



**SILVER PREDATOR CORP.**

**(An Exploration Stage Enterprise)**

**Interim Condensed Consolidated Financial Statements**

**For the Three and Nine Months Ended September 30, 2019 and 2018**

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

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The attached interim condensed consolidated financial statements for the three and nine months ended September 30, 2019 and 2018 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

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 269,124	\$ 523,152
Receivables, prepaid expenses, and deposits	75,407	13,221
Investments (Note 3)	—	11,200
	<u>344,531</u>	<u>547,573</u>
Reclamation bonds	83,651	86,171
Mineral properties (Note 4)	<u>1,478,171</u>	<u>1,492,009</u>
	<u>\$ 1,906,353</u>	<u>\$ 2,125,753</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liability (Note 5)	<u>\$ 159,460</u>	<u>\$ 168,476</u>
	159,460	168,476
<b>Shareholders' equity (Note 7)</b>		
Share capital	32,529,936	32,529,936
Reserves	2,808,641	2,750,223
Accumulated other comprehensive income	2,993,190	3,047,606
Deficit	<u>(36,584,874)</u>	<u>(36,370,488)</u>
	<u>1,746,893</u>	<u>1,957,277</u>
	<u>\$ 1,906,353</u>	<u>\$ 2,125,753</u>

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 Income (Loss)  
(Unaudited)**

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
<b>Expenses</b>				
Exploration recovery (Note 4)	\$ —	\$ (2,359)	\$ —	\$ (319,714)
Professional and consulting fees	31,321	26,543	99,875	100,689
General and administrative	17,744	11,107	49,903	36,262
Stock-based compensation (Note 7)	—	—	58,418	—
Net income (loss) from operating activities	(49,065)	(35,291)	(208,196)	182,763
<b>Other income (expense)</b>				
Foreign exchange gain (loss)	1,551	(4,708)	(6,481)	8,661
Interest and other income (expenses)	98	1	291	(74)
Total other income (expense)	1,649	(4,707)	(6,190)	8,587
<b>Net income (loss)</b>	<b>\$ (47,416)</b>	<b>\$ (39,998)</b>	<b>\$ (214,386)</b>	<b>\$ 191,350</b>
Change in cumulative translation adjustment	16,814	(28,422)	(45,126)	39,837
Change in the fair value of equity investment at fair value through other comprehensive income ("FVOCI"), net of income tax	(4,960)	47,214	(9,290)	(64,786)
<b>Other comprehensive income (loss)</b>	<b>\$ 11,854</b>	<b>\$ 18,792</b>	<b>\$ (54,416)</b>	<b>\$ (24,949)</b>
<b>Total comprehensive income (loss)</b>	<b>\$ (35,562)</b>	<b>\$ (21,206)</b>	<b>\$ (268,802)</b>	<b>\$ 166,401</b>
<b>Basic and diluted income (loss) per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ 0.01</b>
<b>Weighted average number of common shares outstanding (Note 7)</b>	<b>28,609,838</b>	<b>28,609,838</b>	<b>28,609,838</b>	<b>28,609,838</b>

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)

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
<b>OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (214,386)	\$ 191,350
Items not affecting cash:		
Foreign exchange (gain) loss	(604)	643
Exploration recovery	—	(319,714)
Stock-based compensation	58,418	—
	<u>(156,572)</u>	<u>(127,721)</u>
Changes in non-cash working capital items:		
Increase in receivables	(40,756)	(2,419)
Increase in prepaid expenses and deposits	(21,430)	(4,082)
Increase in amounts due to related parties	28,367	227,768
Decrease in accounts payable and accrued liability	(35,637)	(234,512)
	<u>(226,028)</u>	<u>(140,966)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of marketable securities (Note 3)	1,910	103,964
Proceeds from property option payments	—	252,660
Exploration and evaluation costs capitalized (Note 4)	(29,910)	(27,300)
	<u>(28,000)</u>	<u>329,324</u>
<b>Change in cash</b>	<b>(254,028)</b>	<b>188,358</b>
<b>Cash, beginning of year</b>	<b>523,152</b>	<b>363,929</b>
<b>Cash, end of period</b>	<b>\$ 269,124</b>	<b>\$ 552,287</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)

