



SILVER PREDATOR CORP.

(An Exploration Stage Enterprise)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED AUGUST 31, 2013

Notice of Non-review of Condensed Interim Consolidated Financial Statements

The attached condensed interim consolidated financial statements for the three month period ended August 31, 2013 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 condensed interim consolidated financial statements.

Silver Predator Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

	As at August 31, 2013	As at May 31, 2013
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$ 291,431	\$ 512,976
Prepaid expenses and deposits	35,113	27,164
Receivables (Note 4)	13,191	18,687
Investments (Note 5)	70,000	195,000
	<u>409,735</u>	<u>753,827</u>
Reclamation Bond	22,206	22,206
Exploration and evaluation assets (Note 6)	<u>15,024,975</u>	<u>14,762,333</u>
	<u>\$ 15,456,916</u>	<u>\$ 15,538,366</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 20,280	\$ 55,801
Due to related parties (Note 9)	<u>3,000</u>	<u>5,128</u>
	<u>23,280</u>	<u>60,929</u>
Shareholders' equity		
Share capital (Note 8)	28,254,839	28,254,839
Reserves	2,478,367	2,438,812
Accumulated other comprehensive income	290,477	290,296
Deficit	<u>(15,590,047)</u>	<u>(15,506,510)</u>
	<u>15,433,636</u>	<u>15,477,437</u>
	<u>\$ 15,456,916</u>	<u>\$ 15,538,366</u>

Nature of operations and going concern (Note 1)

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

Silver Predator Corp.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended August 31, 2013	Three Months Ended August 31, 2012
EXPENSES		
Consulting and management fees	\$ 17,124	\$ 57,352
General and administrative	4,554	77,607
Filing	-	19,646
Insurance	4,483	5,885
Professional fees	12,770	60,489
Salaries and wages	5,181	66,304
Share-based compensation (Note 8)	39,555	86,457
Travel and promotion	-	41,418
	<u>(83,667)</u>	<u>(415,158)</u>
OTHER ITEMS		
Foreign exchange gain (loss)	130	(7,330)
Interest income	-	2,264
	<u>130</u>	<u>(5,066)</u>
Loss for the period	<u>(83,537)</u>	<u>(420,224)</u>
Loss for the period	\$ (83,537)	\$ (420,224)
Change in cumulative translation adjustment	125,181	(249,604)
Unrealized gain (loss) on available-for-sale marketable securities, net of tax	<u>(125,000)</u>	<u>43,750</u>
Loss and comprehensive loss for the period	<u>\$ (83,356)</u>	<u>\$ (626,078)</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>47,252,147</u>	<u>41,794,185</u>

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

Silver Predator Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended August 31, 2013	Three Months Ended August 31, 2012
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	\$ (83,537)	\$ (420,224)
Items not affecting cash:		
Share-based compensation	39,555	86,457
Unrealized foreign exchange difference	<u>125,181</u>	<u>(249,604)</u>
	81,199	(583,371)
Changes in non-cash working capital items:		
Decrease in receivables	5,496	484,397
(Decrease) increase in prepaid expenses and deposits	(7,949)	5,886
(Decrease) increase in due to related parties	(2,128)	18,247
Decrease in accounts payable and accrued liabilities	<u>(35,521)</u>	<u>37,366</u>
	<u>41,097</u>	<u>(37,475)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of equipment	-	-
Promissory note payment	-	100,000
Exploration and evaluation costs capitalized	<u>(262,642)</u>	<u>(285,419)</u>
	<u>(262,642)</u>	<u>(185,419)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Private placements	-	-
Exercise of warrants	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Change in cash and cash equivalents during the period	(221,545)	(221,894)
Cash and cash equivalents, beginning of period	<u>512,976</u>	<u>790,661</u>
Cash and cash equivalents, end of period	<u>\$ 291,431</u>	<u>\$ 568,767</u>

Supplemental disclosures with respect to cash flows (Note 11)

