



SILVER PREDATOR CORP.

(An Exploration Stage Enterprise)

Management's Discussion & Analysis

For the Year Ended December 31, 2018 and 2017

Set out below is a review of the activities, results of operations and financial condition of Silver Predator Corp. ("SPD") and its subsidiaries for the year ended December 31, 2018. The discussion below should be read in conjunction with SPD's December 31, 2018 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; and with the December 31, 2017 audited consolidated financial statements and related notes, which were prepared in accordance with IFRS. All dollar figures included in the following Management's Discussion and Analysis are in Canadian dollars unless otherwise indicated. This Management's Discussion and Analysis is prepared as of March 13, 2019.

SPD is a reporting issuer in the Provinces of British Columbia, Alberta, and Ontario in Canada and is listed on the TSX Venture Exchange under the trading symbol SPD.

Additional information related to SPD, including its Annual Information Form, is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. SPD's website is www.silverpredator.com.

BACKGROUND AND CORE BUSINESS

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

SPD owns and controls the Copper King copper-silver project ("Copper King") in the world class Coeur d'Alene Silver District of northern Idaho, U.S. and the Taylor silver-gold project ("Taylor") in Nevada, U.S. as well as additional early stage exploration properties in the U.S. The Copper King project is targeting strata-bound and/or vein style copper-silver deposits similar to those found in the area, while the Taylor project, which has an identified current silver resource deposit estimate, is open to expansion, and is located in a district that has also identified the potential for discovery of additional silver and gold deposits.

As of December 31, 2018, SPD is 64.11% owned by Resource Re Ltd. ("Resource Re"), a wholly-owned subsidiary of Till Capital Ltd. ("Till Capital").

CORPORATE DEVELOPMENTS, SIGNIFICANT TRANSACTIONS, AND FACTORS AFFECTING RESULTS OF OPERATIONS

Share consolidation

On November 20, 2017, SPD executed a 5:1 reverse stock split ("consolidation") that effectively 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 this discussion and analysis and in the accompanying consolidated financial statements and notes are post-consolidation common share, option, and warrant numbers as if that 2017 consolidation occurred as of December 31, 2016.

Option Agreement with Montego Resources, Inc.

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, U.S., commonly referred to as the Taylor Silver Property (the "Property").

Under the terms of the Agreement, Montego can acquire the Property upon the completion of a series of cash payments totaling US\$1,200,000, issuance of 2,500,000 common shares to SPD, and 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 (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 date 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 \$124,850 (US\$100,000) cash and 300,000 common shares of Montego, initially

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valued at \$57,000, the second installment from Montego. On April 19, 2018, SPD received \$252,660 (US\$200,000) cash and 400,000 common shares of Montego, initially valued at \$90,000, the third installment from Montego. 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. 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. Montego's next obligation under the Agreement schedule is due April 2019.

OUTLOOK

In addition to the Agreement with Montego, management intends to initiate a drilling program on Copper King. Management also intends to pursue the sale of a portion of SPD's remaining assets in order to provide capital that will enable SPD to seek new exploration project acquisitions. Those acquisitions may involve cash or share-based purchases, or some combination thereof, and may also result in SPD raising additional capital from the public market via the issuance of new shares.

FINANCIAL HIGHLIGHTS

	2018	2017	2016
Total revenue	\$ —	\$ —	\$ —
Net income (loss)	\$ 72,014	\$ (249,646)	\$ (2,176,904)
Basic and diluted net income (loss) per share	\$ 0.00	\$ (0.01)	\$ (0.08)
Total assets	\$ 2,125,753	\$ 2,220,920	\$ 7,939,006
Total non-current liabilities	\$ —	\$ —	\$ —
Distributions or cash dividends declared per share	\$ —	\$ —	\$ —

Net income increased in 2018 due to exploration expense recovery on the Taylor Silver Property from payments received pursuant to the Agreement and no reclamation expense, partially offset by no gain on the sale of assets, write-down on Treasure Hill, and lower foreign exchange gain. The gain on sale of assets in 2017 resulted from the sale of equipment and mineral properties and assets held for sale. The lower foreign exchange gain in 2018 compared to 2017 was due to no material US\$ denominated assets or liabilities as a result of the settlement of a US\$ denominated promissory note in January 2017 and the repayment of a US\$ denominated working capital promissory note in April 2017. In 2016, SPD recorded a write-down of the assets of Springer Mining Corp. ("SMC") in the amount of \$1,315,087 as a result of the settlement of a promissory note with Resource Re for 100% of the shares of SMC on January 17, 2017.

