sets forth the allocation of the fair value of the consideration to the assets acquired and liabilities assumed:

Purchase price allocation		
Property, plant and equipment		4,397,310
Reclamation bonds		56,830
Mineral interests		147,915
Accounts payable and accrued liabilities		(69,045)
	$	4,533,010

In addition to the consideration paid, the Company incurred $68,635 in acquisition-related costs which were capitalized to property, plant and equipment, resulting in total PP&E additions at April 17, 2014 of $4,465,945.

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. During the year ended May 31, 2014 PBM made installments of $79,758. 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

As a result of the sale, termination of option agreements, and dropping mining claims on most of the Canadian properties during the year, the Company recorded a write down of approximately $4.2 million.

Termination of Option Agreements related to projects:

Groundhog, Cyr, Grayling, Zap
On March 31, 2014, the Company sold its 100% interest in the properties for $64,330. The difference of $1,923,060 between the consideration received for the interests and their carrying value of $1,987,390 has been written-off.

Touchdown, Pigskin, Shar
On March 31, 2014, the Company sold its 100% interest in the properties for $64,330. The difference of $1,772,279 between the consideration received for the interests and their carrying value of $1,836,609 has been written off.

McBride
Due to lack of activity on the McBride property during the year the Company recorded a write-down of $453,591.

4. DEVELOPMENT AND OPERATIONS REVIEW

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

Springer Tungsten, Nevada

During the year the Company has completed the acquisition of Springer Mining Company, which wholly owns the Springer mine and mill, along with several other projects in Nevada, from AMB. At closing, the company issued to, a wholly owned subsidiary of Till , successor in title to AMB, 6,892,500 common shares of the company (having a deemed total value of $500,000 (U.S.)) and a convertible promissory note in the principal amount of $4.5-million (U.S.) bearing interest at 4 per cent per year and payable over a period of three years. The Company also granted a royalty interest in each of its properties held at the closing.

In the course of a concurrent reorganization of AMB, Till acquired all of the company's shares held by AMB Accordingly, Till then owned, directly and indirectly, 36,949,166 shares, or approximately 46 per cent of the company's issued and outstanding shares.

In 2013, a preliminary economic assessment was completed on the Springer mine and mill, which outlined a net present value of $22.8-million based on a 47-per-cent after-tax internal rate of return and $29.8-million in capital costs. Since 2007, $38-million has been spent on modernization, mill refurbishment and exploration. The company is currently seeking a joint venture partner to operate the Springer mine and mill. The company has filed the preliminary economic assessment on SEDAR, entitled "Preliminary Economic Assessment of the Springer Tungsten Mine, Pershing County, Nevada, United States (As Amended and Restated)," dated Dec. 31, 2013, and prepared by DMT Geosciences Ltd. A copy of the report is available for download under the company's SEDAR profile. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Additional Springer resource potential

In addition to the 2013 PEA, the company has completed a conceptual 12 year mine plan based on potential conversion of historical resources. The most recent historical estimate completed by General Electric (GE) in 1984 identified approximately four times more mineralized material at the same cut-off grade than the current resource estimate. GE spent over $70-million (U.S.) at Springer and identified the historical resource of 10.72 million tonnes at an average grade of 0.45 per cent WO3 (tungsten trioxide).

The historical resource estimate of 10.7 Mt at 0.45 per cent WO3 is based on data and reports prepared by the previous operators, General Electric and Utah International Inc., in 1984. The company has not completed the work necessary to have the historical estimate verified by a qualified person, and therefore it is not included in the PEA. Furthermore, the company is not treating the estimate as a current NI 43-101-compliant defined resource, and the historical estimate should not be relied upon. The property will require further work to substantiate these data.

Tungsten overview

Tungsten is a hard industrial metal with primary used in steel alloys, cemented carbide products and military applications. China accounts for over 85 per cent of total production but has increasingly restricted exports due to rising domestic demand and decreasing supplies. In 2012, the British Geological Survey identified tungsten and rare earth elements as being the economic minerals most at risk for available future supplies.

In particular, Japan is dependent on Chinese production and consumes approximately 50 per cent of China's total exports. With Japanese-Chinese relations rapidly deteriorating over the South China Sea, Japan, among other Western nations, is seeking strategic non-Chinese sources of supply. Both China and Japan have escalated military spending to increase naval and air defence capabilities, while political relations have deteriorated.

