



WILDCAT SILVER CORPORATION

Management's Discussion and Analysis

For the Three and Six Months Ended June 30, 2014

Introduction

This management's discussion and analysis ("MD&A") of Wildcat Silver Corporation (the "*Company*", "*Wildcat*", "*we*", "*us*", or "*our*") covers the three and six months ended June 30, 2014. This MD&A takes into account information available up to and including August 11, 2014. This MD&A should be read in conjunction with the accompanying condensed consolidated interim financial statements for the three and six months ended June 30, 2014, and MD&A for the year ended December 31, 2013, which are available on the Company's website at www.wildcatsilver.com and on the SEDAR website at www.sedar.com.

The Company has prepared the condensed consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements including IAS 34, *Interim Financial Reporting*.

All dollar amounts reported herein are in US dollars unless indicated otherwise.

Cautionary Note Regarding Forward-Looking Information

Certain information contained in this document constitutes forward-looking statements. All statements, other than statements of historical facts, are forward looking statements, including without limitation, statements with respect to the Company's expectations for obtaining funding including closing the recently announced private placement of C\$2 million, drilling four to five holes on the Skarn Zone, the amount of mineral resources and mineral reserves, and statements with respect to the Company's pre-feasibility study including without limitation, expected future mineral production, expected metal grades and metal recoveries, expected future capital and operating costs, expected realizable metal prices, expected markets for EMM and the statements under "Summary, Objectives and Outlook" later in this document. Forward-looking statements are often, but not always, identified by the use of words such as *may*, *will*, *seek*, *anticipate*, *believe*, *plan*, *estimate*, *budget*, *schedule*, *forecast*, *project*, *expect*, *intend*, or similar expressions.

The forward-looking statements are based on a number of assumptions which, while considered reasonable by the Company, are subject to risks and uncertainties. The Company cautions readers that forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from those expressed in or implied by such forward-looking statements and forward-looking statements are not guarantees of future results, performance or achievement. These risks, uncertainties and factors include general business, economic, competitive, political, regulatory and social uncertainties; actual results of exploration activities and economic evaluations; fluctuations in currency exchange rates; changes in project parameters; changes in costs, including labour, infrastructure, operating and production costs; future prices of silver and other minerals; variations of mineral grade or recovery rates; operating or technical difficulties in connection with exploration, development or mining activities, including the failure of plant, equipment or processes to operate as anticipated; delays in completion of exploration, development or construction activities; changes in government legislation and regulation; the ability to maintain and renew existing licenses and permits or obtain required licenses and permits in a timely manner; the ability to obtain financing on acceptable terms in a timely manner; contests over title to properties; employee relations and shortages of skilled personnel and contractors; the speculative nature of, and the risks involved in, the exploration, development and mining business; and the factors discussed in the section entitled "Risks and Uncertainties" in the MD&A for the year ended December 31, 2013.

Although the Company has attempted to identify important risks, uncertainties and other factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those expressed in or implied by the forward-looking information, there may be other risks, uncertainties and other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended. Unless otherwise indicated, forward-looking statements contained herein are as of the date hereof and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable law.

About Reserves and Resources

This MD&A uses the terms measured, indicated and inferred resources as a relative measure of the level of confidence in the resource estimate. Readers are cautioned that: (a) mineral resources are not economic mineral reserves; (b) the economic viability of resources that are not mineral reserves has not been demonstrated; and (c) it should not be assumed that further work on the stated resources will lead to mineral reserves that can be mined economically. In addition, inferred resources are considered too geologically speculative to have any economic considerations applied to them. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for preliminary economic assessments as defined under NI 43-101. Readers should also refer to the Company's Annual Information Form for the year ended December 31, 2013 and other continuous disclosure documents available at www.sedar.com, which is subject to the qualifications and notes set forth therein.

Description of Business

Wildcat is a mineral exploration company engaged in the exploration of the Hermosa property, which is located in Santa Cruz County, Arizona. The Company is incorporated in British Columbia, Canada with one primary operating subsidiary: Arizona Minerals Inc. ("Arizona Minerals"), which is 80% owned. The remaining 20% interest in Arizona Minerals is held by 5348 Investments Ltd. ("5348 Investments"), a wholly owned subsidiary of Diamond Hill Investment Corp. ("Diamond Hill"), which is controlled by R. Stuart Angus, a director of the Company. Diamond Hill also has a 2% net smelter royalty interest in the approximately 152 acres of patented claims and approximately 478 acres of the total 13,516 acres of unpatented mining claims held by the Company. The Company's common shares trade under the symbol WS on the Toronto Stock Exchange.

The Hermosa property is a polymetallic mineral exploration project located approximately 100 kilometres southeast of Tucson, Arizona and about 15 kilometres north of the US – Mexico border. The primary metals at Hermosa are silver and manganese with gold, zinc and copper as by-products. During 2013, the Company completed an updated resource estimate, issued its first mineral reserve estimate and completed a pre-feasibility study for the Hermosa project, which documents are available at www.sedar.com.

Summary, Objectives and Outlook

During the second quarter, the Company was focused on assessing financing opportunities and alternatives for progressing the development of its Hermosa project in the short-term given the Company's financial position and the continuing weak capital markets for junior exploration/development companies. As discussed subsequently under "Updated Skarn Resource and Private Placement", the Company reviewed the existing Sulfide Skarn resource, which lies down-dip and below the Manto Oxide (silver/manganese) Zone. Based on the review and remodeling of the data with a focus on base metals an updated resource with significantly higher lead and zinc grades was announced on July 31, 2014. The Sulfide Skarn resource remains open in three directions and the Company intends to test for extensions with a small targeted drill exploration program on its patented claims. The program will be financed from cash expected to be received subsequent to the quarter end, as discussed under "Going Concern" below.

