



SILVER PREDATOR CORP.

(An Exploration Stage Enterprise)

Interim Condensed Consolidated Financial Statements

For the Three Months Ended March 31, 2017 and 2016

(Unaudited)

Notice of Non-review of Interim Condensed Consolidated Financial Statements

The attached interim condensed consolidated financial statements for the three months ended March 31, 2017 and 2016 have been prepared by and are the responsibility of the Company's management and have been approved by the Audit Committee of the Company. The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements.

Silver Predator Corp.

Interim Condensed Consolidated Statements of Financial Position

	March 31, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current		
Cash	\$ 279,255	\$ 364,139
Receivables, prepaid expenses, and deposits	39,078	43,623
Assets held for sale (Note 3)	—	5,264,957
	<u>318,333</u>	<u>5,672,719</u>
Reclamation bonds (Note 5)	122,540	123,617
Mineral properties (Note 6)	<u>2,123,999</u>	<u>2,142,670</u>
	<u>\$ 2,564,872</u>	<u>\$ 7,939,006</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 32,151	\$ 602,334
Liabilities held for sale (Note 3)	—	24,982
Current portion of promissory notes (Note 4)	<u>359,193</u>	<u>5,025,884</u>
	<u>391,344</u>	<u>5,653,200</u>
Shareholders' equity		
Share capital (Note 9)	32,529,936	32,529,936
Reserves	2,746,150	2,723,832
Accumulated other comprehensive income	3,063,753	3,224,894
Deficit	<u>(36,166,311)</u>	<u>(36,192,856)</u>
	<u>2,173,528</u>	<u>2,285,806</u>
	<u>\$ 2,564,872</u>	<u>\$ 7,939,006</u>
Nature of operations and going concern (Note 1)		

Approved on behalf of the Audit Committee:

"William B. Harris"

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

Silver Predator Corp.Interim Condensed Consolidated Statements of Income and Comprehensive Loss
(Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Expenses		
Professional and consulting fees	\$ 68,368	\$ 77,573
General and administrative	27,053	54,383
Stock-based compensation (Note 9)	22,318	—
Net loss on operating activities	(117,739)	(131,956)
Other income (expense)		
Gain on sale of assets and investments (Note 10)	99,162	59,839
Foreign exchange gain	145,369	279,781
Interest expense	(100,247)	(153,692)
Total other income	144,284	185,928
Net income	\$ 26,545	\$ 53,972
Items that may be reclassified to profit and loss		
Reclassification to profit and loss	—	22,225
Change in cumulative translation adjustment	(161,141)	(550,922)
Total comprehensive loss	\$ (134,596)	\$ (474,725)
Basic and diluted loss per common share	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding	143,049,192	128,049,192

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

Silver Predator Corp.Interim Condensed Consolidated Statement of Cash Flows
(Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
OPERATING ACTIVITIES		
Net income	\$ 26,545	\$ 53,972
Items not affecting cash:		
Foreign exchange gain	(98,548)	(297,717)
Interest expense	100,247	153,692
Gain on sale of assets and investments	(99,162)	(787)
Stock-based compensation	22,318	—
	(48,600)	(90,840)
Changes in non-cash working capital items:		
Increase in receivables	(13,518)	(2,685)
Decrease in prepaid expenses and deposits	25,459	24,969
Increase in amounts due from related parties	(6,929)	(77,844)
Increase (decrease) in accounts payable and accrued liabilities	(45,922)	1,163
	(89,510)	(145,237)
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	—	156,362
Proceeds from sale of equipment and mineral property	5,957	—
Exploration and evaluation costs capitalized	(1,331)	(15,679)
	4,626	140,683
FINANCING ACTIVITIES		
Proceeds received from loan	—	136,164
Repayment of loan	—	(38,904)
	—	97,260
Change in cash	(84,884)	92,706
Cash, beginning of year	364,139	27,401
Cash, end of period	\$ 279,255	\$ 120,107

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

Silver Predator Corp.Interim Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Share capital		Reserves	Accumulated other comprehensive income	Deficit	Total
	Number	Amount				
Balance, January 1, 2016	128,049,192	\$ 31,797,380	\$ 2,702,052	\$ 3,490,013	\$ (34,015,952)	\$ 3,973,493
Change in value of investments	—	—	—	22,225	—	22,225
Cumulative translation adjustment	—	—	—	(550,922)	—	(550,922)
Net income	—	—	—	—	53,972	53,972
Balance, March 31, 2016	128,049,192	\$ 31,797,380	\$ 2,702,052	\$ 2,961,316	\$ (33,961,980)	\$ 3,498,768
Balance, January 1, 2017	143,049,192	\$ 32,529,936	\$ 2,723,832	\$ 3,224,894	\$ (36,192,856)	\$ 2,285,806
Stock-based compensation	—	—	22,318	—	—	22,318
Cumulative translation adjustment	—	—	—	(161,141)	—	(161,141)
Net income	—	—	—	—	26,545	26,545
Balance, March 31, 2017	143,049,192	\$ 32,529,936	\$ 2,746,150	\$ 3,063,753	\$ (36,166,311)	\$ 2,173,528