The United States, Europe and Japan consume over 50 per cent of the world's tungsten but have minimal production. To increase supply available to the West, the United States has increasingly sold stockpiles to meet industrial demand, but these stockpiles have decreased significantly. The United States and Germany, two of the largest producers of tungsten products, lack any significant source of mine production, and are reliant on imports and secondary sources such as scrap recycling. U.S. tungsten stockpiles, a key secondary source of supply, have decreased from nearly 30,000 tonnes in 2002 to less than 15,000 tonnes in 2012. As a result, the U.S. government may become a net buyer of tungsten to eventually replace replenish depleted stockpiles. U.S. scrap recycling has also been an integral source of non-Chinese tungsten supply. Since 2002, U.S. scrap recycling has increased by more than 200 per cent, but further growth appears to be limited, as total secondary production from recycling continues to decrease.

Taylor Property, Nevada

Property Acquisition

AMB 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. In December 2013, the Company completed the exercise of its option to acquire 100% of the Taylor silver project, to give it full title to the property. 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. In December 2013, the Company issued the 6,283,333 common shares with a fair value of $188,500, representing the final payment required to exercise the option.

On exercise of this option the Company granted to AMB 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 AMB received 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, AMB 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).

Recent Work

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 had 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) 2013's update of 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, underreporting 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.

During the year the Company has received permits for 14 drill sites designed to test newly identified gold targets to the east and southeast of the existing 1,320-tonne-per-day mill and silver resource at its 100-per-cent-owned Taylor project located in White Pine County, Nevada. This is the first time the previously unrecognized gold targets will be drill tested. The drill program will commence immediately to test the new Carlin-type gold target areas identified at South Taylor, Antimony Pit, Crescent and Enterprise. Surface alteration and mineralization mapped and sampled in the Enterprise-Crescent area covers a larger footprint than the current silver resource, and has yielded high-grade surface results with soil samples up to 1.7 grams per tonne gold and 58 g/t silver. The company anticipates receiving initial assay results in the second quarter of this year.

New gold targets

In 2012, a detailed mapping program covering eight square miles was completed that included the existing silver resource area and newly developed targets. Initial mapping in the open-pit areas found that silver mineralization was confined to specific, but predictable, host rocks and fault zones. In fact, the best silver grades were found at the convergence of north-south and northwest-orientated fault zones, structural controls that are repeated at Taylor and are typical of other gold districts in Nevada, including the northern Carlin trend. In addition, the company found that silty carbonate rock types, as in other Nevada sediment-hosted precious metals mines, are key host rocks in the Taylor resource area. Extensive intrusive igneous rocks mapped as dikes and sills are also closely associated with the higher silver grades at Taylor, and represent a third characteristic common to other Nevada sediment-hosted deposits.

As the mapping was expanded outward from the resource area, silica alteration, intrusives and antimony prospects related to north-south and northwest faulting were found to the east and southeast of the resource area. This mapping was the first indication that previous mining was focused on only a minor portion of a much larger district-scale precious metals system. In the newly mapped areas, however, the highly favourable silty carbonate host rocks of the upper Guillmette formation are not exposed at the surface as they are in the resource area and require drilling to test.

In order to prioritize and rank the newly identified target areas, a soil geochemistry program was designed and implemented in late 2012. This soil sample grid consisted of 1,166 samples and provided broad overall coverage with additional detail over some of the better areas as defined by the mapping program. The soil program identified highly anomalous gold, silver, antimony, arsenic and mercury in mapped areas coincident with favourable host rocks, intrusives, jasperoid silica and the patterned north-south/northwest fault sets.

The soil results include:

- Five samples assaying over one g/t gold, including values of 1.3, 1.5 and 1.7 g/t Au;
- 126 samples (11 per cent) assaying greater than 0.2 g/t Au;
- 224 samples (19 per cent) assaying greater than 0.1 g/t Au;
- The soil sample of 1.3 g/t was located approximately 15 feet from a small outcrop of Pilot shale that was weakly silica altered, but assayed five g/t Au and 12 g/t Ag.

The combined mapping and soil geochemistry programs confirmed that Taylor is a newly recognized classic Carlin-type precious metals system with a significant gold component. The coming reverse circulation drilling program is designed to test some of these target areas that combine mapped faults, intrusives and alteration, and favourable soil results at surface, with a deeper projection of the upper Guillmette host rocks. This upper Guillmette silty carbonate horizon varies in depth from one area to another, but is expected to average approximately 300 to 750 feet below surface.