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

Silver Predator Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital		Reserves	Accumulated other comprehensive income (loss)	Deficit	Total
	Number	Amount				
Balance, May 31, 2012	41,791,468	\$ 26,518,193	\$ 1,954,638	\$ 339,611	\$ (9,705,878)	\$ 19,106,564
Exercise of warrants	-	-	1,000	-	-	1,000
Issuance of shares - properties	25,000	5,250	-	-	-	5,250
Share-based compensation	-	-	86,457	-	-	86,457
Change in value of investments	-	-	-	43,750	-	43,750
Cumulative translation adjustment	-	-	-	(249,604)	-	(249,604)
Net loss for the period	-	-	-	-	(420,224)	(420,224)
Balance, August 31, 2012	41,816,468	\$ 26,523,443	\$ 2,042,095	\$ 133,757	\$ (10,126,102)	\$ 18,573,193
Balance, May 31, 2013	53,915,359	\$ 28,254,839	\$ 2,438,812	\$ 290,296	\$ (15,506,510)	\$ 15,477,437
Share-based compensation	-	-	39,555	-	-	39,555
Change in value of investments	-	-	-	(125,000)	-	(125,000)
Cumulative translation adjustment	-	-	-	125,181	-	125,181
Net loss for the period	-	-	-	-	(83,537)	(83,537)
Balance, August 31, 2013	53,915,359	\$ 28,254,839	\$ 2,478,367	\$ 290,477	\$ (15,590,047)	\$ 15,433,636

The accompanying notes are an integral part of these condensed consolidated interim 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 May 16, 2006. The Company is in the business of exploring for and developing economically viable silver resource deposits in the United States and Canada.

The Company’s principal address is 800 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5.

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, and the ability of the Company to obtain financing to complete project development and future profitable operations or sale of the properties.

The condensed interim consolidated statements of financial position have been prepared assuming the Company will continue on a going-concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. For the three months ended August 31, 2013, the Company reported a loss of \$83,537 and as at that date had a net working capital balance of \$386,455 and an accumulated deficit of \$15,590,047.

As an exploration stage company, the Company does not have traditional sources of revenue, and has relied on share capital financing to cover its operating expenses. Management will need to raise additional financing for the Company to continue as a going concern. There can be no guarantee that the Company will be able to raise additional financing to complete its mineral exploration projects or bring its properties into production. If the going concern assumption were not appropriate for these condensed interim consolidated financial statements it would be necessary to restate the Company’s assets and liabilities on a liquidation basis.

2. BASIS OF PRESENTATION

Statement of Compliance

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) including IAS 34 *Interim financial reporting*. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended May 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods of application adopted are consistent with those disclosed in Note 3 of the Company’s consolidated financial statements for the year ended May 31, 2013.

These consolidated financial statements were approved for issue by the board of directors on October 9, 2013.

Critical accounting estimates and judgments

Areas of critical accounting estimates and judgments that have the most significant effect on the amounts recognized in the financial statements are disclosed in Note 3 of the Company’s consolidated financial statements as at and for the year ended May 31, 2013.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	August 31, 2013	May 31, 2013
Cash	\$ 168,431	\$ 389,976
Short term investments	123,000	123,000
	\$ 291,431	\$ 512,976

Silver Predator Corp.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2013
(Expressed in Canadian Dollars)
(Unaudited)

4. RECEIVABLES

Receivables comprise the following:

	August 31, 2013	May 31, 2013
Governmental Sales Tax recoverable	\$ 1,750	\$ 2,451
Other receivables	11,441	16,236
	<u>\$ 13,191</u>	<u>\$ 18,687</u>

5. INVESTMENTS

The Company holds securities in other companies as follows:

	August 31, 2013	May 31, 2013
Common shares in public companies – fair value	\$ 50,000	\$ 175,000
Common shares in private companies – fair value	20,000	20,000
	<u>\$ 70,000</u>	<u>\$ 195,000</u>

	August 31, 2013	May 31, 2013
Common shares in public companies – cost	\$ 684,988	\$ 684,988
Common shares in private companies – cost	-	-
	<u>\$ 684,988</u>	<u>\$ 684,988</u>

Accumulated other comprehensive loss for the three months ended August 31, 2013 includes \$125,000 (2012 – gain \$43,750) which is a result of the movement in the difference between original cost and fair value, net of tax.

Silver Predator Corp.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2013
(Expressed in Canadian Dollars)
(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS

