



**SILVER PREDATOR CORP.**

**(An Exploration Stage Enterprise)**

**Interim Condensed Consolidated Financial Statements**

**For the Three Months Ended March 31, 2018 and 2017**

## **Notice of Non-review of Interim Condensed Consolidated Financial Statements**

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The attached interim condensed consolidated financial statements for the three months ended March 31, 2018 and 2017 have been prepared by and are the responsibility of Silver Predator Corp.'s ("SPD") management and have been approved by the Audit Committee of SPD. SPD's independent auditor has not performed a review of these interim condensed consolidated financial statements.

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**Silver Predator Corp.**

## Interim Condensed Consolidated Statements of Financial Position

	March 31, 2018 (Unaudited)	December 31, 2017 (Audited)
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 318,542	\$ 363,929
Receivables, prepaid expenses, and deposits (Note 6)	243,150	245,774
Investments (Note 3)	78,000	120,000
	<u>639,692</u>	<u>729,703</u>
Reclamation bonds	81,447	79,242
Mineral properties (Note 4)	1,451,256	1,411,975
	<u>\$ 2,172,395</u>	<u>\$ 2,220,920</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 5, 6)	\$ 387,252	\$ 375,520
	<u>387,252</u>	<u>375,520</u>
<b>Shareholders' equity</b>		
Share capital (Note 7)	32,529,936	32,529,936
Reserves	2,750,223	2,750,223
Accumulated other comprehensive income	3,006,812	3,007,743
Deficit	(36,501,828)	(36,442,502)
	<u>1,785,143</u>	<u>1,845,400</u>
	<u>\$ 2,172,395</u>	<u>\$ 2,220,920</u>

Nature of operations and going concern (Note 1)

Approved on behalf of the Audit Committee:

"Patricia M. Tilton"

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

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

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
<b>Expenses</b>		
Professional and consulting fees	\$ 48,263	\$ 68,368
General and administrative	13,575	27,053
Stock-based compensation (Note 7)	—	22,318
	<u>                    </u>	<u>                    </u>
Net loss on operating activities	(61,838)	(117,739)
<b>Other income (expense)</b>		
Gain on sale of assets (Note 8)	—	99,162
Foreign exchange gain	2,512	145,369
Interest expense	—	(100,247)
	<u>                    </u>	<u>                    </u>
Total other income	2,512	144,284
<b>Net income (loss)</b>	<u>\$ (59,326)</u>	<u>\$ 26,545</u>
<b>Items that may be reclassified to profit and loss</b>		
Change in cumulative translation adjustment	41,069	(161,141)
<b>Item that will not be reclassified to profit and loss</b>		
Change in the fair value of equity investment at fair value through other comprehensive income ("FVOCI")	<u>(42,000)</u>	<u>—</u>
<b>Other comprehensive loss</b>	<u>(931)</u>	<u>(161,141)</u>
<b>Total comprehensive loss</b>	<u>\$ (60,257)</u>	<u>\$ (134,596)</u>
<b>Basic and diluted income (loss) per common share</b>	<u>\$ (0.00)</u>	<u>\$ 0.00</u>
<b>Weighted average number of common shares outstanding (Note 7)</b>	<u>28,609,838</u>	<u>28,609,838</u>

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

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

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
<b>OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (59,326)	\$ 26,545
Items not affecting cash:		
Foreign exchange (gain) loss	1,110	(98,548)
Interest expense	—	100,247
Gain on sale of assets (Note 8)	—	(99,162)
Stock-based compensation	—	22,318
	<u>(58,216)</u>	<u>(48,600)</u>
Changes in non-cash working capital items:		
Increase in receivables	(2,346)	(13,518)
Decrease in prepaid expenses and deposits	4,405	25,459
Decrease in amounts due to related parties	(8,074)	(6,929)
Increase (decrease) in accounts payable and accrued liabilities	18,844	(45,922)
	<u>(45,387)</u>	<u>(89,510)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of equipment and mineral property	—	5,957
Exploration and evaluation costs capitalized	—	(1,331)
	<u>—</u>	<u>4,626</u>
<b>Change in cash</b>	<b>(45,387)</b>	<b>(84,884)</b>
<b>Cash, beginning of year</b>	<b>363,929</b>	<b>364,139</b>
<b>Cash, end of period</b>	<b>\$ 318,542</b>	<b>\$ 279,255</b>