SPD. has received assays for 14 reverse circulation holes designed to test outlying gold and silver target areas to the east and southeast of the current silver resource, and two reverse circulation holes completed within the resource area. The most significant results, including hole SPT-66 with 18.3 metres of 1.02 grams per tonne gold starting at surface, were concentrated in three holes drilled from a site immediately west of the Antimony prospect area. Further drill hole delineation of this gold-enriched portion of the district will be a high priority during the next Taylor drill program.
Significant results include:

- SPT-66 with 18.3 m of 1.02 g/t gold starting at surface;
- SPT-65 with 24.4 m of 0.68 g/t gold starting at surface, including 12.2 m of 0.85 g/t gold;
- SPT-62 with 12.2 m of 0.78 g/t gold and 88.3 g/t silver starting at 71.6 m.

All gold and silver mineralization encountered to date is considered oxide in nature.

2014 Taylor Drilling Program

The 2014 spring drilling program was primarily designed to test outlying gold and silver targets to the east and southeast of the current silver resource area. In these outlying areas, 14 reverse circulation (RC) drill holes totalling 11,745 feet were completed. An additional two RC holes totalling 885 feet were completed within the resource area near the Bulls Eye target. Drilling was designed to provide an initial test of the areas identified by detailed mapping and soil sampling as previously reported. Target areas typically displayed strong precious and indicator element geochemistry, prominent silicification, known or projected faults, felsic intrusive bodies as dikes, and key host rock silty carbonate units.

The most significant results obtained from the outlying target areas were concentrated in three holes drilled from a site immediately west of the Antimony prospect area, where potential bulk-minable gold mineralization starting from surface was encountered in all three holes. Both holes drilled in the Bulls Eye target area intercepted strong silver zones in the Guilmette carbonates with significant added gold values associated with the crosscutting intrusives. Other widespread targets across the property encountered strong alteration in the upper Guilmette transition with the overlying Pilot formation in all 14 drill holes, although no ore grade mineralization was found with this initial pass.

Near-surface intercepts -- Antimony prospect area

The Antimony prospect area, named for the small pit area where antimony was intermittently mined from silica flooded carbonates of the lower Chainman formation over the past century, has a well-demonstrated gold component known previously from surface soil and rock-chip geochemistry, and limited historic drilling in the area. Three east-directed angle holes were drilled toward the prospect from a site located approximately 140 feet to the west and all three holes encountered significant gold intercepts starting at the surface as shown in the table. SPT-75 was drilled approximately 220 feet to the northwest and appears to have cut the same silicified host rocks and Antimony fault system from surface. Based on drill hole geology and detailed surface mapping in the area, this newly identified gold zone appears to be primarily bedding controlled with secondary structural controls and suggests that a sizable bulk-minable gold-only target may exist at surface throughout this area. Further drill hole delineation of this gold-enriched portion of the district will be a high priority during the next Taylor drill program.

Near Surface Intercepts: Antimony Pit Target (1), (2)					
HOLE ID	**Interval (m)**	**Gold (g/t)**	**Silver (g/t)**	**From (m)**	**To (m)**
SPT-64	18.3	0.886	Nil	6.1	24.4
including	*6.1*	*1.465*	*Nil*	*6.1*	*12.2*
SPT-65	24.4	0.683	Nil	0.0	24.4
including	*18.3*	*0.806*	*Nil*	*6.1*	*24.4*
SPT-66	18.3	1.022	Nil	0.0	18.3
including	*6.1*	*2.070*	*Nil*	*6.1*	*12.2*
SPT-75	6.1	0.272	Nil	0	6.1

(1) Grams per tonne (g/t) to troy ounces per short ton: g/t divided by 34.2857 or multiplied by .0292. Meters to feet: 1 m equals 3.28084 ft.
(2) All assays are reported as drilled intervals and are not to be interpreted as true widths

Within the current silver resource envelope at Taylor, at least two areas are currently known to exhibit economically significant gold values associated with high-grade silver zones, although gold potential is not currently included in the Taylor resource. One of these areas is along the southern portion of the Argus fault, while a more recently identified gold-bearing portion of the resource is being explored to the north in and around the intersection of the northwest-oriented Bulls Eye and north-south-trending Feeder fault zones. The Bulls Eye area precious metal distribution is unusual in that while strong silver values are associated with the silty carbonate host rocks of the upper Guilmette, anomalous gold mineralization is almost always hosted in the felsic dikes that intrude the Bulls Eye fault zone. The intercepts in SPT-61 and SPT-62 will provide additional information on the geometry of this zone as part of a targeting model that will be used for deeper drilling during the next Taylor drill program. Known receptive host rocks farther down in the Guilmette have not been tested to date, but could provide deeper high-grade potential for both silver and gold.

