Date: May 26, 2016

The following management discussion and analysis ("**MD&A**") of the financial condition and results of the operations of Rio Silver Inc. (the "**Company**" or "**Rio Silver**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2016 and 2015. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations and should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2015 and 2014, together with the notes thereto, and the unaudited condensed interim financial statements for the three month period ended March 31, 2016. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS"). The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. Please review the cautionary note regarding forward looking statements at the end of this MD&A. Information contained herein is presented as at May 26, 2016, unless otherwise indicated. All of the scientific and technical information has been prepared or reviewed by Jeffrey Reeder, P.Geo., Chief Executive Officer and President of the Company. Mr. Reeder is a Qualified Person within the meaning of National Instrument 43-101.

Further information about the Company and its operation can be obtained from www.riosilverinc.com.

DESCRIPTION OF BUSINESS

Rio Silver is a Canadian-based resource company with a mandate to acquire, explore and develop precious and base metal deposits in the Americas and is currently focused on properties in Canada and Peru. The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol "RYO".

OVERVIEW - MINERAL EXPLORATION EXPENDITURES AND ACTIVITES

The following table summarizes the continuity of expenditures by the Company's on its various mineral property projects during the three months ended March 31, 2016 and the year ended December 31, 2015:

	Property			
Accumulated costs/expenditures	**Niñobamba, Peru**	**Gerow Lake**	**Other Peru Concessions**	**Total**
Balance January 1, 2015	$ 2,912,450	$ 870,633	$(44,094)	$ 3,738,989
Acquisition costs and annual fees	7,869	-	-	7,869
Exploration expenditures	17,104	6,000	-	23,104
Net proceeds on sale of concessions	-	-	(37,043)	(37,043)
Balance December 31, 2015	$ 2,937,423	$ 876,633	$ (81,137)	$ 3,732,919
Exploration expenditures	338	-	-	338
Balance, March 31, 2016	$ 2,937,761	$ 876,633	$ (81,137)	$ 3,733,257

The following table provides details of the exploration expenditures for the three months ended March 31, 2016 and 2015:

	Property	
	Niñobamba, Peru	**Gerow Lake**
Local office	$ 17,104	$ 5,250
Balance, March 31, 2015	$ 17,104	$ 5,250
Local office	$ 338	$ -
Balance, March 31, 2016	$ 338	$ -

Niñobamba silver and gold project, Peru

The Company released the results of its successful 2012 trenching program on January 14, 2013 with detailed assays and findings also provided in the December 2012 Annual MD&A. The Company has closed out the open trenches left from the 2012 program as well as fulfilling its community obligations, employing the community members. Further work is subject to the Company's successful accessing of exploration funding.

Gerow Lake

The Company has continued its dialogue with the Ontario Ministry of Northern Development and Mines and the local First Nation representatives in an ongoing effort to access the properties and begin exploration work.

Other Peru Concessions

In December 2013 the Company optioned its non-core Peruvian property concessions and received $32,461 in property option payments up to December, 2014. During January 2015 the Company received payment of $71,371, representing all of the remaining outstanding option payments due.

On May 30, 2014 the Company received proceeds of US$10,465 (CAN $11,116) on the receipt of a reclamation bond, previously posted in 2007 on behalf of the Red Rock project in Nevada, USA. The Company wrote down its investment in the Red Rock project at the end of 2008.

The Company does not presently have sufficient financial resources to complete, by itself, the exploration required to develop its properties to an advanced stage. The exploration and development of the Company's properties will therefore depend upon the Company's ability to obtain financing through private placement financing, public financing, the joint venturing of projects, or other means. There is no assurance that the Company will be successful in obtaining the required financing.

SELECTED ANNUAL FINANCIAL INFORMATION

The following is selected data derived from the audited consolidated financial statements of the Company at December 31, 2015, 2014 and 2013.

Years Ended December 31,	2015	2014	2013
	$	$	$
Comprehensive loss for the year	175,391	236,446	1,234,662
Net loss per share-basic and diluted	0.01	0.02	0.10
Total assets	15,354	47,903	128,082

SELECTED QUARTERLY INFORMATION

The following table sets out certain financial information for the last eight quarters:

For the quarters	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Total Revenue ($)	-	-	-	-	-	-	-	-
Comprehensive Loss for the period ($)	118,823	39,286	31,515	102,748	1,842	13,187	49,655	152,642
Loss per share ($)	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.02

Basic and diluted loss per share is calculated based on weighted-average number of shares outstanding. Diluted loss per share is the same as basic loss per share as the stock options and warrants outstanding are anti-dilutive.