Total assets at December 31, 2018 and 2017 were lower than the total assets at December 31, 2016 due to the settlement of a promissory note for 100% of the shares of SMC on January 17, 2017. The assets of SMC were included in SPD's Assets Held for Sale in 2016.

There were no non-current liabilities at December 31, 2018 or 2017 as a result of the settlement of a promissory note in January 2017. There were no non-current liabilities at December 31, 2016 as a promissory note was due in January 2017 and, as such, was classified as a current liability as of December 31, 2016.

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	2018				2017			
	Oct - Dec 2018	Jul - Sept 2018	Apr - Jun 2018	Jan - Mar 2018	Oct - Dec 2017	Jul - Sept 2017	Apr - Jun 2017	Jan - Mar 2017
Operating income (loss)	\$ (80,012)	\$ (35,291)	\$ 279,825	\$ (61,838)	\$ (104,174)	\$ (103,936)	\$ (69,470)	\$ (117,739)
Interest income (expense), net	—	—	—	—	16,778	196	(2,189)	(100,247)
Gain (loss) on sale of assets and investments	—	—	—	—	12,173	(525)	20,062	99,162
Write-down of exploration assets	(41,065)	—	—	—	—	—	—	—
Foreign exchange gain (loss)	10,805	(4,707)	10,857	2,512	3,355	433	(8)	145,369
Other income (expenses)	(64)	—	(8)	—	(57,887)	—	1	—
Net income (loss) before income tax	\$ (110,336)	\$ (39,998)	\$ 290,674	\$ (59,326)	\$ (129,755)	\$ (103,832)	\$ (51,604)	\$ 26,545
Income tax recovery (expense)	(9,000)	—	—	—	9,000	—	—	—
Net income (loss) after income tax	\$ (119,336)	\$ (39,998)	\$ 290,674	\$ (59,326)	\$ (120,755)	\$ (103,832)	\$ (51,604)	\$ 26,545
Cumulative translation adjustment	86,227	(28,422)	27,190	41,069	5,608	(70,993)	(44,625)	(161,141)
Gain (loss) on investments	(21,415)	47,214	(70,000)	(42,000)	166,617	11,128	(123,745)	—
Comprehensive income (loss)	\$ (54,524)	\$ (21,206)	\$ 247,864	\$ (60,257)	\$ 51,470	\$ (163,697)	\$ (219,974)	\$ (134,596)
Basic and diluted net income (loss) per share	\$ (0.00)	\$ (0.00)	\$ 0.01	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ 0.00
Total assets	\$2,125,753	\$2,148,341	\$2,177,122	\$2,172,395	\$2,220,920	\$1,843,629	\$1,961,930	\$2,564,872
Total non-current financial liabilities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

Operating expenses in the first, third, and fourth quarters of 2018 were lower than previous quarters due to no stock-based compensation nor reclamation expense in 2018.

Operating income in the second quarter of 2018 was due to exploration expense recovery from the Taylor Silver Property as a result of option payments received from Montego exceeding the carrying value of the property.

Interest expense since the first quarter of 2017 was lower compared to prior quarters as a result of the settlement of a promissory note in January 2017 and the repayment of the balance of a working capital promissory note in April 2017.

Gain (loss) on sale of assets and investments in 2017 was higher than 2018 as there was no sales of equipment and mineral properties in 2018.

Write-down of exploration assets in the fourth quarter of 2018 was due to a write-down of the Treasure Hill property as a result of not renewing the unpatented claims.

Foreign exchange gain (loss) decreased substantially due to no material US\$ denominated financial assets or liabilities principally as a result of the settlement of a US\$ denominated promissory note in January 2017 and the repayment of a US\$ denominated working capital promissory note in April 2017.

Other expenses were higher in the fourth quarter of 2017 due to the write-off of two reclamation bonds and accrued penalties on late payments of withholding taxes on the interest paid on promissory notes.

Gain (loss) on investments in other comprehensive income (loss) is a result of price fluctuations in investments acquired and sold by SPD. All activity from, and including, the second quarter of 2017 relates to common shares of Montego issued and acquired pursuant to the Agreement.

Results of operations for the three months ended December 31, 2018

The net loss for the three months ended December 31, 2018 is \$119,336 (three months ended December 31, 2017 - \$120,755). Significant items contributing to the change of \$1,419 are as follows:

- Operating loss decreased in the three months ended December 31, 2018 by \$24,162 to \$80,012 (three months ended December 31, 2017 - \$104,174) due primarily to no reclamation expense during the three months ended December 31, 2018 (three months ended December 31, 2017 - \$56,429) and partially offset by higher professional and consulting fees during the three months ended December 31, 2018.