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

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

	<u>Share capital</u>		<u>Reserves</u>	<u>Accumulated other comprehensive income</u>	<u>Deficit</u>	<u>Total</u>
	<u>Number</u>	<u>Amount</u>				
<b>Balance, January 1, 2017</b>	<b>28,609,838</b>	<b>\$ 32,529,936</b>	<b>\$ 2,723,832</b>	<b>\$ 3,224,894</b>	<b>\$ (36,192,856)</b>	<b>\$ 2,285,806</b>
Stock-based compensation	—	—	22,318	—	—	22,318
Cumulative translation adjustment	—	—	—	(161,141)	—	(161,141)
Net income for the period	—	—	—	—	26,545	26,545
<b>Balance, March 31, 2017</b>	<b>28,609,838</b>	<b>\$ 32,529,936</b>	<b>\$ 2,746,150</b>	<b>\$ 3,063,753</b>	<b>\$ (36,166,311)</b>	<b>\$ 2,173,528</b>
<b>Balance, January 1, 2018</b>	<b>28,609,838</b>	<b>\$ 32,529,936</b>	<b>\$ 2,750,223</b>	<b>\$ 3,007,743</b>	<b>\$ (36,442,502)</b>	<b>\$ 1,845,400</b>
Cumulative translation adjustment	—	—	—	41,069	—	41,069
Change in the fair value of equity investment at FVOCI	—	—	—	(42,000)	—	(42,000)
Net loss for the period	—	—	—	—	(59,326)	(59,326)
<b>Balance, March 31, 2018</b>	<b>28,609,838</b>	<b>\$ 32,529,936</b>	<b>\$ 2,750,223</b>	<b>\$ 3,006,812</b>	<b>\$ (36,501,828)</b>	<b>\$ 1,785,143</b>

The number of shares outstanding have been restated for the 5:1 reverse split in 2017. (See Note 7)

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

## Silver Predator Corp.

### Notes to the Interim Condensed Consolidated Financial Statements For the three months ended March 31, 2018 and 2017

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#### 1. NATURE OF OPERATIONS AND GOING CONCERN

SPD was incorporated under the laws of the Province of British Columbia on May 16, 2006. SPD controls the Copper King copper-silver project in the Coeur d'Alene Silver District of northern Idaho and the Taylor silver-gold project ("Taylor") in Nevada as well as additional early stage exploration properties. As of March 31, 2018, SPD is 64.11% owned by Till Capital Ltd.'s ("Till Capital") wholly owned subsidiary Resource Re Ltd. ("Resource Re"). SPD'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 SPD will continue on a going-concern basis, which assumes that SPD 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, 2018, SPD reported a net loss of \$59,326, and as of that date had a net working capital balance of \$252,440 and an accumulated deficit of \$36,501,828. SPD has no source of operating cash flows and as such SPD's ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing.

The ability of SPD to monetize assets or obtain additional financing is uncertain, casting significant doubt upon SPD's ability to continue as a going concern. These unaudited interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if SPD 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 International Accounting Standard ("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, 2017, which have been prepared in accordance with IFRS.

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

These unaudited interim condensed consolidated financial statements were approved by the Board of Directors for issue on April 30, 2018.

#### Basis of consolidation

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

Subsidiaries are entities that SPD 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 SPD 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 in full.

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

SPD'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

## Silver Predator Corp.

### Notes to the Interim Condensed Consolidated Financial Statements For the three months ended March 31, 2018 and 2017

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Other than the adoption of IFRS 9, *Financial Instruments* ("IFRS 9") as described below, 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, 2017.

#### **New standard**

IFRS 9 replaces the provisions of IAS 39, *Financial Instruments: Recognition and Measurement* that relate to the recognition, classification, and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets, and hedge accounting.

The adoption of IFRS 9 on January 1, 2018 resulted in changes in accounting policies. The new accounting policies are set out below. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. As a result of the adoption of IFRS 9, SPD made an election upon initial recognition for equity instruments existing at January 1, 2018 and previously classified as available-for-sale, to satisfy the conditions for classification as fair value through other comprehensive income.