	Share capital		Reserves	Accumulated other comprehensive income	Deficit	Total
	Number	Amount				
<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	—	—	—	39,837	—	39,837
Change in the fair value of equity investment at FVOCI, net of tax	—	—	—	(64,786)	—	(64,786)
Net income for the period	—	—	—	—	191,350	191,350
<b>Balance, September 30, 2018</b>	<b>28,609,838</b>	<b>\$ 32,529,936</b>	<b>\$ 2,750,223</b>	<b>\$ 2,982,794</b>	<b>\$ (36,251,152)</b>	<b>\$ 2,011,801</b>
<b>Balance, January 1, 2019</b>	<b>28,609,838</b>	<b>\$ 32,529,936</b>	<b>\$ 2,750,223</b>	<b>\$ 3,047,606</b>	<b>\$ (36,370,488)</b>	<b>\$ 1,957,277</b>
Stock-based compensation	—	—	58,418	—	—	58,418
Cumulative translation adjustment	—	—	—	(45,126)	—	(45,126)
Change in the fair value of equity investment at FVOCI, net of tax	—	—	—	(9,290)	—	(9,290)
Net loss for the period	—	—	—	—	(214,386)	(214,386)
<b>Balance, September 30, 2019</b>	<b>28,609,838</b>	<b>\$ 32,529,936</b>	<b>\$ 2,808,641</b>	<b>\$ 2,993,190</b>	<b>\$ (36,584,874)</b>	<b>\$ 1,746,893</b>

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 and nine months ended September 30, 2019 and 2018

#### 1. NATURE OF OPERATIONS

SPD was incorporated under the laws of the Province of British Columbia on May 16, 2006. SPD controls the Copper King copper-silver project ("Copper King") in the Coeur d'Alene Silver District of northern Idaho, U.S., the Taylor silver-gold project ("Taylor") in Nevada, U.S., and other early stage exploration properties in the U.S. As of September 30, 2019, SPD is 64.11% owned by Resource Re Ltd., a wholly-owned subsidiary of Till Capital Ltd. ("Till Capital"). SPD's head office is located at 13403 N. Government Way, Suite 212, Hayden, ID 83835, U.S.

#### 2. BASIS OF PRESENTATION AND MEASUREMENT

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and interpretations of the IFRS Interpretations Committee 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, 2018, 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 Audit Committee for issuance on October 31, 2019.

##### 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. Control 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.

Where necessary, adjustments are made to the results of the subsidiaries 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.	Nevada, USA	100%	U.S. Holding Company
Nevada Royalty Corp.	Nevada, USA	100%	Mineral exploration

Other than the adoption of IFRS 16, *Leases* ("IFRS 16") 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, 2018.

##### New standard

IFRS 16 requires all leases to be recorded on the balance sheet of lessees, except for those leases that meet the limited exception criteria. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. SPD does not have any operating leases, and, as such, the adoption of IFRS 16 had no impact on its financial position.

#### 3. INVESTMENTS

As of September 30, 2019, SPD owns 248,000 common shares of Montego Resources Inc. ("Montego"). Those shares have a cost basis of \$55,040 and, at September 30, 2019, fair value of \$nil. The trading of Montego shares has been halted since April 2019. In the first quarter of 2019, SPD sold 32,000 common shares of Montego for \$1,910.

## Silver Predator Corp.

### Notes to the Interim Condensed Consolidated Financial Statements For the three and nine months ended September 30, 2019 and 2018

#### 4. MINERAL PROPERTIES

The following table presents a list of SPD's mineral properties as of September 30, 2019 and December 31, 2018:

	Treasure Hill	Taylor	Cordero	Copper King	Cornucopia	Total
<b>Balance, December 31, 2017</b>	\$ 223,742	\$ 28,778	\$ 82,790	\$ 1,017,401	\$ 59,264	\$ 1,411,975
Option payment	—	(342,660)	—	—	—	(342,660)
Additions / Exploration costs (net)	—	—	11,264	10,135	6,072	27,471
Exploration expense recovery	—	313,680	—	—	—	313,680
Write-down	(41,065)	—	—	—	—	(41,065)
Currency translation adjustment	19,564	202	7,835	89,504	5,503	122,608
<b>Balance, December 31, 2018</b>	\$ 202,241	\$ —	\$ 101,889	\$ 1,117,040	\$ 70,839	\$ 1,492,009
Additions / Exploration costs (net)	—	—	12,247	11,062	6,601	29,910
Currency translation adjustment	(5,915)	—	(3,025)	(32,712)	(2,096)	(43,748)
<b>Balance, September 30, 2019</b>	\$ 196,326	\$ —	\$ 111,111	\$ 1,095,390	\$ 75,344	\$ 1,478,171

##### Treasure Hill

The Treasure Hill property is located west of Ely in White Pine County, Nevada, U.S. and consists of certain patented and unpatented claims. Treasure Hill is subject to existing net smelter royalties ("NSR") of between 2% and 3% and a 1.5% net profits interest. An expense of \$41,065 was recorded at December 31, 2018 to write-down to \$nil the capitalized costs related to the unpatented claims not renewed in 2018.