Resource Area Significant Intercepts: Bulls Eye Target (1), (2)					
HOLE ID	**Interval (m)**	**Gold (g/t)**	**Silver (g/t)**	**From (m)**	**To (m)**
SPT-61	47.3	Nil	50.3	19.8	67.1
including	*7.6*	*Nil*	*80.2*	*19.8*	*27.4*
and	25.9	Nil	61.1	33.5	59.5
and	3.0	0.824	82.0	83.8	86.9
SPT-62	4.6	Nil	114.3	15.2	19.8
and	*9.1*	*Nil*	*39.5*	*44.2*	*53.4*
and	12.2	0.775	88.3	71.6	83.8
including	*7.6*	*1.076*	*62.0*	*71.6*	*79.3*

(1) Grams per tonne (g/t) to troy ounces per short ton: g/t divided by 34.2857 or multiplied by .0292. Meters to feet: 1 m equals 3.28084 ft.
(2) All assays are reported as drilled intervals and are not to be interpreted as true widths

5. OUTLOOK

The Company has a portfolio of advanced stage silver and tungsten 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, 2014 $	May 31, 2013 $	May 31, 2012 $
Net sales	Nil	Nil	Nil
Net loss	9,325,843	5,800,632	4,740,820
Loss per share – basic and diluted	(0.15)	(0.12)	(0.14)
Total assets	12,574,174	15,538,366	20,079,410
Total long-term liabilities	4,153,113	Nil	622,996
Cash dividends declared per-share	Nil	Nil	Nil

6.1 Results of operations for the year ended May 31, 2014

The net loss for the year was $9,325,843 compared to a net loss in the prior year of $5,800,632. Individual items contributing to the increase in net loss of 3,525,211 are as follows:

- Consulting and management fees decreased by $80,412 to $123,177 (2013 - $203,589) due to reduced rates charged by the company consultants.
- General and administrative expenses decreased by $51,759 to $41,453 (2013 - $93,212) due to decreased administrative activity by the Company in the current year.
- Filing costs increased by $62,495 to $84,322 (2013 - $21,827), mainly related to the acquisitions and private placements that occurred during the year.
- Professional fees decreased by $88,699 to $104,205 (2013 - $192,904) as a result of a decrease in legal costs related to general corporate activity.
- Salaries and wages decreased by $81,957 to $9,927 (2013 - $91,884) 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 $179,602 (2013 – $227,003) 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 $55,362 to $6,118 (2013 - $61,480) due to decreased investor relations activity as well as decreased efforts to promote the Company and financing activities.
- Write off of resource properties of $9,191,170 (2013 - $4,998,270). During the year, the Company wrote off the Grayling, Zap, Touchdown, Pigskin, Shar, McBride, and Magistral. Furthermore the Company recorded a writedown for Treasure Hill, Pinchot, Illinois Creek, Cordero and Cornucopia, to reflect current assessments of fair value for these properties. During 2013, the Company wrote off the Staking, Rusty, Hy, Flip and Plata properties.
- Write down of investments of $25,000 (2013 - $ 509,988) in the current year results from the write down of the investment in Hy Lake Gold Inc.
- Foreign exchange gain of $46,887 (2013 – loss of $6,025) increased in the current year due mainly from the conversion of US monetary item balances to CAD for reporting purposes.
- Interest expense of $65,514 (2013 – income of $5,479) is mainly related to the Promissory Note issued to AMB as a part of the consideration for the acquisition of SMC.

The comprehensive loss for the period includes $nil unrealized loss on available for sale marketable securities compared to $65,012 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 SPD.

6.2 Cash flows for the year ended May 31, 2014

Cash outflows from operating activities decreased by $181,941 to $248,859 (2013 – $430,800) primarily due a decrease in working capital requirements.

Cash outflows from investing activities decreased by $340,889 to $550,671 (2013 - $891,560) 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 decreased by $386,388 to $658,287 (2013 - $1,044,675) due to less financing during the current fiscal year.

