



SILVER PREDATOR CORP.

(An Exploration Stage Enterprise)

Management's Discussion & Analysis

For the Years Ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

Set out below is a review of the activities, results of operations, and financial condition of Silver Predator Corp. ("SPD") and its subsidiary for the year ended December 31, 2022. The discussion below should be read in conjunction with SPD's December 31, 2022 audited consolidated financial statements and related notes, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("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 29, 2023.

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., the Taylor silver-gold project ("Taylor") in Nevada, U.S., and other 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. Subsequent to December 31, 2022, the Taylor property was sold, see Subsequent Event at the end of this analysis.

As of December 31, 2022, SPD is 51.82% owned by Till Capital Corporation ("Till Capital"), a publicly held company listed on the TSX Venture Exchange.

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

SPD stock option

On December 9, 2022, SPD announced that it granted an aggregate of 2,450,000 incentive stock options to directors, officers, and certain other consultants of SPD. The incentive stock options have a three-year term with an exercise price of \$0.12 per share. The options vested immediately and are governed by the terms and conditions of SPD's stock option plan. As of December 31, 2022, SPD had 2,850,000 stock options issued.

Sale of the Taylor property

In November 2022, SPD's wholly-owned subsidiary Silver Predator US Holding Corp. ("SPUS") and White Pine Precious Metals Inc. ("WPPM"), a privately held Ontario-based company, signed a Definitive Purchase Agreement (the "Purchase Agreement") for WPPM to acquire the Taylor property. The terms of the Purchase Agreement included an immediate payment of \$32,533 (US\$25,000) followed by a payment of US\$850,000 by the closing date, with an additional US\$875,000 payment 18 months following the closing date. Also at the closing date, SPUS will receive 5% of the issued and outstanding common shares of WPPM on a basic, non-diluted basis. SPUS received the \$32,533 (US\$25,000) on November 22, 2022. The closing occurred on January 27, 2023 (See Subsequent Event at the end of this analysis). Pursuant to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations ("IFRS 5"), Taylor's assets were classified as held for sale.

Loan payable

During the year ended December 31, 2021, SPD received a loan from Till Capital of \$315,475 (US\$250,000), secured by SPD's interest in its wholly-owned subsidiary Silver Predator US Holding Corp. ("SPUS"), which holds title to projects in Nevada and Idaho. The loan was payable on demand and had a maturity date of August 22, 2022, with an annual interest rate of 12%, and the principal and interest could be prepaid in whole or in part with no penalties. Part of the loan proceeds were used to pay outstanding related party payables to Till Capital and its subsidiaries. During the second quarter of 2022, SPD paid the balance including interest on the loan of \$350,155 (US\$271,717). Interest expense for the years ended December 31, 2022 and 2021 was \$14,024 and \$13,447, respectively.

Private placement

In March 2022, SPD completed the first tranche of the private placement with 1,165,255 units priced at \$0.11 per unit for \$128,178, each unit consisting of one common share plus one common share purchase warrant exercisable for two years to

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acquire an additional common share at a price of \$0.165 per share (a "Warrant Share"). In June 2022, SPD completed the second tranche of the private placement with 4,665,636 units priced at \$0.11 per unit for \$513,220, each unit consisting of one common share plus one Warrant Share.

OUTLOOK

With funds from the sale of Taylor (see subsequent Event at the end of this analysis), management intends to initiate a drilling program on Copper King during 2023, pending access approval and permit renewal by the US Forest Service.

FINANCIAL HIGHLIGHTS

	2022	2021	2020
Net income (loss)	\$ 1,636,473	\$ (238,881)	\$ (166,398)
Basic and diluted net income (loss) per share	\$ 0.05	\$ (0.01)	\$ (0.01)
Total assets	\$ 3,780,804	\$ 1,608,475	\$ 1,611,708

SPD reported net income of \$1,636,473 in 2022 as compared to a net loss of \$238,881 in 2021. The net income was due primarily to the reversal of mineral property impairment at the Taylor property of \$1,980,607 in 2022 (2021 - \$nil), partially offset by an increase in professional and consulting fees from \$134,983 in 2021 to \$248,272 in 2022 primarily due to costs associated with the private placement, increased audit fees and increased legal fees.