2014	Balance May 31, 2013	Acquisition costs incurred in year	Exploration costs incurred in year	*Dispositions and other adjustments	Balance August 31, 2013
Canada					
Groundhog, Cyr, Grayling, Zap	1,987,390	-	-	-	1,987,390
Touchdown, Pigskin, Shar McBride	1,836,609 453,591	- -	- -	- -	1,836,609 453,591
Total Canada Properties	4,277,590	-	-	-	4,277,590
USA					
Treasure Hill, Silver Bow	\$ 1,649,133	25,694	18	19,392	\$ 1,694,237
Taylor	4,356,984	30,425	37,421	51,234	4,476,064
Illinois Creek	376,787	-	263	4,431	381,481
Pinchot	20,138	-	-	237	20,375
Cordero	2,252,994	20,712	1,851	26,493	2,302,050
Copper King	773,732	7,390	131	9,098	790,351
Cornucopia	202,014	21,599	3,878	2,375	229,866
Total USA Properties	9,631,782	105,820	43,562	113,260	9,894,424
Mexico					
Magistral	852,961	-	-	-	852,961
Total Mexico Property	852,961	-	-	-	852,961
Total Property Costs	14,762,333	\$ 105,820	\$ 43,562	\$ 113,260	15,024,975

**Includes the effect of foreign exchange differences*

2013	Balance May 31, 2012	Acquisition costs incurred in year	Exploration costs incurred in year	*Dispositions and other adjustments	Balance May 31, 2013
Canada					
Plata	\$ 2,384,907	\$ -	\$ 45,629	\$ (2,430,536)	\$ -
Groundhog, Cyr, Grayling, Zap	1,954,121	-	33,269	-	1,987,390
Touchdown, Pigskin, Shar Rusty, Hy, and Flip McBride	1,834,355 1,876,515 453,591	- 250 -	2,254 114,853 -	- (1,991,618) -	1,836,609 - 453,591
Staking and other	759,013	-	3,417	(762,430)	-
Total Canada Properties	9,262,502	250	199,422	(5,184,584)	4,277,590
USA					
Treasure Hill, Silver Bow	\$ 1,583,014	3,309	39,176	23,634	\$ 1,649,133
Taylor	2,771,834	901,060	770,823	(86,733)	4,356,984
Illinois Creek	194,132	5,250	190,041	(12,636)	376,787
Pinchot	15,908	-	8,858	(4,628)	20,138
Cordero	2,224,161	9,002	10,326	9,505	2,252,994
Copper King	760,115	-	8,960	4,657	773,732
Cornucopia	159,577	22,398	13,436	6,603	202,014
Total USA Properties	7,708,741	941,019	1,041,620	(59,598)	9,631,782
Mexico					
Magistral	852,961	-	-	-	852,961
Total Mexico Property	852,961	-	-	-	852,961
Total Property Costs	17,824,204	\$ 941,269	\$ 1,241,042	\$ (5,244,182)	14,762,333

6. EXPLORATION AND EVALUATION ASSETS (Cont'd...)

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 its knowledge, title to all of its properties are in good standing.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise the following:

	August 31, 2013	May 31, 2013
Trade payables *	\$ (11,220)	\$ 23,301
Accruals	31,500	32,500
	<u>\$ 20,280</u>	<u>\$ 55,801</u>

*includes a vendor credit of \$14,336 due to a previous overpayment

8. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common shares without par value.

b) 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 shares issuable under the Stock Option Plan may not exceed 15% of the shares outstanding and the maximum number of options granted to insiders of the Company 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 the exercise price cannot be less than the market price of the Company's shares on the date of grant.

During the three months ended August 31, 2013, the Company recognized share-based compensation of \$39,555 (2012 - \$86,457) that was recorded in the condensed interim consolidated statement of loss. No options were granted during the three months ended August 31, 2013.

The fair value of all compensatory options granted is estimated on grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

	2013	2012
Risk-free interest rate	1.25	2.02%
Expected life	5.00 years	5.00 years
Volatility	110.75	109.21%
Dividend rate	-	-

9. RELATED PARTY TRANSACTIONS

Amounts paid to related parties were incurred in the normal course of business and measured at the estimated fair values.

The Company expensed management and consulting fees of \$18,000 for the three months ended August 31, 2013 (2012 - \$18,000) due to directors of the Company.

The amounts due to related parties, totaled \$3,000 (2013 - \$5,128), are non-interest bearing, due on demand, and were paid subsequent to the period end.

10. SEGMENTED INFORMATION

The Company's mineral properties are located in Canada, Mexico, and the United States as shown below:

	Canada		Mexico		United States		Total	
August 31, 2013								
Mineral properties	\$	4,277,590	\$	852,961	\$	9,894,424	\$	15,024,975
Loss for the period	\$	78,068	\$	-	\$	5,469	\$	(83,537)
August 31, 2012								
Mineral properties	\$	9,381,773	\$	852,961	\$	7,880,139	\$	18,114,873
Loss for the period	\$	(419,790)	\$	(129)	\$	(305)	\$	(420,224)