Adoption of IFRS 9 had no impact on SPD's retained earnings as of January 1, 2018 or 2017.

#### Financial assets

SPD classifies financial assets in the following categories:

- at fair value through profit and loss ("FVPL"),
- at fair value through other comprehensive income ("FVOCI"), or
- at amortized cost.

SPD determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by SPD's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVPL, for other equity instruments, on the day of acquisition SPD can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI.

SPD's accounting policy for each of the categories is as follows:

##### *Financial assets at FVPL*

Financial assets carried at FVPL are initially recorded at fair value and transaction costs are expensed in the consolidated statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVPL are included in the consolidated statement of (loss) income in the period in which they arise.

##### *Financial assets at FVOCI*

Investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income.

##### *Financial assets at amortized cost*

A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date, and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

##### *Impairment of financial assets at amortized cost*

SPD recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, SPD measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, SPD measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

## Silver Predator Corp.

### Notes to the Interim Condensed Consolidated Financial Statements For the three months ended March 31, 2018 and 2017

#### 3. INVESTMENTS

Investments at March 31, 2018 consisted of 300,000 shares of Montego Resources, Inc. ("Montego"). Those shares have a cost basis of \$57,000 and fair value of \$78,000.

#### 4. MINERAL PROPERTIES

The following table is a list of mineral properties as of March 31, 2018 and December 31, 2017:

	Treasure Hill	Taylor	Cordero	Copper King	Cornucopia	Total
<b>Balance, January 1, 2017</b>	\$ 226,238	\$ 703,848	\$ 76,946	\$ 1,078,491	\$ 57,147	\$ 2,142,670
Option payment	—	(655,120)	—	—	—	(655,120)
Additions / Exploration costs (net)	12,800	909	11,282	10,097	6,077	41,165
Currency translation adjustment	(15,296)	(20,859)	(5,438)	(71,187)	(3,960)	(116,740)
<b>Balance, December 31, 2017</b>	\$ 223,742	\$ 28,778	\$ 82,790	\$ 1,017,401	\$ 59,264	\$ 1,411,975
Currency translation adjustment	6,224	801	2,303	28,304	1,649	39,281
<b>Balance, March 31, 2018</b>	\$ 229,966	\$ 29,579	\$ 85,093	\$ 1,045,705	\$ 60,913	\$ 1,451,256

##### 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%. That 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. That property hosts a silver mineral resource reported in accordance with Canadian National Instrument 43-101.

On April 3, 2017, SPD entered into an option agreement (the "Agreement") with Montego Resources Inc. ("Montego") pursuant to which Montego has the right to acquire from SPD 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 of Montego to SPD, 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 SPD.

The payments, share issuances, and expenditures must be completed in accordance with the following schedule based on the closing date set forth in the Agreement (the "Closing"):

- 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 occurred on April 20, 2017 on which date SPD had received \$265,770 (US\$200,000) cash and 500,000 common shares of Montego initially valued at \$207,500. SPD sold the 500,000 common shares of Montego in November 2017 on the open market. On October 19, 2017 SPD received \$124,850 (US\$100,000) cash and 300,000 common shares of Montego initially valued at \$57,000 for the second installment from Montego on the Agreement related to the Property.

##### Copper King, Idaho

The Copper King property is located in the Silver Valley of Northern Idaho. The Copper King property consists of certain unpatented mining claims that are subject to an existing 1% NSR to Golden Predator US Holding Corp., a wholly-owned subsidiary of Till Capital.

## Silver Predator Corp.

### Notes to the Interim Condensed Consolidated Financial Statements For the three months ended March 31, 2018 and 2017

#### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise the following:

	March 31, 2018	December 31, 2017
Trade payables	\$ 330,841	\$ 320,636
Accrued liability	56,411	54,884
	<u>\$ 387,252</u>	<u>\$ 375,520</u>

#### 6. RELATED PARTY TRANSACTIONS

##### Key management compensation

During the three months ended March 31, 2018, SPD incurred expenses of \$3,794 (three months ended March 31, 2017 - \$26,371) to an officer as compensation for services received.