DISCUSSION OF OPERATIONS

	Three months ended March 31, 2016	2015
	$	$
Expenses		
Exploration and evaluation expenditures (recovery)	**338**	(47,435)
Management fees	**15,000**	15,000
Professional fees	**4,500**	16,292
Office and administration	**7,116**	7,561
Rent	**4,500**	4,500
Transfer agent and filing fees	**5,915**	6,290
Share-based payments	**75,000**	3,750
Foreign exchange gain	**(770)**	(4,338)
Interest expense	**224**	222
Comprehensive (income) loss	**111,823**	1,842
Loss per share, basic and diluted	**0.00**	0.00
Weighted average number of common shares	**25,682,337**	22,268,090

Three months ended March 31, 2016 compared with three months ended March 31, 2015

The comprehensive loss for the quarter was $111,823 ($0.00 per share) compared to a comprehensive loss of $1,842 ($0.00 per share) for the same quarter in 2015. The Company incurred exploration expenditures in the amount of $338 (2015 – recovery of $47,435) as the Company has scaled back on any exploration work until funding is available. Management fees of $15,000 ($2015 - $15,000) are comparable to the prior year period. Professional fees of $4,500 (2015 – $16,292) are lower in the current period as the prior year amount included costs associated with the February 2015 private placement financing. Share based payments expenses of $75,000 (2015 - $3,750) is the result of stock options granted to directors, officers, and employees in January 2016. Foreign exchange gain of $770 (2014 - $4,338) reflects the impact of the movement of the $Can exchange rate compared to the $US on the Company's US dollar based accounts payable and intercompany loan.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2016, the Company had cash of $486 (December 31, 2015 - $11,404) and a working capital deficit of $703,483 (December 31, 2015 – deficit of $666,660).

In December 2013 the Company optioned its non-core Peruvian property concessions and received $32,461 in property option payments up to December, 2014. In January 2015 the Company received $71,371, representing the remaining balance of option payments on the sale of its non-core Peruvian property concessions.

During the year ended December 31, 2014, the Company obtained short-term financing by way of issuing $40,000 in promissory notes. The promissory notes bear interest at 18% per annum and are repayable on demand. As at March 31, 2016, principal amount of $5,000 (December 31, 2015 - $5,000) and interest of $1,809 (December 31, 2015 - $1,585) was payable on outstanding promissory notes.

In February 2015 the Company raised gross proceeds of $200,000 by way of a private placement financing. The proceeds have been used by the Company to (i) maintain ownership interest in the Company's Niñobamba silver and gold project in Peru and the Gerow Lake project in Ontario, (ii) meet its immediate financial obligations, and (iii) for working capital.

The Company has no long term debt and is not subject to external capital requirements. Trade and other payables are short-term and non-interest bearing.

During the twelve months ended December 31, 2015 the Company's average monthly cash burn rate, excluding exploration expenditures, share-based payments, foreign exchange and interest, was approximately $12,350, compared to approximately $14,100 per month for the year ended December 31, 2015. The Company expects its monthly burn rate to continue to be at a low level going forward due to ongoing monitoring of operating expenses. Due to a lack of available funds the Company has significantly scaled back exploration work on its Niñobamba project. The Company's future exploration programs will be a function of the Company's ability to raise additional capital.

As a junior exploration stage company, Rio Silver has traditionally relied on equity financings and warrant exercises to fund exploration programs and general working capital requirements of a publicly traded junior resource company. The Company will need additional capital in 2016 and 2017 to cover its current working capital requirements and fund further exploration work.

The Company's ability to raise additional funds and its future performance are largely tied to the health of the financial markets and investor interest in the junior resource sector. Financial markets are currently volatile, and are likely to remain so throughout 2016 and 2017, reflecting ongoing concerns about the stability of the global economy, sovereign debt levels, global growth prospects and many other factors that might impact the Company's ability to raise additional funds.

Although the Company has been successful to date in raising capital to fund project exploration programs and meet working capital requirements, there can be no assurance that adequate or sufficient funding will be available in the future on terms that are acceptable to the Company. These circumstances indicate the existence of a material uncertainty which may cast significant doubt as to the ability of the Company to continue as a going concern.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common shares

As at the date of this report, the Company had 25,682,337 common shares issued and outstanding.

Warrants

There are 4,000,000 warrants outstanding as at the date of this MD&A. The warrants have an exercise price of $0.075 per share and expire in February 2017.