The Company continues to work with the US Forest Service and consultants to obtain the permits required to enable the Company to assess the geotechnical and hydrologic characterization on the unpatented claims around the proposed project. The Company will also continue to work to secure financing to fund ongoing operations and enable the advancement of its Hermosa project over the longer term. Following such financing, the Company's next step for Hermosa is to advance the project into the feasibility stage. The Company believes there are many key opportunities to further enhance the results of the pre-feasibility study and as a consequence work contributing to the feasibility study will focus primarily on open pit mine optimization including potentially expanding the resource and reserve through additional drilling of in-pit inferred resources, metallurgical testing to further optimize plant operating efficiency and metal recoveries and other measures to potentially reduce costs and timelines.

In addition, the Company will continue to evaluate other opportunities and strategies to increase shareholder value including potentially extending exploration to existing and new targets outside the resource area and strategic transactions.

Going Concern

At June 30, 2014 the Company had cash and cash equivalents of \$48,562, negative working capital of \$1,638,690 excluding other liabilities, a net loss for the six months ended June 30, 2014 of \$882,990, and a deficit of \$26,571,316. During the second quarter the Company received financial support from the Company's Chairman and CEO by way of loan advances totaling CAD\$515,302. The loan advances are unsecured, bear interest at 7% and are repayable on the Company completing a financing for in excess of CAD\$1 million or on a change of control. Subsequent to the quarter end, the Company received approximately CAD\$800,000 from Augusta Resource Corporation ("Augusta"), a company previously related by virtue of certain common directors and management. The payment was received in accordance with the provisions of agreements governing certain shared operating leases following a change of control of Augusta. The Company also expects to receive cash of approximately CAD\$1.4 million, after taking account of the contribution of the loan advances discussed above, from the proceeds of a CAD \$2.0 million private placement with the Company's Chairman and CEO that was announced on July 31, 2014. The Company expects to use the funds received subsequent to the quarter end to fund a 4 to 5 hole drilling program to test the extension of the Skarn Zone, fund its operations for the next two to three months and reduce its accounts payable. The Company will continue to actively pursue financing to meet its ongoing requirements and to fund the advancement of its Hermosa project. This material uncertainty casts significant doubt about the Company's ability to continue as a going concern. The Company has historically raised funds principally through the sale of securities and recently, through loans from Company insiders. The Company expects that it will obtain funding through equity financing, debt financing or other means depending on market conditions and other relevant factors at the time. However, there can be no assurance that the Company will be able to obtain such additional funding or obtain it on acceptable terms.

The Company's financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of operations. These financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary should the going concern assumption prove to be inappropriate, and these adjustments could be material.

Updated Skarn Resource and Private Placement

Subsequent to the quarter end, the Company announced an updated resource for the lead/zinc/silver Sulfide Skarn Zone at its Hermosa Project and a CAD\$2 million private placement that will fund additional drilling on the zone. The updated resource results from the remodelling of the drill and geologic data using parameters specific to the sulfide mineralization and includes several significant intercepts of lead/zinc skarn mineralization. The Sulfide Skarn Zone is located down-dip and below the Manto Oxide (silver/manganese) Zone that was included in the December 2013 Hermosa pre-feasibility study.

The Hermosa Sulfide Skarn mineral resource is provided below. It should be noted that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Hermosa Sulfide Skarn Mineral Resource					
	Tons (000s)	Lead (%)	Zinc (%)	Silver (opt)	Copper (%)
Measured	896	2.66	4.94	1.28	0.12
Indicated	803	2.38	3.97	1.07	0.11
Measured & Indicated	1,699	2.53	4.48	1.18	0.11
	Tons (000s)	Lead (%)	Zinc (%)	Silver (opt)	Copper (%)
Inferred	4,836	3.66	5.25	1.47	0.16

Assumptions: Cut-off of \$70 per ton; Metal Prices of Pb \$0.94/lb, Zn \$0.84/lb, Ag \$20/oz, Cu \$3.20/lb; Contained metal recovery of 95%.

The Sulfide Skarn has been intersected by 15 diamond drill holes located on the Company's patented claims, of which the assay results from all of the drill holes have been previously reported. Based on these drill results and certain anticipated operating parameters, the above updated 43-101 mineral resource has been calculated. The Hermosa Sulfide Skarn resource was calculated separately from the previously reported Manto Oxide and Upper Silver Zone mineral resource. The updated Sulfide Skarn mineral resource represents a significant increase in tonnage and grade from the previously announced 2013 Sulfide Skarn mineral resource and more importantly focuses on the lead and zinc potential.

The Sulfide Skarn mineralization is composed of coarse grained galena, sphalerite, chalcopyrite and pyrite hosted in altered limestone. The mineralization remains open for potential expansion to the west, south and north. The Company intends to drill an additional four to five holes on its patented claims to test the extension of the mineralization. The majority of the Sulfide Skarn Zone is accessible from the Company's patented claim block.

Private Placement

The Company has arranged for a non-brokered private placement with its Chairman and CEO of 4.5 million units at CAD\$0.45 per unit for gross proceeds of CAD\$2 million. Each unit is comprised of one Wildcat common share and one common share purchase warrant exercisable into one additional Wildcat common share at a price of C\$0.55 per Wildcat common share for a period of two years. The private placement includes the conversion into common shares of loan advances and interest at 7% totalling approximately CAD\$0.6 million that were previously provided by the Company's Chairman and CEO. The net proceeds from the financing of approximately CAD\$1.4 million will be used for drilling to test the extension of the skarn resource and for general working capital purposes. Closing of the private placement is subject to regulatory approval.

Pre-Feasibility Study, Reserves and Resources

The Company announced the results of the pre-feasibility study including an initial reserve estimate and updated resource estimate for its Hermosa project in December, 2013. The pre-feasibility study includes the contribution from the project's two primary metals, silver and electrolytic manganese metal (EMM), and three by-product metals, gold, zinc and copper.