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Silver Predator Corp. (the "Company") was incorporated under the laws of the Province of British Columbia on May 16, 2006. The Company controls the Taylor silver-gold project ("Taylor") in Nevada and holds additional early stage exploration properties. As of March 31, 2017, the Company is 64.11% owned by Till Capital Ltd.'s ("Till Capital") wholly owned subsidiary Resource Re Ltd. ("Resource Re"). The Company's head office is located at 13403 N. Government Way, Suite 212, Hayden, ID 83835.

These unaudited interim condensed consolidated financial statements 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 three months ended March 31, 2017, the Company reported net income of \$26,545 and as at that date had a negative net working capital balance of \$73,011 and an accumulated deficit of \$36,166,311. 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.

On April 3, 2017, the Company entered into an option agreement with Montego Resources, Inc. ("Montego") pursuant to which Montego has the right to acquire from the Company certain mining claims located in White Pine County in the state of Nevada. On April 20, 2017, the Company received US\$200,000 cash and 500,000 common shares of Montego. (Refer to Note 13)

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. These 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 if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION AND MEASUREMENT

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC") applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting." These unaudited interim condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB.

The unaudited condensed consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments and stock based awards, which have been measured at fair value. The Company's presentation currency is Canadian dollars. Reference herein to \$ is to Canadian dollars. Reference herein to US\$ is to United States dollars.

These unaudited condensed consolidated financial statements were approved by the Audit Committee for issue on May 1, 2017.

Basis of consolidation

These unaudited interim condensed consolidated financial statements include the accounts of the Company and its subsidiaries.

Subsidiaries are entities that the Company controls, either directly or indirectly. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when the Company has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. That control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All intra-group balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated.

Where necessary, adjustments are made to the results of the subsidiaries and entities to bring their accounting policies in line with those used by the Company.

The Company's significant subsidiaries are as follows:

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Silver Predator US Holding Corp. ("SPUS")	Nevada, USA	100%	U.S. Holding Company
Nevada Royalty Corp. ("NRC")	Nevada, USA	100%	Mineral exploration

These unaudited interim condensed consolidated financial statements follow the same significant accounting policies set out in Note 3 of the annual audited consolidated financial statements for the year ended December 31, 2016.

3. ASSETS AND LIABILITIES HELD FOR SALE

In the second quarter of 2015, the Company announced its intention to realize value from assets by initiating a process to sell all, or part, of the tangible and mineral property assets at some of its properties in Nevada. The Company's Board and management committed to a plan to sell Springer Mining Company ("SMC") and the Taylor mill. Since initiating the process, active negotiations have been held related to the sale of those assets. During the fourth quarter of 2016, the Company received \$297,954 from the sale of multiple pieces of equipment at the Taylor mill. The Taylor Mill assets have a carrying value of \$nil at March 31, 2017.

On January 17, 2017 the Company signed an agreement with Till Capital and its wholly owned subsidiary Resource Re to exchange the remaining balance of US\$3.97 million in principal and interest due to Resource Re on an original promissory note of US\$4.5 million for 100% of the shares of SMC. As a result, the assets and liabilities held for sale on March 31, 2017 were \$nil.

Assets and Liabilities Held For Sale

	March 31, 2017	December 31, 2016
Cash, accounts receivable, and prepaid expenses - Springer	\$ —	\$ 31,419
Mineral properties - Springer	—	906,538
Property, plant, and equipment - Springer	—	4,283,494
Reclamation bonds - Springer	—	43,506
Total assets held for sale	\$ —	\$ 5,264,957
Accounts payable - Springer	\$ —	\$ 24,982
Total liabilities held for sale	\$ —	\$ 24,982

4. PROMISSORY NOTES

Acquisition promissory note

On April 17, 2014, in conjunction with the acquisition of SMC and NRC (the "Acquisition"), the Company issued a US\$4,500,000 promissory note (the "Promissory Note"). The Promissory Note bore interest at 4.00% per annum and was 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. At the Company's option, the principal and interest payments could be made in cash or common shares, with the number of shares determined by reference to the Company's share price immediately prior to the respective payment date. If the prevailing share price of the Company were below \$0.05 at the time of a payment that was to be settled in common shares of the Company, the Company could satisfy the payment based on a share price of \$0.05. The Company could prepay the Promissory Note at any time through payment of the then outstanding principal and accrued interest. The Promissory Note was secured by the shares of SMC and NRC. In the event of non-payment by the Company, Resource Re, as holder of the Promissory Note, could receive the SMC and NRC shares and retain any cash or common share payments to date.