SPD reported a net loss of \$238,881 in 2021 as compared to a net loss of \$166,398 in 2020. The higher net loss was due primarily to stock-based compensation of \$31,525 during 2021 (2020 - \$nil), and no income tax recovery during 2021 (2020 - \$21,407).

Total assets in 2022 increased compared to 2021 due primarily to the reversal of mineral property impairment at the Taylor property of \$1,980,607.

	2022				2021			
	Oct - Dec 2022	Jul - Sep 2022	Apr - Jun 2022	Jan - Mar 2022	Oct - Dec 2021	Jul - Sep 2021	Apr - Jun 2021	Jan - Mar 2021
Net loss from operating activities	\$ (106,511)	\$ (77,707)	\$ (39,488)	\$ (90,155)	\$ (39,735)	\$ (44,328)	\$ (71,180)	\$ (68,134)
Reversal of mineral property impairment	1,980,607	—	—	—	—	—	—	—
Loss on sale of mineral property	—	—	—	—	(4,205)	—	—	—
Foreign exchange gain (loss)	(686)	528	(15,085)	(967)	(721)	4,447	(791)	(692)
Interest and other expense	(1)	(38)	(4,761)	(9,263)	(9,388)	(4,133)	—	(21)
Net income (loss) before income tax	\$1,873,409	\$ (77,217)	\$ (59,334)	\$ (100,385)	\$ (54,049)	\$ (44,014)	\$ (71,971)	\$ (68,847)
Income tax	—	—	—	—	—	—	—	—
Net income (loss) after income tax	\$1,873,409	\$ (77,217)	\$ (59,334)	\$ (100,385)	\$ (54,049)	\$ (44,014)	\$ (71,971)	\$ (68,847)
Cumulative translation adjustment	59,504	103,598	53,930	(23,629)	(3,608)	41,983	(21,830)	(18,658)
Gain (loss) on investments	(833)	(834)	(4,166)	30,833	—	—	—	1,145
Comprehensive income (loss)	\$1,932,080	\$ 25,547	\$ (9,570)	\$ (93,181)	\$ (57,657)	\$ (2,031)	\$ (93,801)	\$ (86,360)
Basic and diluted net income (loss) per share	\$ 0.05	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Total assets	\$3,780,804	\$1,808,172	\$1,822,178	\$1,678,985	\$1,608,475	\$1,672,985	\$1,517,437	\$1,573,816
Total non-current financial liabilities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

Higher operating loss in the fourth and first quarters of 2022 is primarily due to increased audit fees, stock-based compensation, and costs associated with the private placement.

The reversal of mineral property impairment in the fourth quarter of 2022 was due to the January 2023 sale of the Taylor property and the cash, shares, and promissory note to be received at the closing date. See Subsequent Event at the end of this analysis. The reversal is a partial recovery of a write-down to the carrying value of Taylor recorded in 2015 of more than \$4,000,000.

The foreign exchange fluctuations in the second quarter of 2022 and the third quarter of 2021 were due primarily to the impact of the exchange rate on the US\$250,000 loan from Till Capital.

Higher interest and other loss from the third quarters of 2021 through the second quarter of 2022 was due to the interest on the US\$250,000 loan from Till Capital.

Gain (loss) on investments in other comprehensive income (loss) in 2022 was a result of the receipt and subsequent revaluation of 166,667 shares of Forte Minerals Corp., and in the first quarter of 2021 was a result of the sale of Montego Resources Inc. common shares.

Results of operations for the three months ended December 31, 2022

Net income for the three months ended December 31, 2022 was \$1,873,409 (three months ended December 31, 2021 - net loss of \$54,049). Significant items contributing to the increase in net income of \$1,927,458 are as follows:

- A reversal of mineral property impairment of \$1,980,607 based on the January 2023 sale of the Taylor property was recorded during the three months ended December 31, 2022 (three months ended December 31, 2021 - \$nil).
- Operating loss increased in the three months ended December 31, 2022 by \$66,776 to \$106,511 (three months ended December 31, 2021 - \$39,735) due primarily to stock-based compensation and increased audit fees.
- Interest and other expense decreased in the three months ended December 31, 2022 by \$9,387 to \$1 (three months ended December 31, 2021 - \$9,388) due primarily to no interest expense related to the loan from Till Capital in the three months ended December 31, 2022 as the loan was paid off in the second quarter of 2022.