##### Withholding tax

At March 31, 2018, included in receivables is \$233,421 due from Resource Re for withholding taxes due on interest payments made to a non-Canadian related party (December 31, 2017 - \$233,421). That amount is from the interest payments SPD made to Resource Re on the Promissory Notes and is included in trade payables.

##### Other

Amounts paid to related parties were incurred in the normal course of business. SPD is party to service agreements with a subsidiary of Till Capital whereby SPD receives accounting and corporate communications services on a cost-plus recovery basis. During the three months ended March 31, 2018, SPD was charged \$11,315 (three months ended March 31, 2017 - \$11,887) for those services. At March 31, 2018, amounts due from related parties in addition to the withholding tax receivable due from Resource Re totaled \$nil (December 31, 2017 - \$565) and are included in receivables. At March 31, 2018, the amounts due to related parties totaled \$nil (December 31, 2017 - \$8,639) and are included in trade payables.

#### 7. SHARE CAPITAL AND RESERVES

##### Authorized and issued share capital

Unlimited number of common shares without par value.

On November 20, 2017, SPD through a 5:1 reverse stock split ("consolidation") consolidated its common shares on the basis of five (5) pre-consolidation common shares for one (1) post-consolidation common share. All common share and option numbers in these interim condensed consolidated financial statements and notes are post-consolidation common share and option numbers. The common shares as of January 1, 2017 were restated based on that 2017 consolidation having occurred as of December 31, 2016.

At March 31, 2018, SPD had 28,609,838 shares issued and outstanding (December 31, 2017 - 28,609,838).

##### Stock options

SPD 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. The vesting period and the exercise price of options granted is determined by SPD's Board of Directors, and the exercise price cannot be less than the market price of SPD's shares on the date of grant.

During the three months ended March 31, 2018, SPD recognized stock-based compensation expense of \$nil (three months ended March 31, 2017 - \$22,318).

In March 2017, SPD granted 100,000 incentive stock options to an officer of SPD to purchase up to 100,000 common shares of SPD. Those incentive stock options, which vested immediately on the grant date, have an exercise price of \$0.30 per share and expire two years from the date of grant.

## Silver Predator Corp.

### Notes to the Interim Condensed Consolidated Financial Statements For the three months ended March 31, 2018 and 2017

In June 2017, SPD granted 20,000 incentive stock options to a director of SPD to purchase up to 20,000 common shares of SPD. Those incentive stock options, which vested on the grant date, have an exercise price of \$0.25 per share and expire two years from the date of grant.

In September 2017, SPD granted 20,000 incentive stock options to a director of SPD to purchase up to 20,000 common shares of SPD. Those incentive stock options, which vested on the grant date, have an exercise price of \$0.25 per share and expire two years from the date of grant.

At March 31, 2018, SPD had 590,000 stock options outstanding with a weighted average exercise price of \$0.29.

#### 8. GAIN ON SALE OF ASSETS

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Gain from sale of equipment and mineral properties	\$ —	\$ 5,957
Gain from sale of assets held for sale	—	93,205
	<u>\$ —</u>	<u>\$ 99,162</u>

#### 9. SEGMENT INFORMATION

SPD operates in a single segment, which is the exploration and development of resource properties.

#### 10. FINANCIAL INSTRUMENTS

Financial instruments include any contract that gives rise to a financial asset to one party and a financial liability or equity instrument to another party. At March 31, 2018, SPD's carrying values of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair values due to their short term to maturity.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

All investments at March 31, 2018 and December 31, 2017 were Level 1.

#### 11. FINANCIAL AND CAPITAL RISK MANAGEMENT

There have been no changes to the financial and capital risk management since December 31, 2017. Details of financial and capital risk management can be found in Note 16 and Note 17 of the audited consolidated financial statements for the year ended December 31, 2017.

#### 12. SUBSEQUENT EVENT

On April 20, 2018, SPD received \$252,660 (US\$200,000) cash and 400,000 common shares of Montego initially valued at \$90,000 for the third installment from Montego on the Agreement related to the Taylor Silver Property (See Note 4).