In the third quarter of 2015, the Promissory Note was amended and the share settlement option was removed. On April 27, 2016, the Promissory Note was amended to extend the due date of the second principal payment plus accrued interest to July 18, 2016 and to increase the interest rate from 4% to 10% beginning April 16, 2016. On June 15, 2016, the Promissory Note was further amended to extend the due date of the second principal payment plus accrued interest to January 17, 2017 and to increase the interest rate from 10% to 14% beginning July 18, 2016. On January 17, 2017, the Company announced that it reached an agreement with Till Capital and its wholly owned subsidiary Resource Re to exchange the remaining balance of US\$3.97 million in principal and interest due to Resource Re for 100% of the shares of SMC, subject to receipt of any required regulatory approvals, including approval of the TSX-V.

The Promissory Note was recognized initially at fair value, and was subsequently carried at amortized cost using the effective interest rate method.

	Promissory Note US\$	
	March 31, 2017	December 31, 2016
Beginning carrying value	\$ 3,480,648	\$ 3,262,577
Principal payment on Promissory Note	(3,500,000)	—
Accreted interest	19,352	218,071
Ending carrying value	\$ —	\$ 3,480,648

	Promissory Note CDN\$	
	March 31, 2017	December 31, 2016
Ending carrying value	\$ —	\$ 4,673,465

Working capital promissory note

On August 31, 2015, the Company announced that it had arranged for a US\$275,000 loan from Resource Re to fund its working capital requirements. The loan was secured by the assets of the Company, bore interest at 12% per annum, and was due December 31, 2015. On December 31, 2015, the loan agreement was amended to increase the maximum loan amount to US\$400,000, to increase the interest rate to 14% per annum, and to extend the due date to April 30, 2016. On April 27, 2016, the loan agreement was amended to extend the due date to June 15, 2016. On June 15, 2016, the loan agreement was further amended to extend the due date to January 17, 2017 and to increase the interest rate from 14% to

15% beginning June 16, 2016. The loan is classified as a current liability. As of March 31, 2017, the outstanding principal balance of the loan is \$266,200 (US\$200,000).

Promissory notes summary

	March 31, 2017	December 31, 2016
Current portion of acquisition Promissory Note	\$ —	\$ 4,673,465
Working capital promissory note	359,193	352,419
Total current portion of promissory notes	359,193	5,025,884
Non-current portion of acquisition Promissory Note	—	—
Total carrying value of promissory notes	\$ 359,193	\$ 5,025,884

On April 21, 2017, the Company repaid the balance of the working capital promissory note and accrued interest.

5. RECLAMATION BONDS

The Company has posted non-interest bearing bonds totaling \$122,540 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.

6. MINERAL PROPERTIES

The following table is a list of mineral properties as of March 31, 2017:

	Treasure Hill	Taylor	Cordero	Copper King	Cornucopia	Total
Balance, January 1, 2016	\$ 220,030	\$ 693,500	\$ 67,434	\$ 1,103,295	\$ 52,541	\$ 2,136,800
Additions/ Exploration Costs	13,054	32,053	11,506	10,292	6,198	73,103
Dispositions / Other Adjustments*	(6,846)	(21,705)	(1,994)	(35,096)	(1,592)	(67,233)
Balance, December 31, 2016	\$ 226,238	\$ 703,848	\$ 76,946	\$ 1,078,491	\$ 57,147	\$ 2,142,670
Currency translation adjustment	(1,971)	(6,133)	(670)	(9,398)	(499)	(18,671)
Balance, December 31, 2017	\$ 224,267	\$ 697,715	\$ 76,276	\$ 1,069,093	\$ 56,648	\$ 2,123,999

*Includes the effect of foreign exchange differences

Treasure Hill

The Treasure Hill property is located west of Ely in White Pine County, Nevada and consists of unpatented and a large number of patented claims. The Treasure Hill property is subject to existing net smelter royalties ("NSR") of between 2% and 3%. The property is also subject to a 1.5% net profits interest.

Taylor

The Taylor property is located in White Pine County, Nevada, south of Ely. The property hosts a silver mineral resource reported in accordance with Canadian National Instrument 43-101, and has a 1970s vintage 1,200 ton per day mill.