6.3 Results of operations for the three months ended May 31, 2014

The net loss for the quarter was $8,072,746 compared to $741,386 in the prior year. Individual items contributing to the increase in net loss of $7,331,360 are as follows:

- Consulting and management fees increased by $15,716 to $63,246 (2013 - $47,530) primarily due the Company engaging consultants for management and exploration services during the quarter.
- General and administrative expenses increased by $22,114 to $26,476 (2013 - $4,362) due to more staffing and operational activity by the Company in the current quarter.

- Filing costs increased by $77,991 to $78,041 (2013 - $50) due to the completed acquisition during the quarter compared to the prior year.

- Stock-based compensation increased by 33,306 to $25,903 (2013 – ($7,403)) reflecting the recognition of stock option expense during the quarter.

- Writeoff of resource properties of $9,191,170 (2013 - $737,973) reflects writeoffs of mineral properties relating to Canadian, Mexican and US properties. A larger number of properties were written off curing the current year quarter.

- Revaluation of derivative asset resulting in an unrealized gain of $488,490 (2013 - $Nil).

- Writeoff of investments of $25,000 (2013-509,988) due to a decline in the value of the Company's public company investments below cost.

- Foreign exchange gain of $52,413 (2013 – loss of $738) was due to higher cash balances. This amount mainly reflects the conversion of US monetary item balances to CAD for reporting purposes.

- Interest expense of $65,514 (2013 - $Nil) related to the Promissory Note issued to AMB as a part of the consideration for the acquisition of SMC.

6.4 Summary of quarterly results

The Company's financial statements are reported under IFRS issued by the IASB. The following tables provide highlights of quarterly results for the past eight quarters from the Company's financial statements:

	2014				**2013**			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Net Sales	-	-	-	-	-	-	-	-
Net income (loss)	(8,072,746)	(1,078,547)	(91,013)	(83,537)	(741,386)	(4,504,393)	(134,629)	(420,224)
Basic and diluted Net Income (Loss) per share	(0.13)	(0.01)	(0.00)	(0.00)	(0.02)	(0.10)	(0.00)	(0.01)

The increase in operating loss in Q4 of 2014 results from the impairment of mineral properties. The loss in Q4 2013 results primarily from the impairment of mineral properties.

6.5 Financial position

The decrease in cash of $141,243 to $371,733 (2013 - $512,976) results primarily from expenditures on mineral properties of approximately $0.4 million as well as operating cash flows of $0.2 million, offset by $0.6 million raised by closing a private placement.

Prepaid expenses and deposits increased by $12,877 to $40,041 (2013 - $27,164) due to increased operations activity during the year by the Company.

Receivables decreased by $7,782 to $10,905 (2013 - $18,687). This was mainly the result of a more timely collection during the year.

Investments decreased by $25,000 to $170,000 (2013 - $195,000) as a result a decrease in fair market value of the Hy Lake Gold Inc. common shares.

Promissory note of $4,153,113 resulted from the acquisition of SMC and NRC from AMB (the "Acquisition") whereby the Company issued a US$4,500,000 promissory note that bears interest at 4.00% per annum payable in tranches of US$ 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.

Reclamation bonds totaling $173,913 (2013 - $22,206) were 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.

Resource properties decreased by $9,191,170 to $6,785,429 (2013 - $14,762,333) primarily due to properties written down and relinquished during the year.

Accounts payable and accrued liabilities increased by $217,321 to $273,122 (2013 – $55,801) due to unpaid expenditures related to the Springer acquisition, completed during the year.

Due to related parties of $29,533 (2013 – $5,128) mainly relates to payables for consulting services provided during the year.

Share capital increased by $1,363,725 to $29,618,564 (2013 – $28,254,839) primarily due to the private placement that closed during the year.

Reserves increased by $205,537 to $2,644,349 (2013 – $2,438,812) primarily due the fair value of warrants and options issued during the private placement.

Accumulated other comprehensive gain of $687,846 results from the inclusion of the cumulative translation amount of one of the Company's subsidiaries.

7. LIQUIDITY, CAPITAL RESOURCES,

Refer to note 18 in the consolidated financial statements.

8. OUTSTANDING SHARE DATA

At the date of this report the Company has 98,961,192 issued and outstanding common shares, 5,880,750 outstanding stock options currently outstanding, vested at a weighted average exercise price of $0.25, and 500,000 outstanding warrants at a weighted average exercise price of $0.14.

9. OFF BALANCE SHEET ARRANGEMENTS

At May 31, 2014, 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.

During the year, the Company paid management fees of $31,719 (2013 - $69,990) to Nathan Tewalt, CEO of the Company.