Highlights⁽¹⁾

- After-tax NPV (5%) of \$830 million, after-tax IRR of 21.3%, and payback of 2.8 years⁽²⁾
- Average silver production of 12.2 million ounces per year for the first five years and 5.7 million ounces per year for the life of mine (LOM)
- Average EMM production of 110 million pounds per year for the LOM
- Average cash costs of \$4.35 per ounce silver and \$0.74 per pound of EMM for the first five years and \$4.45 per ounce of silver and \$0.73 per pound of EMM for the LOM^(2,3)
- Average silver cash costs, considering all other metals as by-products⁽²⁾, of \$(4.37) per ounce for the LOM
- Mine life of 18 years
- Initial capital expenditures of \$834.6 million including \$189.3 million for a 55,000 tons per annum EMM plant
- The mineral resource includes a proven and probable mineral reserve of 59.7 million tons averaging 2.43 ounces per ton (opt) silver, containing 145 million ounces. The proven and probable mineral reserve also includes 43.5 million tons averaging 8.31% manganese, containing 7.2 billion pounds
- Measured and indicated mineral resource of 189.6 million tons averaging 1.29 opt silver, containing 245 million ounces. The measured and indicated mineral resource also includes 91.2 million tons averaging 5.67% manganese, containing 10.3 billion pounds
- Inferred mineral resource of 49.6 million tons averaging 1.02 opt silver, containing 50 million ounces. The inferred resource also includes 16.3 million tons averaging 3.80% manganese, containing 1.2 billion pounds

1) Results are reported on a 100% ownership basis (Wildcat's interest in Hermosa is 80%). All dollars are U.S. dollars and all tons are short tons unless noted otherwise.

Management's Discussion and Analysis for the Three and Six Months Ended June 30, 2014

- 2) Based on metal prices of: \$23.50/oz Ag, \$1,250/oz Au, \$1.19/lb EMM, \$0.92/lb Zn, \$3.25/lb Cu.
 3) Cash costs are calculated on a co-product basis whereby production costs are allocated to silver and manganese based on the relative revenues of each metal. Silver cash costs are net of gold, zinc and copper by-products.

The December 10, 2013 press release announcing the results of the pre-feasibility study and the complete NI 43-101 Technical Report are available on SEDAR (www.sedar.com) and the Company's website (www.wildcatsilver.com).

Mineral Reserve and Resource Estimates

The mineral reserve and resource estimates include drill and assay data up to June 2013 and are summarized below. *It should be noted that mineral resources that are not mineral reserves do not have demonstrated economic viability.*

Hermosa Mineral Reserve Estimate (1) (3) (4)								
Ore Type	Tons (000s)	Ag (opt)	Au (opt)	Mn (2) %	Zn (2) %	Cu (2) %	Contained Ag Ounces (000s)	Contained Mn lbs (000s)
Proven Mineral Reserve								
Manto Oxide	22,262	2.97	0.004	8.83	1.85	0.07	66,164	3,933,000
Upper Silver	7,454	2.19	0.003	N/A	N/A	N/A	16,314	N/A
Hardshell	1,351	1.67	0.002	4.37	0.63	0.05	2,259	118,000
Total Proven	31,067	2.73	0.003	8.58	1.78	0.07	84,737	4,051,000
Probable Mineral Reserve								
Manto Oxide	18,773	2.17	0.003	8.25	1.88	0.07	40,713	3,097,000
Upper Silver	8,687	2.05	0.003	N/A	N/A	N/A	17,782	N/A
Hardshell	1,130	1.63	0.002	3.78	0.57	0.05	1,844	85,000
Total Probable	28,589	2.11	0.003	7.99	1.80	0.07	60,339	3,182,000
Proven & Probable Mineral Reserve								
Manto Oxide	41,035	2.60	0.003	8.57	1.86	0.07	106,877	7,030,000
Upper Silver	16,140	2.11	0.003	N/A	N/A	N/A	34,096	N/A
Hardshell	2,481	1.65	0.002	4.10	0.61	0.05	4,103	203,000
Total Proven & Probable	59,656	2.43	0.003	8.31	1.79	0.07	145,076	7,233,000

- (1) Tons are reported to the nearest thousand (1,000). Gold and silver are reported in ounces per ton, all other metals are reported in percentages. Therefore, different totals may be calculated due to rounding errors.
 (2) Average grade is based only on material processed for the specific product.
 (3) Metal Prices Used: \$22.00/oz Ag, \$0.82/lb Mn, \$1,250/oz Au, \$0.82/lb Zn, \$3.00/lb Cu.
 (4) Based on Hermosa Mineral Reserve Criteria as follows:

Hermosa Mineral Reserve Criteria							
Ore Type	Recovery					Process Cost	
	Ag	Au	Mn	Zn	Cu	Process	G&A
Manto Oxide	80.2%	90.0%	28.3%	7.4%	61.1%	\$13.78/t	\$1.44/t
Upper Silver	46.0%	90.0%	0.0%	0.0%	0.0%	\$10.97/t	\$3.03/t
Hardshell	56.0%	90.0%	22.4%	25.0%	64.0%	\$25.08/t	\$2.41/t

The unit cost of operating the EMM plant has been netted from the manganese price.