Stock options

Stock options outstanding as at the date of this MD&A are as follows:

Grant Date	Expiry Date	Options Outstanding	Exercise Price
June 26, 2012	June 26, 2017	360,000	$ 0.50
February 5, 2013	February 4, 2018	200,000	$ 0.50
June 26, 2014	June 26, 2019	60,000	$ 0.25
January 26, 2016	January 25, 2018	1,500,000	$0.05
		2,120,000	**$ 0.18**

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

RELATED PARTY BALANCES AND TRANSACTIONS

Related parties include the board of directors, officers, and enterprises that are controlled by these individuals as well as persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

During the three months ended March 31, 2016 and March 31, 2015 the Company's related parties consisted of the following officers and directors:

Edward J. Badida	Director
Steven Brunelle	Executive Co-Chairman and Director
Thomas John Magee	Co-Chairman and Director
Jeffrey Reeder (i)	President and Chief Executive Officer, and Director
Richard Mazur	Director
Dan Hamilton	Chief Financial Officer
Ryan Grywul	Vice-President Exploration

(i) Mr. Reeder provides services to the Company through Single Jack Research & Exploration Ltd., a private company owned by Mr. Reeder.

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(a) Remuneration of the President and Chief Executive Officer, and Chief Financial Officer was as follows:

	Three Months ended March 31, 2016	Three Months ended March 31, 2015
Management fees		
Jeffrey Reeder	**$ 6,000**	$ 6,000
Dan Hamilton	**9,000**	9,000
	$ 15,000	$ 15,000

(b) At March 31, 2016 an amount of $24,000 (December 31. 2015 - $18,000) was payable to Single Jack Research & Exploration Ltd., which was earned by Mr. Reeder in his capacity as CEO of the Company, and $51,000 (December 31, 2015 - $42,000) was payable to Mr. Hamilton, the CFO of the Company.

(c) As at March 31, 2016 an amount of $200,000 was payable to Mr. Magee (December 31, 2015 - $200,000), earned in his capacity as CEO of the Company up to July 12, 2013. Payment to Mr. Magee has been deferred until the Company's working capital position has improved. As at March 31, 2016 an amount of $11,250 (December 31, 2014 $11,250) was payable to Target Financial Services Inc., a private company owned by Mr. Dwight Walker, and earned in Mr. Walker's capacity as CFO of the Company up to July 12, 2013

(d) As at March 31, 2016, a total of $62,901 (December 31, 2015 - $62,001) was payable to directors and officers for services provided, and reimbursable expenses incurred on behalf of the Company in the normal course of business. These amounts are unsecured, non-interest bearing and without fixed repayment terms.

(e) As at March 31, 2016, an amount of $59,757 (December 31, 2015 - $59,757) was payable to a legal firm of which a partner in the legal firm, Mr. Jay Sujir, was a director of the Company at the time the costs were incurred.

PROPOSED TRANSACTION

The Company has not entered into any significant transaction, nor is it currently reviewing any such transaction, that has not been discussed within this MD&A.

SUBSEQUENT EVENTS

Subsequent to March 31, 2016 the Company amended the terms of a total of 1,400,000 outstanding share purchase warrants issued pursuant to a private placement that closed in two tranches on February 3, 2015 and February 20, 2015. The warrants had an exercise price of $0.075 per warrant share and were set to expire on February 3, 2017 (1,340,000 warrants) and February 20, 2017 (60,000 warrants). The amendment reduced the exercise price of the warrants to $0.05 per warrant share without changes to the expiry date of the warrants.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuer and Interim Filings (MI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Critical accounting estimates:

Significant assumptions about the future, that management has made, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

• the recoverability of accounts receivable that are included in the consolidated statements of financial position;
• the recoverability of exploration and evaluation expenditures incurred on the Company's property interests;
• the inputs used in accounting for share based payment transactions;
• management applied judgment in determining the functional currency of the Company as Canadian Dollars;
• management assumption of no material restoration, rehabilitation and environmental obligation based on the facts and circumstances that existed during the period; and
• management's position that there are no income tax considerations required within the consolidated financial statements.

Critical accounting judgments:

The categorization of financial assets and liabilities is an accounting policy that requires management to make judgments or assessments.

CHANGES IN ACCOUNTING POLICIES

Recent Accounting Pronouncements

Certain pronouncements have been issued by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after January 1, 2015. Some are not applicable or do not have a significant impact to the Corporation and have been excluded from the discussion below.

The following new standards, amendments and interpretations, which have not been early adopted, will or may have an effect on the Company's future results and financial position:

IFRS 9 Financial Instruments

IIFRS 9 was issued by the IASB on July 24, 2014 and will replace IAS 39 Financial instruments: recognition and measurement. IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Final amendments released on July 24, 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

IFRS 16 Leases

IFRS 16 replaces IAS 17, Leases was released in January 2016. This standard will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Adoption of IFRS16 is mandatory and will be effective for annual periods beginning on or after January 1, 2019 with earlier adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

CAPITAL MANAGEMENT

The capital structure of the Company consists of equity attributable to common shareholders and includes share capital of $10,289,753 (December 31, 2015 - $10,289,753), contributed surplus of $3,209,989 (December 31, 2015 - $3,134,989), warrants of $88,000 (December 31, 2015 - $Nil), and deficit of $14,291,225 (December 31, 2014 - $14,179,402).