During the year, the Company paid management fees of $27,500 (2013 - $33,175) to due to BridgeMark Financial Corp. a company controlled by Anthony Jackson, CFO of the Company.

During the year, the Company paid management fees of $35,338 (2013 - $68,224) to Thomas Chadwick, Vice President, Exploration of the Company.

These services were incurred in the normal course of operations for general corporate matters, attendance at committee and board meetings, as well as evaluating business opportunities. All services were made on terms equivalent to those that prevail with arm's length transactions.

The amounts due to related parties, totaled $29,533 (2013 - $5,128), are non-interest bearing, due on demand, and were paid subsequent to the period end.

The counterparty to the Acquisition (note 4) was AMB. Prior to the Acquisition, AMB held 46% of the outstanding commons shares of the Company. Subsequent to the Acquisition and reorganization, Till owned a 55% shareholding in the Company. Till is the counterparty to the Company's note payable (note 8) and derivative asset (note 8).

Subsequent to the closing of the July 31, 2014 private placement (Note 20), Till owns 63% of the Company's issued and outstanding shares.

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, 2014	May 31, 2013
Executive salaries and management fees	$ 94,557	$ 246,390
Share based payments	138,680	179,455
Total	$ 233,237	$ 425,845

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.

Valuation of promissory note - The fair value upon recognition of the Company's promissory note, which is not traded in an active market, was calculated using the effective interest rate method (note 8). Determination of the effective interest rate used at the date of recognition to discount the future cash flows of the promissory note requires significant judgment.

New and amended standards adopted by the Company

The following standards have been adopted by the group for the first time for the financial year beginning June 1, 2013:

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially re-classifiable to profit or loss subsequently (reclassification adjustments). This requirement is reflected in the Company's statement of comprehensive loss.

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of a parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. Adoption of IFRS 10 did not result in any change to the Company's financial statements.

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. The Company is not a party to any joint arrangements and as such was not impacted by IFRS 11.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. Adoption of IFRS 12 did not result in any change to the Company's financial statements.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Fair value determinations made during the year were performed in accordance with IFRS 13.

New standards not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after June 1, 2013, and have not been applied in preparing these consolidated financial statements. The Company is currently assessing the impact of these standards and amendments on its consolidated financial statements.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and amended in October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

In November 2013, the IASB issued the hedge accounting section of IFRS 9, as well as two amendments to the previously issued IFRS 9. The new hedge accounting model will align hedge accounting with risk management activities undertaken by an entity. Components of both financial and non-financial items will now be eligible for hedge accounting as long as the risk component can be identified and measured. The new hedge accounting model includes eligibility criteria that must be met but these criteria are based on an economic assessment of the strength of the hedging relationship, which can be determined using internal risk management data. New disclosure requirements relating to hedge accounting will be required and are meant to simplify existing disclosures. The IASB currently has a separate project on macro hedging activities and until that project is completed, entities are permitted to continue to apply IAS 39 for all of their hedge accounting.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018. We are currently assessing the effect of IFRS 9 and related amendments on our financial statements.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognized.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

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 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, 2014, the Company had a working capital balance of $290,024. Subsequent to the year-end the Company completed an additional financing (Note 20).this is one of several references to Note 20 – but Note 20 is in the financials, not here

Market risk

Market risk is the risk of loss that may arise from changes in market fluctuations such as those listed below. The fluctuations may be significant.

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.

Our borrowings are at fixed rates. The fair value of fixed-rate debt fluctuates with changes in market interest rates, but the cash flows do not.

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.

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 $33,797 lower ($33,797 higher).

13. 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 SPD 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 SPD 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 SPD 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.

14. SUBSEQUENT EVENTS

Subsequent to the year-end the Company closed a non-brokered private placement with Till of 19 million common shares at seven cents per share for gross proceeds of $1.33 million. Till Capital is an insider and control person of the Company as defined by the TSX Venture Exchange.

SPD has appointed Clifford D. Nelson Jr. as chief executive officer and director of SPD. Mr. Nelson brings a wealth of experience in the industry having operated a variety of projects ranging in size from the 150-tonne-per-day Nixon Fork, Alaska, operation to the 40,000-tonne-per-day Robinson, Nev., operation. Mr. Nelson's appointment follows the resignation of Nathan A. Tewalt, who has stepped down in order to pursue personal business interests. Mr. Tewalt will remain a valued technical adviser and will continue to serve on the board of directors.