Hermosa Mineral Resource Estimate (Inclusive of Reserve) (1)(3)(4)(5)(6)(7)								
Ore Type	Tons (000s)	Ag (opt)	Au (opt)	Mn (2) %	Zn (2) %	Cu (2) %	Contained Ag Ounces (000s)	Contained Mn lbs (000s)
Measured Mineral Resource								
Manto Oxide (Inc. Hardshell)	37,136	2.06	0.003	6.60	1.55	0.06	76,569	4,898,000
Upper Silver	38,978	1.07	0.003	N/A	N/A	N/A	41,551	N/A
Total Measured	76,114	1.55	0.003	6.60	1.55	0.06	118,120	4,898,000
Indicated Mineral Resource								
Manto Oxide (Inc. Hardshell)	54,067	1.24	0.002	5.03	1.59	0.06	67,010	5,443,000
Upper Silver	51,501	0.97	0.002	N/A	N/A	N/A	50,033	N/A
Total Indicated	105,568	1.11	0.002	5.03	1.59	0.06	117,043	5,443,000
Measured & Indicated Mineral Resource								
Manto Oxide (Inc. Hardshell)	91,202	1.57	0.002	5.67	1.57	0.06	143,579	10,341,000
Upper Silver	90,479	1.01	0.002	N/A	N/A	N/A	91,584	N/A
Total Measured & Indicated	181,681	1.29	0.002	5.67	1.57	0.06	235,163	10,341,000

Hermosa Inferred Mineral Resource Estimate								
Ore Type	Tons (000s)	Ag (opt)	Au (opt)	Mn(2) %	Zn(2) %	Cu(2) %	Contained Ag Ounces (000s)	Contained Mn lbs (000s)
Manto Oxide (Inc. Hardshell)	16,304	1.09	0.001	3.80	1.65	0.06	17,811	1,238,000
Upper Silver	28,847	0.94	0.003	N/A	N/A	N/A	27,257	N/A
Total Inferred	45,151	1.00	0.002	3.80	1.65	0.06	45,068	1,238,000

- (1) Tons are reported to the nearest thousand (1,000). Gold and silver are reported in ounces per ton, all other metals are reported in percentages. Therefore, different totals may be calculated due to rounding errors.
- (2) Average grade is based only on material processed for the specific material.
- (3) Mineral resources are inclusive of mineral reserves.
- (4) Mineral resources are constrained to a whittle pit shell demonstrating the potential for economic extraction.
- (5) Metal Prices Used: \$27.06/oz Ag, \$0.82/lb Mn, \$1,468/oz Au, \$0.92/lb Zn, \$3.54/lb Cu
- (6) Skarn resource reported separately – see "Updated Skarn Resource and Private Placement", above.
- (7) Based on Hermosa Mineral Resource Criteria as follows:

Hermosa Mineral Resource Criteria						
Ore Type	Recovery					Process Cost
	Ag	Au	Mn	Zn	Cu	
Manto Oxide	85%	90%	35%	35%	85%	\$9.00/t
Upper Silver	60%	90%	0%	0%	0%	\$9.00/t

Project Costs Capitalized

The following shows total costs deferred on the Company's Hermosa property during the three and six months ended June 30, 2014 and 2013:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Drilling	\$ -	\$ -	\$ -	\$ -
Property access, restoration and maintenance	50,938	165,281	111,250	224,898
Assay and analysis	561	13,409	561	18,198
Salaries, benefits and stock based compensation	194,342	294,742	395,348	794,701
Geologic consulting and support	38,951	131,178	103,083	383,969
Engineering & metallurgy	77,080	1,347,737	409,238	2,439,944
Environmental baseline studies	-	294,083	17,458	628,881
Permitting	43,360	34,657	234,384	68,547
Claims maintenance	-	8,402	6,790	22,332
Other	58,335	136,746	149,481	217,587
	<u>\$ 463,567</u>	<u>\$ 2,426,235</u>	<u>\$ 1,427,593</u>	<u>\$ 4,799,057</u>

During the three and six months ended June 30, 2014 the Company capitalized expenditures of \$463,567 and \$1,427,593, respectively on its Hermosa property compared to \$2,426,235 and \$4,799,057 in the same periods of 2013. The decrease in 2014 reflects the reduction in overall activity following release of the pre-feasibility results in late 2013 while the Company seeks additional financing. The costs for 2014 primarily reflect work to finish the NI 43-101 Technical Report and associated reports for the Company's pre-feasibility study together with permitting costs for the Company's proposed drilling program on United States Federal lands, normal ongoing site maintenance work and personnel costs. The costs for 2013 primarily reflect engineering and metallurgical test-work associated with pre-feasibility work as well as ongoing environmental baseline studies.

The decrease in salaries, benefits and stock based compensation capitalized to the project in the three months ended June 30, 2014 compared to 2013 is primarily because the Company had fewer employees working on the project in 2014 compared to 2013. The results for the six months were influenced by 2013 including bonus incentives for 2012 performance. Due to the Company's financial situation no bonuses were declared or paid with respect to 2013 activities.

Engineering and metallurgy costs decreased in both the three and six month periods ended June 30, 2014 compared to 2013 as 2013 included the work being undertaken to determine the economic recoverability of the manganese, zinc and copper by-products and process optimization of the silver recoveries. These costs also included resource estimation, mine planning, engineering and similar costs associated with the ongoing work on the pre-feasibility study. As previously noted, the 2014 costs primarily related to completing various reports associated with the pre-feasibility study that were substantially completed in the first quarter of 2014.

Environmental baseline studies costs were higher in 2013 as a result of the higher number of studies being undertaken.

Costs Expensed, Net Loss and Comprehensive Loss

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Expenses:				
Salaries and benefits	\$ 151,053	\$ 219,602	\$ 296,992	\$ 657,336
Professional services	99,150	29,629	139,390	80,957
Office and administrative	81,295	77,692	155,423	147,319
Stock based compensation	65,569	149,626	128,981	306,279
Directors' fees	19,601	17,268	38,975	19,995
Insurance	11,896	16,816	23,653	35,787
Filing and regulatory	9,510	7,195	25,220	27,029
Travel	7,585	14,503	9,350	18,768
Investor relations	7,354	23,880	33,704	73,780
Legal	3,551	12,602	8,001	20,269
Depreciation	2,277	2,314	4,550	4,790
Fiscal and advisory services	1,121	14,530	3,206	16,689
Loss from operations	(459,962)	(585,657)	(867,445)	(1,408,998)
Impairment of marketable securities	-	-	-	(289,454)
Interest and finance charges	(5,991)	(8,250)	(6,982)	(11,653)
Foreign exchange gain	(9,511)	11,687	(8,689)	14,430
Interest and other income	-	3,527	126	4,600
Net loss	(475,464)	(578,693)	(882,990)	(1,691,075)
Other comprehensive loss (income):				
Items that may be reclassified to profit or loss:				
Impairment of marketable securities reclassified to loss	-	-	-	(239,866)
Foreign currency translation loss	(2,735)	204,563	32,217	224,099
	<u>2,735</u>	<u>(204,563)</u>	<u>(32,217)</u>	<u>15,767</u>
Comprehensive loss	\$ (472,729)	\$ (783,256)	\$ (915,207)	\$ (1,675,308)

