SILVER PREDATOR CORP

(An Exploration Stage Enterprise)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED AUGUST 31, 2010

Notice of Non-review of Interim Financial Statements

The attached interim consolidated financial statements for the three month period ended August 31, 2010 have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these interim financial statements.

Silver Predator Corp.
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars)

	August 31, 2010 (Unaudited)	May 31, 2010
ASSETS		
Current		
Cash	$ 21,370	$ 65,276
Prepaid expenses and deposits	25,103	26,426
Receivables	30,755	23,161
Investments (Note 3)	902,200	752,200
	979,428	867,063
Equipment and leaseholds (Note 4)	-	9,711
Resource properties (Note 5)	44,819	37,321
	$ 1,024,247	$ 914,095
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 407,766	$ 235,013
Shareholders' equity		
Share capital (Note 6)	3,907,471	3,907,471
Contributed surplus (Note 6)	178,982	178,982
Accumulated other comprehensive income (Note 7)	65,012	(84,988)
Deficit	(3,534,984)	(3,322,383)
	616,481	679,082
	$ 1,024,247	$ 914,095

Nature of operations and going concern (Note 1)

Subsequent events (Note 9)

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

Silver Predator Corp.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) AND RETAINED EARNINGS (DEFICIT)
(Expressed in Canadian Dollars)
For the three month period ended

		August 31, 2010 (Unaudited)		August 31, 2009 (Unaudited)
EXPENSES				
Amortization	$	-	$	757
Consulting and management fees		74,353		62,647
General and administrative		20,230		30,901
Filing		13,340		7,666
Insurance		1,380		3,098
Professional fees		65,294		24,965
Salaries and wages		27,903		-
		(202,500)		(130,034)
OTHER ITEMS				
Realized gain on sale of marketable securities		-		996,345
Write-off of resource properties		(177)		-
Write-off of equipment and leaseholds		(9,711)		-
Foreign exchange loss		(213)		(4,091)
Interest income		-		467
		(10,101)		992,721
Net income (loss) for the period		(212,601)		862,687
Retained earnings (deficit), beginning of period		(3,322,383)		(846,877)
Retained earnings (deficit), end of period	$	(3,534,984)	$	15,810
Income (loss) for the period	$	(212,601)	$	862,687
Unrealized gains on available-for-sale marketable securities		150,000		131,384
Income (loss) and comprehensive income (loss) for the period	$	(62,601)	$	994,071
Basic and diluted loss per common share	$	(0.05)	$	(0.23)
Weighted average number of common shares outstanding		4,207,075		3,677,901

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

Silver Predator Corp.
CONSOLIDATED STATEMENTS OF CASH-FLOWS
(Expressed in Canadian Dollars)
For the three month period ended

	August 31, 2010 (Unaudited)	August 31, 2009 (Unaudited)
CASH FLOWS USED IN OPERATING ACTIVITIES		
Income (loss) for the period	$ (212,601)	$ 862,687
Items not affecting cash:		
Amortization	-	757
Write-off of interest in resource properties	177	-
Write-off of equipment and leaseholds	9,711	
Unrealized loss on investments	-	541,100
	(202,713)	1,404,544
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(7,594)	6,192
Decrease (increase) in prepaid expenses and deposits	1,323	(7,557)
Increase (decrease) in accounts payable and accrued liabilities	172,753	(48,265)
	(36,231)	1,354,914
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration costs	(7,675)	(40,859)
Change in cash during the period	(43,906)	1,314,055
Cash, beginning of period	65,276	1,858,400
Cash, end of period	$ 21,370	$ 3,172,455

No significant non-cash transactions during the period ended August 31, 2010 and 2009.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Silver Predator Corp. (the "Company") was incorporated under the laws of the Province of British Columbia on June 1, 2006. The Company is in the business of exploring for and developing economically viable mineral resource deposits.

These accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of the assets and the satisfaction of liabilities and commitments in the normal course of business. The Company is currently operating at a loss and has an accumulated deficit of $3,534,984. If the Company should be unable to continue as a going concern, realization of its assets and settlement of its liabilities in other than the normal course of the business may be at amounts significantly different from those in the financial statements.

As at August 31, 2010, the Company had working capital of $571,662, however, this may not be adequate to meet the Company's operating, exploration, and other obligations over the next 12 months. These circumstances lend significant doubt as to the Company's ability to continue as a going concern and accordingly the appropriateness of the use of accounting principles applicable to a going concern. The Company's continued existence as a going concern is dependent upon its ability to continue to obtain adequate financing arrangements and to achieve profitable operations. These consolidated financial statements do not include adjustments to the carrying values of assets and liabilities and reported expenses and balance sheet classifications that would be necessary should the Company be unable to continue as a going concern. It is anticipated that any additional funding will be in the form of equity financing from the sale of common shares, however, there is no guarantee that funding from such financings will be available in amounts sufficient to meet the commitments of the Company.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, receipt of necessary permits and regulatory approvals, the ability of the Company to obtain financing to complete project development and future profitable operations or sale of the properties.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these consolidated financial statements. The interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements including the notes thereto for the year ended May 31, 2010.

b. Recent Accounting Pronouncements

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that are equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning June 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently. Management is currently evaluating the effect these standards may have on the Company's financial statements.

(Expressed in Canadian Dollars)

3. INVESTMENTS

The Company holds securities that have been designated as available-for-sale as follows:

	August 31, 2010		May 31, 2010	
	Market Value	Cost	Market Value	Cost
Common shares in public companies	$ 750,000	$ 684,988	$ 600,000	$ 684,988
Warrants in public companies	152,200	315,012	152,200	315,012
	$ 902,200	$ 1,000,000	$ 752,200	$ 1,000,000

Hy Lake Gold Inc.