Results of operations for the year ended December 31, 2022

Net income for the year ended December 31, 2022 was \$1,636,473 (year ended December 31, 2021 - net loss of \$238,881). Significant items contributing to the increase in net income of \$1,875,354 are as follows:

- A reversal of mineral property impairment of \$1,980,607 based on the January 2023 sale of the Taylor property was recorded during the year ended December 31, 2022 (year ended December 31, 2021 - \$nil).
- Operating loss increased in the year ended December 31, 2022 by \$90,484 to \$313,861 (year ended December 31, 2021 - \$223,377) due primarily to costs associated with the private placement, increased audit fees and increased legal fees.

Cash flows for the year ended December 31, 2022

The cash balance at December 31, 2022 was \$152,901 (December 31, 2021 - \$151,750).

Cash outflows from operating activities increased \$116,209 to \$255,647 (year ended December 31, 2021 - \$139,438) due primarily to higher operating expenditures.

Cash inflows from investing activities decreased \$159,342 to outflows of \$29,365 (year ended December 31, 2021 - \$129,977) due primarily to lower proceeds received from the sale of mineral properties.

Cash inflows from financing activities increased \$190,129 to \$291,243 (year ended December 31, 2021 - \$101,114) due to proceeds from the private placement of \$641,398, partly offset by the repayment of \$350,155 relating to a loan from a related party.

Financial position

Cash increased by \$1,151 to \$152,901 as of December 31, 2022 (December 31, 2021 - \$151,750) due primarily to proceeds from the private placement, partly offset by the repayment of a loan from a related party and operating expenditures.

Mineral properties increased by \$22,696 to \$1,402,899 as of December 31, 2022 (December 31, 2021 - \$1,380,203) due primarily to a reversal of mineral property impairment of \$1,980,607 based on the January 2023 sale of the Taylor property and currency translation adjustments of \$176,512.

LIQUIDITY AND CAPITAL RESOURCES

The consolidated statements of financial position have been prepared assuming SPD will continue on a going concern basis, 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, 2022, SPD reported net cash outflow from operating activities of \$255,647 and, as of that date, had a net working capital balance of \$2,341,959 and an accumulated deficit of \$35,516,412.

In November 2022, SPD's wholly-owned subsidiary SPUS and WPPM signed a Purchase Agreement for WPPM to acquire the Taylor property. The terms of the Purchase Agreement included an immediate payment of \$32,533 (US\$25,000) followed by a payment of US\$850,000 by the closing date, with an additional US\$875,000 payment 18 months following the closing date. Also at the closing date, SPUS will receive 5% of the issued and outstanding common shares of WPPM on a basic, non-diluted basis. SPUS received the \$32,533 (US\$25,000) on November 22, 2022. The closing occurred on January 27 2023. On January 27, 2023, SPUS received US\$850,000. (See Subsequent Event at the end of this analysis).

OUTSTANDING SHARE DATA

At the date of this report, SPD has 35,390,745 issued and outstanding common shares, 2,850,000 outstanding stock options with a weighted average exercise price of \$0.13, and 5,830,891 outstanding warrants with an exercise price of \$0.165.

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2022, SPD incurred expenses of \$15,616 (year ended December 31, 2021 - \$15,044) to its Chief Executive Officer as compensation for services received. During the year ended December 31, 2022, SPD had stock-based compensation to directors, officers, and consultants as compensation for services received of \$26,631 (year ended December 31, 2021 - \$31,525).

During the year ended December 31, 2021, SPD received a loan from Till Capital of \$315,475 (US\$250,000), secured by SPD's interest in its wholly-owned subsidiary SPUS, which holds title to projects in Nevada and Idaho. The loan was payable on demand and had a maturity date of August 22, 2022, with an annual interest rate of 12%, and the principal and interest could be prepaid in whole or in part with no penalties. Part of the loan proceeds were used to pay outstanding related party payables to Till Capital and its subsidiaries. During the second quarter of 2022, SPD paid the loan balance including interest on the loan of \$350,155 (US\$271,717). Interest expense for the years December 31, 2022 and 2021 was \$14,024 and \$13,447, respectively.