For the three and six months ended June 30, 2014, the Company reported a net loss of \$475,464 and \$882,990 (\$0.003 and \$0.006 per common share) and a comprehensive loss of \$472,729 and \$915,207, respectively compared to a net loss of \$578,693 and \$1,691,075 (\$0.004 and \$0.012 per common share) and a comprehensive loss of \$783,256 and \$1,675,308, respectively for the same periods in 2013. The decrease in the net loss in the second quarter of 2014 compared to 2013 is primarily due to the general reduction in activity on the Hermosa project. In addition, costs for the first six months of 2013 include bonus payments and an impairment loss on the Company's former holding of Riva Gold Corporation ("Riva") shares.

Overall salary costs decreased in both periods of 2014 as a number of employees who allocate their time between several public companies spent relatively less time on the Company's affairs. As also noted previously, the decrease in salaries and benefits expense in 2014 also results from the 2013 comparatives including bonus payments with respect to 2012 performance. As discussed under "Project Costs Capitalized" no bonuses have been awarded or paid with respect to 2013.

Professional services expense increased to \$99,150 in the three months and \$139,390 in the six months ended June 30, 2014 compared to \$29,629 and \$80,957 in the comparative periods as a result of due diligence procedures and analysis on various strategic initiatives.

The decrease in stock based compensation expense in both periods of 2014 compared to 2013 is primarily due to the timing of the vesting of stock options that were granted when the Company's stock price was higher. The Company uses the Black-Scholes option pricing model to determine the value of stock options, which is then amortized as an expense over the vesting period. In addition, 2013 includes a grant of stock options that included the Company's non-executive directors. These stock options vest as

to 50% on the date of the grant and 50% one year from the grant date. There were no such grants in 2014.

As a result of the acquisition of Riva in May, 2013, the six months ended June 30, 2013 also includes an unrealized permanent impairment loss of \$49,588 in the income statement with respect to the mark-to-market of the one million Riva shares the Company held at that time and the transfer of the unrealized loss of \$239,866 previously recorded in accumulated other comprehensive loss to the income statement.

Liquidity and Capital Resources

At June 30, 2014, the Company had cash and cash equivalents of \$48,562 compared to \$650,347 at December 31, 2013. The decrease in the Company's cash position since December 31, 2013 is attributable to expenditures on exploration and associated activities on the Company's Hermosa project, general corporate costs and the timing of the payment for such services.

Operating activities used cash in the amount of \$140,673 in the three months and \$376,990 in the six months ended June 30, 2014 compared to a use of cash of \$1,260,051 and \$1,611,561 in the same periods of 2013. The decreased use of cash in both periods is primarily attributable to movements in working capital. Accounts payable and accrued liabilities have increased in 2014 while the Company seeks funding whereas the Company paid down its accounts payable balances in 2013 following the acquisition of Riva and receipt of its associated cash in May 2013. The Company has also benefitted from lower corporate costs, as previously discussed.

Cash inflow from financing activities of \$530,663 for the three months and \$637,255 for the six months ended June 30, 2014 compares to \$7,261,377 and \$8,390,777, respectively in the same periods of 2013. The cash inflow in both periods of 2014 is primarily from advances of \$515,302 from the Company's Chairman and CEO. The advances are unsecured, bear interest at 7% and are repayable on the Company securing financing of CAD\$1 million or on a change of control of the Company. The Company also received contributions from the non-controlling interest for their share of costs incurred on the Hermosa project. For the same periods of 2013 the cash inflow reflects the closing of the acquisition of Riva on May 6, 2013 that contributed \$7,068,311 less associated cash transaction costs of \$155,504. The six months ended June 30, 2013 also includes the loan the Company obtained from Riva before the company was acquired of CAN\$1.0 million that was drawn down in March, 2013.

Investing activities used cash of \$381,558 for the three months and \$839,995 for the six months ended June 30, 2014 compared to \$3,351,381 and \$4,786,013, respectively in the same periods of 2013. The decrease in the use of cash relates to the decrease in expenditures on the Company's Hermosa project, as previously discussed as well as the impact of the relative change in accounts payable associated with the project in the respective periods as a result of available funds.

At June 30, 2014 the Company had cash flow commitments as follows (\$000's):

	< 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Accounts payable and accrued liabilities	\$ 1,120	\$ -	\$ -	\$ -	\$ 1,120
Other liabilities	1,476	-	-	-	1,476
Due to related parties	648	-	-	-	648
Operating lease obligations	402	588	279	-	1,269
	<u>\$ 3,646</u>	<u>\$ 588</u>	<u>\$ 279</u>	<u>\$ -</u>	<u>\$ 4,513</u>

Operating lease obligations includes the impact of the increase in future operating lease payments resulting from a company formerly related to Wildcat no longer sharing office space. The Company received approximately CAD\$800,000 subsequent to the quarter end, as previously discussed in "Going Concern", with respect to this increased obligation.

Also see discussion under "Going Concern" with respect to receipt of cash subsequent to June 30, 2014 and future cash requirements.