When managing capital, the Company's objective is to ensure that the Company continues as a going concern, as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the year ended December 31, 2015. The Company is not subject to externally imposed capital requirements.

FINANCIAL RISK FACTORS

Fair value
The Company has designated its cash as fair value through profit and loss, which is measured at fair value. Trade and other payables are classified for accounting purposes as other financial liabilities, which are measured at amortized cost, which also equals fair value. Fair values for government taxes recoverable and trade and other payables are determined from transaction values which were derived from observable market inputs. Fair values of these financial instruments are based on Level 2 measurements.

As at December 31, 2015, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the short-term nature of the instruments.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and government taxes receivable. Cash is held with a reputable Canadian chartered bank, for which management believes the risk of loss to be minimal.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash available to meet liabilities when they become due and payable. As at March 31, 2016, the Company had cash of $486 (December 31, 2015 - $11,404) to settle current liabilities of $710,485 (December 31, 2015 - $682,014). Included in current liabilities is $408,908 (December 31, 2015 - $393,008) due to related parties. All of the Company's financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms with the exception of $200,000 payable to a related party.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and liquidity

Foreign exchange risk
Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency, including all subsidiaries, is the Canadian dollar. Some of the operational and other expenses incurred outside of Canada are paid in US dollars or Peruvian Nuevo sol. All assets and liabilities of the Company are recorded in Canadian dollars and as a result, fluctuations in the US dollar or Peruvian Nuevo sol vis-à-vis the Canadian dollar result in foreign exchange gains/losses. The Company currently has no plans for hedging its foreign currency transactions.

Account	Foreign Currency	Exposure ($Cdn)
Cash	Peruvian new sol	131
Trade payables	Peruvian new sol	25,175

Commodity and equity price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to base and precious metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken by the Company.

OUTLOOK

The capital markets for resource companies, and particularly for those in the junior space, continue to suffer from the continued slowdown in commodity consumption making the environment for financing early stage exploration projects challenging. (See Liquidity and Capital Resources above).

Management is confident about the prospects for its principal projects and believes it is prudent to continue to move them forward, subject to adequate financing being available, through well managed and modest cost exploration programs.

See section titled "Mineral Exploration Expenditures and Activities" for the Company's plans to develop its exploration properties. There is no guarantee that the Company will discover a viable mineral deposit.

COMMITMENTS AND CONTINGENCIES

The Company has no contingent assets or liabilities.

Under the terms of an operating lease agreement for office space the Company has annual lease payments of $18,000 expiring on July 30, 2016. As at March 31, 2016 there are lease payments of $6,000 remaining on this lease obligation.

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential successes lie in its ability to develop, exploit and generate revenue out of mineral deposits. Revenues, profitability and cash flow from any future mining operations involving the Company will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices have fluctuated widely and are affected by numerous factors beyond the Company's control.

The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its exploration projects, or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company 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 delay or indefinite postponement of further exploration and development of the property interests of the Company, with the possible dilution or loss of such interests.

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations of metal prices, the proximity and capacity of milling facilities, mineral markets, processing reagents and equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environment protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

In addition to the risks noted above and under the "Financial Risks" section, special consideration should be given when evaluating trends, risks and uncertainties relating to the Company's business. Information concerning risks specific to the Company and its industry, which are required to be included in this MD&A are incorporated by reference to the Company's MD&A for the year ended December 31, 2015.

Resource exploration and development is a speculative business, characterized by a number of significant risks

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in the sections "Overview - Mineral Exploration Expenditures and Activities", "Liquidity and Capital Resources" and "Outlook" of this MD&A constitute forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect, "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Information concerning the interpretation of drill results, mineral resource and reserve estimates and capital cost estimates may also be deemed as forward-looking statements as such information constitutes a prediction of what mineralization might be found to be present and how much capital will be required if and when a project is actually developed. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of precious metals;
- the availability of financing for the Company's development project on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;
- market competition;
- the accuracy of our resource estimate (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based; and/or
- tax benefits and tax rates.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity prices, access to skilled mining development and mill production personnel, results of exploration and development activities, the Company's limited experience with production and development stage mining operations, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors incorporated by reference herein. See "Risk Factors". The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, accept as otherwise required by applicable law. The Company also cautions readers not to place undue reliance on these forward-looking statements. Moreover, these forward-looking statements may not be suitable for establishing strategic priorities and objectives, future strategies or actions, financial objectives and projections other than those mentioned above.