Amounts paid to related parties were incurred in the normal course of business. SPD is party to a service agreement 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, 2022, SPD was charged \$78,078 (year ended December 31, 2021 - \$75,222) for those services. At December 31, 2022, the amounts due to related parties included in trade payables totaled \$3,649 (December 31, 2021 - \$7,607).

OFF BALANCE SHEET ARRANGEMENTS

At December 31, 2022, SPD had no off-balance sheet arrangements or any obligations that trigger material financing, liquidity, market, or credit risk to SPD.

CRITICAL ACCOUNTING JUDGMENTS

The preparation of consolidated financial statements in accordance with IFRS requires management to exercise judgment in applying SPD's accounting policies. Those judgments 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 audited consolidated financial statements.

The areas of judgments that have the most significant effect on the amounts recognized in the accompanying audited consolidated financial statements is:

Impairment indicator assessment of mineral properties

SPD follows the guidance of IFRS 6, *Exploration for and Evaluation of Mineral Resources*, to determine when a mineral property asset is impaired. That determination requires significant judgment. The impairment indicators considered by management include: (i) the period during which SPD or its subsidiary has the right to explore in the area has expired during the year or will expire in the near future; (ii) substantive expenditure on further exploration for and evaluation of mineral

resources in a specific area is neither budgeted nor planned; (iii) a decision to discontinue exploration and evaluation in an area; and (iv) sufficient data exists to indicate that the carrying value of mineral properties will not be fully recovered from future development and production. No impairment indicators existed at December 31, 2022 for any of SPD's properties.

Reversal of mineral property impairment

SPD recorded a reversal of mineral property impairment related to its Taylor property at December 31, 2022. The determination of the amount of the reversal of mineral property impairment requires judgements related to the determination of the recoverable amount based on the subsequent sale of the asset after December 31, 2022. The most significant assumption in the determination of the recoverable amount at December 31, 2022 was the discount rate used in the fair value of the note receivable included in the purchase consideration. The discount rate was determined based on market interest rates and the credit risk of the counterparty.

FINANCIAL RISK MANAGEMENT

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, 2022, a 5% change in the value of the US dollar as compared to the Canadian dollar would result in about \$97,000 change in net income.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. SPD is exposed to credit risk from cash deposits and reclamation bonds with financial institutions and receivables. Cash is held in bank and brokerage accounts, for which management believes the risk of loss to be minimal. Reclamation bonds consist of term deposits and guaranteed investment certificates, that are invested with reputable financial institutions, for which management believes the risk of loss to be minimal. SPD's maximum balance sheet exposure to credit risk at December 31, 2022 is the carrying value of its cash, receivables, and reclamation bonds.

Interest rate risk

Interest rate risk mainly arises from SPD's cash which receive interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are negligible.

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, 2022, SPD had a net working capital (current assets less current liabilities) balance of \$2,341,959. Included in current assets is \$2,169,109 relating to Taylor, which is a held for sale asset.

In November 2022, SPD's wholly-owned subsidiary SPUS and WPPM signed a Purchase Agreement for WPPM to acquire the Taylor property. The terms of the Purchase Agreement include immediate payment of \$32,533 (US\$25,000) followed by a payment of US\$850,000 by the closing date, with an additional US\$875,000 payment 18 months following the closing date. Also at the closing date, SPUS will receive 5% of the issued and outstanding common shares of WPPM on a basic, non-diluted basis. SPUS received the \$32,533 (US\$25,000) on November 22, 2022. The closing occurred on January 27 2023. On January 27, 2023, SPUS received US\$850,000. (See Subsequent Event at the end of this analysis).

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 of SPD, but 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 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's 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 small number of key personnel and management services provided by Till Capital pursuant to a services agreement. The loss of any key personnel, including contractors, 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.

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 audited 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

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, and industrial and transportation accidents that may involve hazardous materials, labor 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, labor 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.

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 adviser 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 subsidiary 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 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.

SUBSEQUENT EVENT

In January 2023, SPD announced the closing of the sale of the Taylor property to WPPM. On January 27, 2023, SPD's wholly-owned subsidiary SPUS received US\$850,000, 631,034 common shares representing 5% of the issued and outstanding shares of WPPM, and a promissory note for US\$875,000 due July 27, 2024 with 2.88% interest per annum compounding quarterly.