Quarterly Review of Financial Information

The following table is a summary of the Company's results for the eight most recently completed quarters for the years ending December 31:

Unaudited (\$000s, unless otherwise stated)	2014		2013				2012	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net income (loss)	\$ (475)	\$ (408)	\$ 986	\$ (469)	\$ (579)	\$ (1,112)	\$ (637)	\$ (894)
Exploration and evaluation assets additions	\$ 464	\$ 964	\$ 1,037	\$ 1,936	\$ 2,426	\$ 2,373	\$ 2,135	\$ 2,482
US\$ to C\$ Exchange rate - period end	\$ 1.0676	\$ 1.1033	\$ 1.0636	\$ 1.0285	\$ 1.0512	\$ 1.0156	\$ 0.9949	\$ 0.9837
Basic and diluted net income (loss) per share	\$ -	\$ -	\$ 0.01	\$ -	\$ -	\$ (0.01)	\$ -	\$ (0.01)

The most significant factors influencing the Company's quarterly results over the last eight quarters are:

- The gain of \$1,459,151 recorded in the fourth quarter of 2013 with respect to 117,246 common shares of Ventana Gold Corp. held by the Company.
- The loss of \$289,454 on the impairment of the Company's one million shares in Riva Gold Corporation recorded in the first quarter of 2013.
- The impact of the timing of stock option grants on stock based compensation expense including the higher expense where a portion of the grant vests immediately.
- Additions to exploration and evaluation assets in the third quarter of 2012 primarily reflect engineering and metallurgical work associated with the updated Preliminary Economic Assessment that was released in October, 2012 and environmental base-line studies. Additions for the fourth quarter of 2013 forward primarily reflect engineering and metallurgical work with respect to the pre-feasibility study that was released in December, 2013 and ongoing environmental base-line studies. Additions in 2014 primarily reflect work associated with the pre-feasibility technical report that was completed in the first quarter, and permitting and ongoing property maintenance.

Share Capital Information

As at August 11, 2014, the Company had an unlimited number of common shares authorized for issuance with 143,526,742 issued and outstanding and an unlimited number of preferred shares authorized with nil outstanding. Also at August 11, 2014, the Company had outstanding 5,766,160 stock options held by directors, officers, consultants and employees.

Proposed Transactions

There are no undisclosed proposed transactions that will materially affect the performance of the Company.

Off-Balance Sheet Arrangements

The Company does not have any material off-balance sheet arrangements.

Related Party Transactions

In addition to the related party transactions or balances disclosed elsewhere in this MD&A, the Company had the following related party transactions.

Pursuant to a shareholders' agreement (the "Shareholders' Agreement") governing the affairs of Arizona Minerals, the Company controls the affairs of Arizona Minerals and acts as the operator of the Hermosa

property. Funding is provided to Arizona Minerals in accordance with the Shareholders' Agreement and is by way of advances, which are subsequently converted to preference shares. The preference shares have priority over the common shares with respect to distributions and repayment. The Shareholders' Agreement generally requires 5348 Investments to fund 10% of Arizona Minerals costs and provides 5348 Investments with a 10% carried interest in the approximately 152 acres of patented claims and approximately 3,100 acres of the unpatented claims on the Hermosa property. The Shareholders' Agreement provides for dilution of 5348 Investments' non-carried equity interest in the event it fails to fund its share of any funding for approved programs.

Non-controlling interest increased by \$48,291 in the six months ended June 30, 2014 (June 30, 2013 – \$471,209) as a result of \$57,087 (June 30, 2013 – \$480,740) of required contributions less the non-controlling interest share of Arizona Minerals loss for the period of \$8,796 (June 30, 2013 – \$9,531). Amounts receivable includes \$1,527 (December 31, 2013 – \$66,393) outstanding from 5348 Investments with respect to these arrangements.

The Company shares office space, equipment, personnel and various administrative services with other companies related by virtue of certain common directors and management. These services have been mainly provided through a management company equally owned by the related companies. Costs incurred by the management company are allocated between the related companies based on time incurred and use of services and are charged at cost. In addition, certain other professional administrative services have been provided by other related companies and charged at cost. The Company was charged for the following with respect to these arrangements:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Salaries and benefits	\$ 136,672	\$ 359,713	\$ 266,076	\$ 559,170
Office and administrative	81,094	94,732	199,234	221,146
Other assets	-	41,931	-	41,931
	<u>217,766</u>	<u>496,376</u>	<u>465,310</u>	<u>822,247</u>

At June 30, 2014, amounts receivable includes a balance due from related companies of \$nil (December 31, 2013 – \$42,493) and there is an amount due to related companies of \$128,351 (December 31, 2013 – \$11,261) with respect to these arrangements. Amounts are due on demand, unsecured, and have no terms of repayment. Other assets of \$311,879 (December 31, 2013 – \$330,849) relate to the Company's share of jointly owned assets (primarily security deposits, leasehold improvements, and furniture and equipment) held by the management company.

At June 30, 2014, due to related parties includes loan advances totaling CAD\$550,137 (December 31, 2014 – \$nil) from the Company's Chairman and CEO. The loan advances are unsecured, bear interest at 7% and are repayable on the Company completing a financing for in excess of CAD\$1 million or on a change of control.

Critical Accounting Policies and Estimates

The Company's accounting policies are described in its consolidated financial statements for the year ended December 31, 2013. The preparation of its consolidated financial statements requires management to make judgements, estimates and assumptions in the process of applying the Company's accounting policies that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continually evaluated. However, actual outcomes could materially differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected. Information about critical judgements and estimates in applying accounting policies that have the most significant effect on amounts recognized in these condensed consolidated interim financial statements are as follows:

- Exploration and evaluation assets impairment estimation – The Company assesses its exploration and evaluation assets on a periodic basis to determine whether any indication of impairment exists.