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- Non-operating expenses increased in the three months ended December 31, 2018 by \$4,743 to \$30,324 (three months ended December 31, 2017 - \$25,581) due primarily to the write-down of exploration assets, partly offset by lower interest and other expenses, no gain on sale of assets, and an increase in foreign exchange gain during the three months ended December 31, 2018.
- Income tax recovery decreased by \$18,000 to income tax expense of \$9,000 in the year ended December 31, 2018 (year ended December 31, 2017 - income tax recovery \$9,000) due to the reversal the deferred tax asset recognized in 2017.

Results of operations for the year ended December 31, 2018

The net income for the year ended December 31, 2018 is \$72,014 (year ended December 31, 2017 - net loss of \$249,646). Significant items contributing to the change of \$321,660 are as follows:

- Operating income increased in the year ended December 31, 2018 by \$498,003 to \$102,684 (year ended December 31, 2017 - loss of \$395,319) due primarily to exploration expense recovery of \$313,680, less professional and consulting fees, lower general and administrative expenses, and no reclamation expense or stock-based compensation during the year ended December 31, 2018 compared to the year ended December 31, 2017.
- Write-down of exploration assets of \$41,065 in the year ended December 31, 2018 as a result of not renewing the Treasure Hill unpatented claims (year ended December 31, 2017 - \$nil).
- There was no gain on sale of assets in the year ended December 31, 2018 (year ended December 31, 2017 - \$130,872). The gain on sale of assets in the year ended December 31, 2017 was primarily from the sale of equipment at the Taylor mill.
- Foreign exchange gain decreased by \$129,682 to \$19,467 in the year ended December 31, 2018 (year ended December 31, 2017 - \$149,149) due to no material US\$ denominated financial assets or liabilities as a result of the settlement of a US\$ denominated promissory note in January 2017 and the repayment of a US\$ denominated working capital promissory note in April 2017.
- Interest and other expenses decreased by \$143,276 to \$72 in the year ended December 31, 2018 (year ended December 31, 2017 - \$143,348) due to the settlement of a promissory note between SPD and Resource Re on January 17, 2017 and the repayment of the US\$ denominated working capital promissory note in April 2017.
- Income tax recovery decreased by \$18,000 to income tax expense of \$9,000 in the year ended December 31, 2018 (year ended December 31, 2017 - income tax recovery \$9,000) due to the reversal the deferred tax asset recognized in 2017.

Cash flows for the year ended December 31, 2018

The cash balance at December 31, 2018 was \$523,152 (December 31, 2017 - \$363,929).

Cash outflows from operating activities decreased by \$80,978 to \$169,565 (year ended December 31, 2017 – \$250,543) due primarily to the increase in net income adjusted for non-cash items.

Cash inflows from investing activities decreased by \$273,805 to \$328,788 (year ended December 31, 2017 – \$602,593) due mostly to no sales of equipment and mineral properties in 2018 and less property related option payments received.

Cash flows from financing activities was \$nil (year ended December 31, 2017 – outflows of \$352,260) in the year ended December 31, 2018. SPD repaid a promissory note in the year ended December 31, 2017 and had no financing activities in 2018.

Financial position

Investments decreased \$108,800 to \$11,200 as of December 31, 2018 (December 31, 2017 - \$120,000) due to a decrease in the share price of Montego common shares and the sale of 425,000 common shares of Montego.

Mineral properties increased \$80,034 to \$1,492,009 as of December 31, 2018 (December 31, 2017 - \$1,411,975) due primarily to the effect of changes in the foreign exchange rate of \$122,608 and capitalized exploration costs of \$27,471, partially offset by a write-down of \$41,065 related to Treasure Hill property.

LIQUIDITY AND CAPITAL RESOURCES

The audited consolidated statements of financial position have been prepared assuming SPD will continue on a going concern basis, and 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 year ended December 31, 2018, SPD reported net cash outflow from operating activities of \$169,565 and, as of that date, had a net working capital balance of \$379,097 and an accumulated deficit of \$36,370,488. 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 and/or obtain additional financing.

On April 3, 2017, SPD entered into an option 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. On April 20, 2017, SPD received \$265,770 (US\$200,000) cash and 500,000 common shares of Montego, initially valued at \$207,500. SPD sold those shares in November 2017 on the open market for \$149,000. On October 19, 2017, SPD received \$124,850 (US\$100,000) cash and 300,000 common shares of Montego, initially valued at \$57,000, the second installment from Montego. On April 19, 2018, SPD received \$252,660 (US\$200,000) cash and 400,000 common shares of Montego, initially valued at \$90,000, the third installment from Montego. SPD sold 425,000 common shares of Montego in the third quarter 2018 on the open market for \$103,599. Montego's next obligation under the Agreement schedule is due April 2019.