On April 3, 2017, the Company entered into an option agreement with Montego pursuant to which Montego has the right to acquire the Taylor property. (Refer to Note 13)

Copper King, Idaho

The Copper King property is located in the Silver Valley of Northern Idaho immediately north of Hecla Mining Company's Lucky Friday Mine. The Copper King property consists of certain unpatented mining claims which are subject to an existing 1% NSR to Golden Predator US Holding Corp., a wholly-owned subsidiary of Till Capital.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise the following:

	March 31, 2017	December 31, 2016
Trade payables	\$ 32,151	\$ 34,280
Interest payable	—	568,054
	<u>\$ 32,151</u>	<u>\$ 602,334</u>

8. RELATED PARTY TRANSACTIONS

Key management compensation

During the three months ended March 31, 2017, the Company incurred expenses of \$26,371 (three months ended March 31, 2016 - \$41,362) to directors and officers as compensation for services received.

Other

Amounts paid to related parties were incurred in the normal course of business. The Company is party to service agreements with a subsidiary of Till Capital whereby the Company receives accounting and corporate communications services on a cost-plus recovery basis. During the three months ended March 31, 2017, the Company was charged \$11,887 (three months ended March 31, 2016 - \$12,030) for these services. As at March 31, 2017, the amounts due to related parties totaled \$468 (December 31, 2016 - \$nil).

9. SHARE CAPITAL AND RESERVES

Authorized and issued share capital

Unlimited number of common shares without par value.

On August 10, 2016, the Company completed a private placement whereby the Company sold 15,000,000 shares of its common shares at \$0.05 per share for total proceeds of \$732,556 including \$17,444 in share issuance costs.

As at March 31, 2017, the Company had 143,049,192 shares issued and outstanding.

Stock options and warrants

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

During the three months ended March 31, 2017, the Company recognized stock-based compensation expense of \$22,318 (three months ended March 31, 2016 - \$nil). In March 2017, the Company granted 500,000 incentive stock options to an officer of the Company to purchase up to 500,000 common shares of SPD. The incentive stock options have an exercise price of \$0.06 per share, expire two years from the date of grant, and vest on issuance.

At March 31, 2017, the Company has 200,000 warrants outstanding at a weighted average exercise price of \$0.14 and 4,100,000 stock options outstanding with a weighted average exercise price of \$0.08.

10. GAIN ON SALE OF ASSETS AND INVESTMENTS

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Gain from sale of equipment and mineral properties	\$ 5,957	\$ 59,052
Gain from sale of assets held for sale	93,205	—
Realized gain on available-for-sale investments	—	787
	<u>\$ 99,162</u>	<u>\$ 59,839</u>

11. SEGMENT INFORMATION

The Company operates in a single segment, which is the exploration and development of resource properties in Nevada, USA.

12. FINANCIAL AND CAPITAL RISK MANAGEMENT

There have been no changes to the financial and capital risk management since December 31, 2016. Details of financial and capital risk management can be found in Note 15 and Note 16 of the audited consolidated financial statements for the year ended December 31, 2016.

13. SUBSEQUENT EVENTS

Option Agreement with Montego Resources, Inc.

On April 3, 2017, the Company entered into an option agreement (the "Agreement") with Montego Resources, Inc. pursuant to which Montego has the right to acquire from the Company certain mining claims located in White Pine County in the State of Nevada commonly referred to as the Taylor Silver Property (the "Property").

Under the terms of the Agreement, Montego can acquire the Property in consideration for the completion of a series of cash payments totaling US\$1,200,000, issuing 2,500,000 common shares to the Company, and incurring expenditures of at least US\$700,000 on the Property. Upon completion of the payments, share issuances, and expenditures, Montego will hold a one-hundred percent interest in the Property, subject to a two-percent net smelter returns royalty and a one-percent net profit royalty which will be retained by the Company.

The payments, share issuances, and expenditures must be completed in accordance with the following schedule:

- At Closing: US\$200,000 cash and 500,000 common shares
- 6 months from Closing: US\$100,000 cash and 300,000 common shares
- 12 months from Closing: US\$200,000 cash, 400,000 common shares and expenditures of US\$100,000
- 24 months from Closing: US\$300,000 cash, 500,000 common shares and expenditures of US\$250,000
- 36 months from Closing: US\$400,000 cash, 800,000 common shares and expenditures of US\$350,000

The closing date occurred on April 20, 2017 on which date the Company had received US\$200,000 cash and 500,000 common shares of Montego.

Repayment of working capital promissory note

On April, 21, 2017 the Company repaid the entire balance of the working capital promissory note from Resource Re.