Where an indicator of impairment exists, an estimate is made of the recoverable amount, which is the higher of the fair market value less costs to sell and its value in use. In determining the value in use the Company will develop an estimated cash flow for the mineral property, which will be based on the Company's estimates of ore reserves and mineral resources. The Company estimates its ore reserves and mineral resources based on information compiled by qualified persons as defined in accordance with Canadian Securities Administrators' National Instrument 43-101 Standards of Disclosure for Mineral Projects requirements. The estimation of mineral reserves and resources is based upon the results, assumptions and interpretation of various exploration techniques and information and includes additional factors such as metallurgical assumptions, expected commodity prices, capital requirements and operating costs that will also be used to develop the cash flow model. The Company must also determine an appropriate discount rate at which to discount the cash flows to determine the net present value. Changes in any of these assumptions, interpretations and estimates may have a significant impact on the net present value and therefore may impact the carrying value of the exploration and evaluation assets.

- Stock based compensation – In determining the fair value of stock based compensation, which the Company both expenses and capitalizes to exploration and evaluation assets, the Company uses the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of highly subjective assumptions such as the expected life of the options, estimates of interest rates and share price volatility that can materially affect the fair value estimate.
- Other liabilities – estimation of ultimate withholding tax liability with respect to the Company's acquisition of 80% of the common shares of Arizona Minerals.

Changes in Accounting Policies

a) New accounting policies adopted during the period

Effective January 1, 2014, the Company adopted IAS 36, *Impairment of Assets*, which provides for additional disclosures that may be required in the event the Company recognises an impairment loss or the reversal of an impairment loss. The adoption of IAS 36 did not result in any changes in the disclosure in the Company's financial statements.

b) New accounting standards, amendments and interpretations

Certain new standards, interpretations and amendments to existing standards have been issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC). Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

IFRS 9, *Financial Instruments: Classification and Measurement* is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value through profit or loss. The IASB has deferred the mandatory effective date to no earlier than January 1, 2018 and has left it open pending the finalization of the impairment and classification and measurement requirements. The Company has not yet assessed the impact of this standard on its financial reporting.

Financial Instruments

The Company's financial instruments are classified into the following categories of financial assets and liabilities (shown at carrying value):

Category	Measurement	June 30, 2014	December 31, 2013
Cash and cash equivalents	Loans and receivables	\$ 48,562	\$ 650,347
Amounts receivable	Loans and receivables	\$ 10,529	\$ 122,737
Due from related party	Loans and receivables	\$ 1,476,000	\$ 1,459,000
Accounts payable and accrued liabilities	Other financial liabilities	\$ 1,120,139	\$ 453,046
Other liabilities	Other financial liabilities	\$ 1,476,000	\$ 1,459,000
Due to related parties	Other financial liabilities	\$ 648,477	\$ 11,261

The carrying values of the Company's financial instruments in the table above approximate their fair values as a result of their short-term nature. Due from related party, which is not classified as a current asset, is carried in the consolidated financial statements at the same amount as the Company's other liabilities and accordingly, approximates its fair value.

Financial risk management

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure and attempts to manage the risk, where possible. These risks include market risk, liquidity risk and credit risk.

a) Market risk

Market risk represents the risk that the fair value of cash flows of a financial instrument will fluctuate because of changes in market prices. In particular:

Foreign exchange risk

Foreign exchange risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The Company incurs expenditures in Canadian and US dollars with the majority of the expenditures being incurred in US dollars exploring on its Hermosa property. The parent company has adopted a policy of converting the majority of its cash balances into US dollars, except to the extent Canadian dollars are required to fund corporate operations. As the functional currency of the parent company is Canadian dollars, foreign exchange risk arises because the amount of the US dollar cash and cash equivalents will vary in Canadian dollar terms due to changes in exchange rates. However, to the extent the US dollar balances will be used to fund future exploration expenditures on the Hermosa property the risk is mitigated and provides more certainty in terms of the funds available for that purpose.

At June 30, 2014, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars held by the Canadian parent company:

	June 30, 2014	December 31, 2013
Cash and cash equivalents	US\$ 11,474	US\$ 40,099
Due from related party	1,477,527	1,525,393
Accounts payable and accrued liabilities	-	(457)
Other liabilities	(1,476,000)	(1,459,000)
	<u>US\$ 13,001</u>	<u>US\$ 106,035</u>

As at June 30, 2014, based on the above net exposures a 10% change in the Canadian-US dollar exchange rate would impact the Company's earnings by approximately \$1,000 (December 31, 2013 –

\$11,000). As the Company reports in US dollars this amount would be offset by an approximately equivalent amount as part of other comprehensive income.

Price and Interest rate risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate and currency risk. The Company is not materially exposed to price risk at this time.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not materially exposed to interest rate risk at this time.

b) Liquidity risk

Liquidity risk represents the risk that the Company will be unable to meet its obligations associated with its financial liabilities. The Company endeavours to manage its liquidity risk by maintaining sufficient readily available cash in order to meet its liquidity requirements at any point in time (see discussion on going concern in "Going Concern").

c) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises for the Company from cash and cash equivalents held with banks and financial institutions, as well as credit exposure on outstanding amounts receivable and amounts due from a related party. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The Company manages its exposure to credit risk by holding its cash and cash equivalents through Canadian or US chartered banks, with short-term investments held in high-interest bank accounts and GIC's.

Risks and Uncertainties

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should invest in the Company's common shares. An investor should carefully consider the risks referred to below and the other information filed with the Canadian securities regulators before investing in the Company's common shares. The Company's business is subject to a number of risks and uncertainties including those described in the Company's Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2013, which are available on the Company's website at www.wildcatsilver.com and SEDAR at www.sedar.com. Any of the risks and uncertainties described in the above-noted documents could have a material adverse effect on the Company's business and financial condition and accordingly, should be carefully considered in evaluating the Company's business.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Company's management, under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has designed disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*, based on the original 1992 control framework developed by the Committee of Sponsoring Organizations of the Treadway Commission.