OUTSTANDING SHARE DATA

At the date of this report, SPD has 28,609,838 issued and outstanding common shares and 250,000 stock options outstanding at a weighted average exercise price of \$0.34.

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2018, SPD incurred expenses of \$15,548 (year ended December 31, 2017 - \$65,747) to directors and officers as compensation for services received.

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 year ended December 31, 2018, SPD was charged \$46,645 (year ended December 31, 2017 - \$46,595) for those services. At December 31, 2018, amounts due from related parties totaled \$nil (December 31, 2017 - \$233,986) and are included in receivables. At December 31, 2018, the amounts due to related parties totaled \$2,383 (December 31, 2017 - \$8,639) and are included in trade payables.

OFF BALANCE SHEET ARRANGEMENTS

At December 31, 2018, SPD had no material off-balance sheet arrangements or any obligations that trigger material financing, liquidity, market, or credit risk to SPD.

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 SPD's accounting policies. Those judgments and estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience; however, actual results may differ from the amounts included in the accompanying consolidated financial statements.

Areas of estimation and judgment that have the most significant effect on the amounts recognized in the accompanying consolidated financial statements are:

Valuation of mineral properties

SPD follows the guidance of IFRS 6, *Exploration for and Evaluation of Mineral Resources* ("IFRS 6"), to determine when a mineral property asset is impaired. That determination requires significant judgment. In making that judgment, SPD evaluates, among other factors, the results of exploration and evaluation activities to date and SPD's future plans to explore and evaluate a mineral property.

New standard

IFRS 9, *Financial Instruments* ("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. In accordance with the IFRS 9 transitional provisions in IFRS 9, comparative figures have not been restated. Upon the adoption of IFRS 9, SPD made an election 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.

Prior to 2018, in accordance with IAS 39, realized gains and losses from available-for-sale investments were included in income or loss in the period in which they occurred. Unrealized gains and losses from changes in fair value of available-for-sale investments were included in accumulated other comprehensive income (loss) in shareholders' equity. On disposal or sale of an available-for-sale investment, previously recorded unrealized gains and losses were reclassified from accumulated other comprehensive income (loss) in shareholders' equity and included in income or loss.

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

New standard not yet adopted

Leases

On January 13, 2016, the IASB issued IFRS 16, *Leases* ("IFRS 16") according to which, 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 is assessing the impact of IFRS 16 on its consolidated financial statements, as SPD currently does not have operating leases, and, as such, Management does not expect there to be a material impact at adoption.

RISKS AND UNCERTAINTIES

Prior to making an investment decision, investors should consider the investment risks set forth below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an exploration stage of development. The Directors of SPD consider the risks set forth below to be the most significant to potential investors in SPD, but are not all of the risks associated with an investment in securities of SPD. If any of those risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware, or which they consider not to be material in relation to SPD's business, actually occur, SPD's assets, liabilities, financial condition, results of operations (including future results of operations), business, and business prospects are likely to be materially and adversely affected. In such circumstances, the price of SPD's securities could decline and investors may lose all or part of their investment.

Sale of assets and availability of financing

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

Property title matters

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

Management

SPD is dependent on a relatively small number of key personnel and management services provided by Till Capital pursuant to a services agreement. The loss of any key personnel or management services could have an adverse effect on SPD.

Economics of developing mineral properties

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

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

Foreign exchange risk

A portion of SPD's financial assets and liabilities are denominated in US dollars. SPD may raise funds in either US or Canadian dollars while major purchases and expenditures are usually transacted in US dollars. SPD also funds certain operations and exploration and administrative expenses in US dollars. SPD monitors this exposure to foreign exchange risk, but has no foreign currency hedge positions. At December 31, 2018, a 5% change in the value to the US dollar as compared to the Canadian dollar would result in an immaterial change in net loss and shareholders' equity.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. SPD's is exposed to credit risk from cash deposits and reclamation bonds with financial institutions and receivables. Cash and cash equivalents consist of cash held in bank accounts, for which management believes the risk of loss to be 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. The Company's maximum balance sheet exposure to credit risk at December 31, 2018 is the carrying value of its cash and cash equivalents, receivables, and reclamation bonds.

Interest rate risk

Interest rate risk mainly arises from SPD'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.

At December 31, 2018, SPD had no borrowings.