On December 4, 2009, the Company acquired 5,000,000 units of Hy Lake Gold Inc. ("Hy Lake"), an Ontario company engaging in gold exploration and mine development in the Red Lake mining district in Northwestern Ontario, pursuant to a private placement at $0.20 per unit or $1,000,000.

Each unit consists of one common share and one share purchase warrant. Each warrant entitles the Company to purchase an additional share at $0.30 until June 3, 2011. In the event that, after September 3, 2009, the common shares of Hy Lake close at $0.50 or more for 20 consecutive trading days, the warrant term shall be automatically reduced to 30 days from the date that Hy Lake provides written notice of the new expiry date. The value assigned to the warrants using the Black-Scholes pricing model amounted to $315,012. The 5,000,000 common shares acquired are classified as available-for-sale and represent approximately 15% of the issued and outstanding shares of Hy Lake.

4. EQUIPMENT AND LEASEHOLDS

	August 31, 2010			May 31, 2010		
	Cost $	Accumulated Amortization $	Net Book Value $	Cost $	Accumulated Amortization $	Net Book Value $
Furniture and equipment	-	-	-	4,248	2,092	2,156
Leasehold improvements	-	-	-	20,835	13,280	7,555
	-	-	-	25,083	15,372	9,711

(Expressed in Canadian Dollars)

5. RESOURCE PROPERTIES

	August 31, 2010	May 31, 2010
Wildhorse Property		
Balance, beginning of the period	$ -	$ 267,122
Acquisition costs	-	2,250
Deferred expenditures		
Claims maintenance fees	-	10,317
Consulting fees	-	1,925
	-	281,614
Written-off during the period	-	(281,614)
Balance, end of the period	-	-
Right of First Refusal Properties		
Balance, beginning of the period	-	168,495
Deferred expenditures		
Claims maintenance fees	-	21,622
Consulting fees	-	1,491
	-	191,608
Written-off during the period	-	(191,608)
Balance, end of the period	-	-
Pinchot (formerly White Mountain) and Other Properties		
Balance, beginning of the period	37,321	32,694
Deferred expenditures		
Claims maintenance fees	7,675	11,830
	44,996	44,524
Written-off during the period	(177)	(7,203)
Balance, end of the period	44,819	37,321
Total Resource Properties	$ 44,819	$ 37,321

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral property interests. The Company has investigated title to all of its mineral property interests and to the best of management's knowledge, title to all of its properties are in good standing.

Pinchot Property (formerly White Mountain)

During the year ended May 31, 2008, the Company expended $21,414 for filing and recording fees for certain unpatented lode mining claims located within the White Mountains in eastern Esmeralda County, Nevada.

During the period ended August 31, 2010, the Company expended $7,498 for filing and recording fees for certain unpatented lode mining claims called the Pinchot claims.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL AND CONTRIBUTED SURPLUS

Authorized: Unlimited number of common shares without par value

	Number of Shares		Share Capital		Contributed Surplus
Balance, May 31, 2009	4,202,908	$	3,905,221	$	178,982
Issuance of shares – mineral properties	4,167		2,250		-
Balance, May 31, 2010 and August 31, 2010	4,207,075	$	3,907,471	$	178,982

Stock Options and warrants

The Company has a Stock Option Plan to provide an incentive to its directors, officers, employees and consultants. The maximum number of options granted under the Stock Option Plan may not exceed 10% of the shares outstanding, the exercise period of the options may not exceed five years from the date of grant, vesting and the exercise price is as determined by the Company's Board of Directors and cannot be less than the market price of the Company's shares, as prescribed by Policy 6. of the CNSX.

As at August 31, 2010 and May 31, 2010, there were no outstanding stock options and warrants.

7. ACCUMULATED OTHER COMPREHENSIVE LOSS

		August 31, 2010		May 31, 2010
Balance, beginning of period	$	(84,988)	$	554,617
Unrealized gains (losses) on marketable securities		150,000		(84,988)
Realized gain on sale marketable securities		-		(554,617)
Balance, end of period	$	65,012	$	765,232

8. RELATED PARTY TRANSACTIONS

Amounts paid to related parties were incurred in the normal course of business and measured at the exchange amount, which is the amount agreed upon by the transacting parties and on terms and conditions similar to non-related parties.

The Company paid or accrued management and consulting fees of $68,631 (2009 - $62,647) paid to four directors of the Company.

As at August 31, 2010, accounts payable and accrued liabilities includes $232,896 (2009 - $Nil) due to a Company with common directors, and four directors of the Company.

9. SUBSEQUENT EVENTS

Subsequent to the period ended August 31, 2010, the Company:

a) On September 21, 2010, completed a non-brokered private placement whereby the Company issued 5,191,500 units at a price of $0.36 per unit for gross proceeds of $1,868,940. Each unit consisted of one common share and one half of one share purchase warrant with each full warrant exercisable at $0.50 for 1 year.

b) Granted 420,000 stock options with an exercise price of $0.50 per share to directors, officers, and consultants.

c) On September 30, 2010, completed a non-brokered private placement whereby the company issued 1,000,000 units at a price of $0.40 per unit for gross proceeds of $400,000. Each Unit consisted of one common share of the Company and one half of one share purchase warrant with each full warrant exercisable at $0.55 for 1 year.

9. SUBSEQUENT EVENTS *(Cont…)*

d) On October 20, 2010 the Company sold its subsidiary, 1794298 Ontario Inc. for the sum of $300,000, of which $100,000 was paid in cash and the remaining $200,000 in the form of a promissory note repayable in annual installments of $100,000. 1794298 Ontario Inc. is the holding company of Eucan Minas S.A de C.V.