##### Taylor

The Taylor property is located in White Pine County, Nevada, U.S. 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 pursuant to which Montego has the right to acquire from SPD certain mining claims located in White Pine County in the State of Nevada, U.S., 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 that 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:

- 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 received \$265,770 (US\$200,000) cash and 500,000 common shares of Montego initially valued at \$207,500. SPD sold those 500,000 common shares in November 2017 on the open market for \$149,000. On October 19, 2017, SPD received the second installment due from Montego, i.e., \$124,850 (US \$100,000) cash and 300,000 common shares of Montego, initially valued at \$57,000. On April 19, 2018, SPD received the third installment due from Montego, i.e., \$252,660 (US\$200,000) cash and 400,000 common shares of Montego, initially valued at \$90,000. As of April 19, 2018, Montego has also completed the required US\$100,000 expenditures. SPD sold 425,000 common shares of Montego in the third quarter 2018 on the open market for \$103,599 and sold 32,000 common shares of Montego during the nine month period ended September 30, 2019 on the open market for \$1,910.

## Silver Predator Corp.

### Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended September 30, 2019 and 2018

Option payments are credited against the carrying value of the Property. Option payments received in excess of the carrying value of the Property are recorded as an exploration expense recovery. SPD recorded \$313,680 of exploration expense recovery in 2018.

As of October 31, 2019, Montego has not made the fourth installment due on April 20, 2019. SPD has delivered a letter to the board of directors of Montego, dated April 30, 2019, noting that the payment due on April 20, 2019 pursuant to the Agreement has not been made, and the expenditures required to have been incurred by that date have not been met. Without prejudice to any rights it has under the Agreement, SPD has not yet terminated the Agreement and is negotiating with Montego to amend the Agreement.

#### Copper King, Idaho

Copper King is located in the Silver Valley of Northern Idaho, U.S. and 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.

## 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITY

Accounts payable and accrued liability comprise the following:

	September 30, 2019	December 31, 2018
Accounts payables	\$ 101,522	\$ 108,792
Accrued liability	57,938	59,684
	<u>\$ 159,460</u>	<u>\$ 168,476</u>

## 6. RELATED PARTY TRANSACTIONS

### Key management compensation

During the three and nine months ended September 30, 2019, SPD incurred expenses of \$3,972 and \$64,603, respectively (three and nine months ended September 30, 2018 - \$3,921 and \$11,318, respectively) to directors and officers as compensation for services received, which amounts include \$nil and \$52,640 in stock-based compensation, respectively (three and nine months ended September 30, 2018 - \$nil).

### 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 and nine months ended September 30, 2019, SPD was charged \$19,979 and \$59,783, respectively (three and nine months ended September 30, 2018 - \$11,529 and \$35,197, respectively) for those services. At September 30, 2019, the amounts due to related parties totaled \$30,750 (December 31, 2018 - \$2,421) and are included in trade payables.

## 7. SHARE CAPITAL AND RESERVES

### Authorized and issued share capital

An unlimited number of common shares without par value are authorized. At September 30, 2019 and December 31, 2018, SPD had 28,609,838 shares issued and outstanding.

### 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.

In May 2019, SPD granted 2,275,000 incentive stock options to directors, officers, and consultants to purchase up to 2,275,000 common shares of SPD. Those incentive stock options, which vested on the grant date, have an exercise price of \$0.10 per share and expire three years from the date of grant.

**Silver Predator Corp.****Notes to the Interim Condensed Consolidated Financial Statements  
For the three and nine months ended September 30, 2019 and 2018**

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During the three and nine months ended September 30, 2019, SPD recognized stock-based compensation expense of \$nil and \$58,418, respectively (three and nine months ended September 30, 2018 - \$nil).

At September 30, 2019, SPD had 2,275,000 stock options outstanding with a weighted average exercise price of \$0.10.

**8. SEGMENT INFORMATION**

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

**9. 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 September 30, 2019, 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 September 30, 2019 and December 31, 2018 were Level 1.

**10. FINANCIAL AND CAPITAL RISKS MANAGEMENT**

There have been no changes to the financial and capital risks management since December 31, 2018. Details of financial and capital risks management can be found in Note 14 and Note 15 of the audited consolidated financial statements for the year ended December 31, 2018.