The DC&P have been designed to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO, particularly during the period in which the interim filings are prepared and the information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed,

summarized and reported within the time periods specified. The ICFR have been designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with international financial reporting standards. Due to the inherent limitations associated with any such controls and procedures, management recognizes that, no matter how well designed and operated, they may not prevent or detect misstatements on a timely basis.

Changes in Internal Control over Financial Reporting

NI 52-109 also requires Canadian public companies to disclose any changes in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. No material changes were made to internal controls in the three months ended June 30, 2014.

Assays and Quality Assurance/Quality Control

To ensure reliable sample results, the Company has a rigorous QA/QC program in place that monitors the chain-of-custody of samples and includes the insertion of blanks, duplicates, and certified reference standards in each batch of samples. Core is photographed and split in half with one-half retained in a secured facility for verification purposes. Sample preparation (crushing and pulverizing) is performed at Skyline Laboratories, an ISO/IEC accredited lab located in Tucson, Arizona. Skyline Laboratories prepares two pulps of all samples and completes analysis of one pulp sample by ICP for Cu% (copper), Pb% (lead), Zn% (zinc) and Mn% (manganese). The second pulp is shipped to Inspectorate Labs, an ISO: 9001-2008 accredited laboratory in Reno, Nevada, where the duplicate pulp is analyzed for Au (gold) and Ag (silver). Silver values are determined by gravimetric fire assay (1 AT) with gold values determined by an AA finish from the same dore bead: Final silver value is the weight of the dore bead minus the AA gold value. In certain drill holes Skyline completes analyses of pulps for gold (FA-1AT/AA) and silver is determined by multi-acid digestion/AA finish. If the silver value is greater than 150 gpt the sample is redone by gravimetric FA (1AT) with the gravimetric gold value subtracted. At both labs if the FA/AA Au value is greater than 3 gpt the Au assay is repeated by FA gravimetric methods. Certain duplicate pulps have gold-silver QA/QC checks run at Skyline by the above methods. Also certain duplicate pulps also have Cu, Pb, Zn, Mn QA/QC checks using ICP/AA methods and 30 element spectral ICP determined at Inspectorate after 4-acid digestion.

Pre-feasibility Study Contributors and Qualified Persons and Updated Skarn Resource Qualified Person

The Hermosa pre-feasibility study was completed by M3 Engineering & Technology Corporation (M3) of Tucson, Arizona, with the support of Metal Mining Consultants of Highlands Ranch, Colorado (Mineral reserve and mineral resource); Newfields Inc., Denver Colorado (Tailings/Coarse Rock storage); Hazen Research Inc., Golden, Colorado (processing and metallurgy); Easton Process Consulting Inc., Highlands Ranch, Colorado (metallurgy); and Mine Mappers LLC (geology/wire framing). The information contained in the December 10, 2013 press release announcing the results of the pre-feasibility study, resource update and reserve statement, which are replicated in this MD&A were reviewed by Joshua Snider and the relevant contributors.

M3 Engineering and Technology Corporation of Tucson, Arizona worked under the supervision of Joshua Snider, PE, an independent Qualified Person under the standards set forth by NI 43-101. Mr. Snider is a Civil Engineer with M3 and has over 15 years of experience in the engineering and mining industry.

Metallurgical test results have been reviewed, verified, and interpreted by Christopher Easton, BSc. Chemical Engineering, a Qualified Person under the standards set forth by NI 43-101. Mr. Easton is the president of Easton Process Consulting Inc. has 24 years of mineral processing and metallurgical engineering experience, and is a Qualified Professional Member in Metallurgy of MMSA.

Scott Wilson, President of Metal Mining Consultants, is an independent qualified person as defined by National Instrument 43-101 and approved and verified the information in relation to the Hermosa mineral reserve and mineral resource estimates including the updated Skarn resource estimate. Mr. Wilson is a Certified Professional Geologist and member of the American Institute of Professional Geologists (CPG

#10965) and a Registered Member (#4025107) of the Society of Mining, Metallurgy and Exploration, Inc., a professional association and designation recognized by the Canadian regulatory authorities.

Timothy George, PE, an independent Qualified Person under the standards set forth by NI 43-101, reviewed the information in relation to the Hermosa reserve determination and mine plan. Mr. George is a Mining Engineer with Metal Mining Consultants.

Process design criteria and cost estimates for the EMM facility have been reviewed by Terry McNulty, D Sc, PE., a Qualified Person under the standards set forth by NI 43-101. Dr. McNulty is President of T. P. McNulty and Associates, Inc., has over 50 years of experience in mineral processing and extractive metallurgical engineering, and is a Registered Member of SME.

WILDCAT SILVER CORPORATION
Corporate Information

Head Office	#555 – 999 Canada Place Vancouver, BC, Canada V6C 3E1 Telephone: (604) 687-1717 Facsimile: (604) 687-1715
Directors	R. Stuart Angus Gilmour Clausen (Vice Chairman) Robert P. Wares Richard W. Warke (Chairman) Donald Young
Officers	Richard W. Warke – Chief Executive Officer Donald R. Taylor – President and Chief Operating Officer Paul J. Ireland – Chief Financial Officer Letitia Cornacchia – Vice President, Investor Relations and Corporate Communications Gregory F. Lucero – Vice President, Sustainable Development Purni Parikh – Vice President, Corporate Secretary
Registrar and Transfer Agent	Computershare Investors Services Inc. #401 - 510 Burrard Street Vancouver, BC V6C 3B9
Auditors	PricewaterhouseCoopers LLP Chartered Accountants 250 Howe Street, Suite 700 Vancouver, BC V6C 3S7
Solicitors	Davies Ward Phillips & Vineberg LLP 155 Wellington Street West Toronto, Ontario M5V 3J7
Shares Listed	Toronto Stock Exchange (TSX) Trading symbol ~ WS
Investor Relations	Info@wildcatsilver.com (416) 860-6310