Market Risk

SPD is exposed to market risk because of the fluctuating value of its publicly traded marketable security. SPD has no control over that fluctuation and does not hedge its investments. Based on the December 31, 2018 value, a 10% increase or decrease in effective market value has no material impact to the net shareholders' equity.

Liquidity risk

Liquidity risk is the risk that SPD will not be able to meet its current obligations as they become due. SPD prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of SPD's activities, funding for long-term liquidity needs is dependent on SPD's ability to obtain additional financing through various means, including equity financing. There can be no assurance that SPD will be able to obtain adequate financing or that the terms of such financing will be favourable. At December 31, 2018, SPD had a working capital balance of \$379,097. For additional information

on liquidity, refer to Note 1 of SPD's accompanying unaudited consolidated financial statements for the year ended December 31, 2018.

Stage of development

SPD's properties are in the development and exploration stage and SPD does not have an operating history. Exploration and development of mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing properties. The amounts attributed to SPD's interest in its properties, as reflected in its accompanying unaudited consolidated financial statements, represent acquisition and exploration expenses and should not be taken to represent realizable value. There is no assurance that SPD's exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of SPD's operations will, in part, be directly related to the cost and success of its exploration programs, which may be affected by a number of factors such as unusual or unexpected geological formations, and other conditions.

Profitability of operations

SPD does not have a history of operating profitably and it should be anticipated that it will operate at a loss at least until such time as production is achieved from one of SPD's properties, if production is, in fact, ever achieved. Investors also cannot expect to receive any dividends on their investment in the foreseeable future.

Mineral industries competition is significant

The international mineral industries are highly competitive. SPD will be competing against competitors that may be larger and better capitalized, have state or other government support, have access to more efficient technology, and have access to reserve minerals that are cheaper to extract and process. As such, no assurance can be given that SPD will be able to compete successfully with its industry competitors.

Fluctuations in metal prices

SPD's future revenues, if any, are expected to be in large part derived from the future mining and sale of metals or interests related thereto. The prices of those commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond SPD's control, including, among others, international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumption patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others, and inventory carrying costs. The effect of those factors on the prices of metals, and therefore the economic viability of SPD's operations, cannot be accurately predicted. Depending on the price obtained for any minerals produced, SPD may determine that it is impractical to commence or continue commercial production.

SPD's operations are subject to operational risks and hazards inherent in the mining industry

SPD's business is subject to a number of inherent risks and hazards, including environmental pollution, accidents, industrial and transportation accidents that may involve hazardous materials, labour disputes, power disruptions, catastrophic accidents, failure of plant and equipment to function correctly, the inability to obtain suitable or adequate equipment, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena, such as inclement weather conditions, underground floods, earthquakes, pit wall failures, ground movements, tailings, pipeline and dam failures and cave-ins, encountering unusual or unexpected geological conditions, and technical failure of mining methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, SPD's mineral properties, personal injury or death, environmental damage, delays in SPD's exploration or development activities, costs, monetary losses, potential legal liability, and adverse governmental action, all of which could have a material and adverse effect on SPD's future cash flows, earnings, results of operations, and financial condition.

Government regulation

SPD's mineral exploration and planned development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although SPD believes its exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development.

Many of the mineral rights and interests of SPD are subject to government approvals, licenses, and permits. Such approvals, licenses, and permits are, as a practical matter, subject to the discretion of applicable governments or governmental officials. No assurance can be given that SPD will be successful in obtaining, or maintaining, any or all of the various approvals, licenses, and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, SPD may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or other remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulation governing operations or more stringent implementation thereof could have a substantial impact on SPD and cause increases in exploration expenses, capital expenditures or production costs, or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Future sales of common shares by existing shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair SPD's ability to raise capital through future sales of common shares. Substantially all of the common shares can be resold without material restriction in Canada.

SPD could be deemed a Passive Foreign Investment Company, which could have negative consequences for U.S. investors

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

INFORMATION REGARDING FORWARD LOOKING STATEMENTS

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains "forward-looking information" that includes, 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 that 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; future prices of gold; possible variations of ore grade or recovery rates; failure of plant or equipment or failure to operate as anticipated; accidents; labour disputes or slowdowns or other risks of the mining industry; climatic conditions; political instability; or arbitrary decisions by government authorities.

Although 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

Silver Predator Corp.

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For the year ended December 31, 2018 and 2017

from those anticipated, estimated, or intended. Forward-looking statements contained herein are made as of the date of this Management's Discussion and Analysis of Financial Condition and Results of Operations based on the opinions and estimates of management, and SPD 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.