SILVER SHIELD RESOURCES CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2010

The following Management's Discussion and Analysis ("MD&A") of the Company has been prepared based on information available to the Company as at April 30, 2011, and analyzes the Company's results for the year ended December 31, 2010. The financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles.

Overview

The Company's principal business activity is the acquisition, exploration and development of high potential mineral properties, with particular focus on silver and gold.

Silver prices have skyrocketed in the past few weeks and have touched in overseas trading the $ 50 USD mark. The traditional gold:silver ratio appears to have become untied and Silver may well be trading on its own merits, suggesting the upside is huge. The recent strength in the price of the precious metals augers well for mining companies in the producing realm as well as more advanced exploration plays such as Silver Shield. With La Cumbre and the Welsh being advanced stage projects the company is very encouraged in its ability to further develop these properties, by the prices of silver and gold.

Management believes that the silver price will rise through 2011, to above US$ 50 per ounce, and possibly over $ 60. The price of gold and silver are impacted by many factors, ultimately reflected in supply and demand. Factors supporting management's opinion that silver will continue to be strong include increasing Asian demand for silver, particularly in India and China, combined with lagging world production over the next several years, even the major companies are finding that replacing mined reserves has become increasingly difficult. In addition, since 2006 we have seen a unique situation in mineral commodity prices in that all mineral commodity prices are at historical highs – at the same time. This results from a worldwide demand for mineral products that has never existed before. These supply and demand factors support management's opinion that the price of gold and silver will continue to rise. At the present time, management of the Company has determined that silver and gold will be its principal interest. Silver Shield has as it‘s primary goal to be a producer of precious metals in the near term. The company's potential shallow deposits with good infrastructure present have the potential to be brought to production sooner, rather than later, due to the expected lower costs of development.

The company maintains a focused directive of sourcing and finding high quality projects in the more advanced stage of exploration. It is the companies belief that with it's skilled mining team of development experts the focus on projects and properties that can become producers is the focused plan that will maximize shareholder value and grow company assets.

Currently, (April 30, 2011) the Company has a negative working capital of $ 824,303. The Company must raise funds within a very short-term period or it will not be able to sustain its operations. The primary cause of the working capital deficiency is the result of maintaining properties, operations and business offices in the economic downturn, with a lack of fundraising opportunities.

Company officials have taken cost cutting steps to ensure the continued viability of the company and have been actively pursuing properties that have potential to generate cash flow in the near term period. The Company is actively seeking additional capital financing from other Investors. Management has in 2010 had a debt settlement with creditors and is considering this method in 2011 to ease financial concerns for the shareholders and expects to clear a large amount of current debt through this mechanism. Discussions that were underway with a company controlled by certain directors of the Company to provide short term financing has not proceeded as expected.

The ability of the Company to arrange financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in some or all of its properties and reduce or terminate its operations.

Overall Performance

The primary focus of the Company is the exploration for Gold in the Timmins Area, further development of the mineralized veins that traverse the Welsh Silver Mine Property, in Elk Lake, Ontario, and the exploration of the Jaripo property in Michoacan, Mexico and the La Cumbre Property, in Guerrero State Mexico. The La Cumbre Mexican Property is wholly owned, as is the Welsh Silver Mine in Ontario, subject only to royalty payments.

The Company advanced it's Canadian projects through 2010 with limited funding and was also able to maintain it's Mexican assets. Despite the recent surge in metal prices in 2010 and 2011 the surge was not translated to the junior mining sector as it remains depressed. Management has maintained focus and has managed cash well in difficult financial times. It has adhered to a strict belief in its properties and people and has maintained its key properties, while waiting for the opportunity to follow-up on the well-planned and successful drilling programs of 2008 in Ontario and in Mexico in 2008 and 2010. No properties were added in 2010 to the company but it worked to various degrees on its current holdings. In the second quarter of 2010 a successful Stage 1 Exploration Drill Program of 1,500 metres was completed in Mexico on the Jaripo property. Good Silver, and base metal, values were obtained and the company will use these results to plan a more extensive drill program in late 2011 to follow up these excellent results. Investigation of other properties with near term production potential has continued in Mexico, a number of projects are under review and offers are on the table, but not completed yet. It is hoped that other acquisitions will be completed within the next six months. The Company performed surface work on it's Makhari JV properties and the Lost Dog in 2010. It is has been very impressed with the results from the IP and Mag survey done on the Lost Dog on the western portion of the property. A follow up Line Cutting and IP/Mag/VLF survey on the Eastern portion of the property is about to be commenced.

The Company does not currently derive any revenue from its operations, aside from interest revenue on short-term investments. Its ability to conduct exploration on its properties and develop properties that could prove to be economical is based on its ability to raise capital through equity financing. The Company's ability to raise capital by equity financing in the near future will be affected by the price of gold and silver and the results of management's success in promoting the company to the investment community. Financing will also be required to move forward on projects the company has acquired in Canada and Mexico and others that they have been working towards obtaining in the La Cumbre area as well.

Review of Operations

Mexico Properties

During 2010 the Company made a upgrades and maintenace with a view to improving its land holdings in Mexico. The Company had spent considerable time working on completion of the El Carmen Property Agreement with the Mexican Vendors. The El Carmen has not been acquired due to title considerations and was later acquired by other interests. Silver Shield continues to be interested in the property and there may be some interest on the part of the new owners in dealing on the property.

In 2009 the Jaripo Property Option Agreement was signed for Silver Shield to acquire a 100% interest, in the Jaripo Property in Michoacan State, Mexico, for a total of $US 2,000,000 payable as follows:

- $25,000 which was paid upon signing of the formal agreement
- $25,000 which was paid after 6 months
- $50,000 which was paid after 12 months,
- $75,000 after 24 months, which is due to be paid in July 2011
- $1,825,000 after 36 months

The Jaripo Property now covers a total of 2,950 Ha dominated by a north-south trending fault that has been traced for over 10 kilometres. In the central portion of the fault a 2 meter wide carbonate-quartz vein which hosts the main mineralization, is between sediments on the east and an 8 meter wide carbonate altered felsic dyke to the west. This mineralization has been traced semi-continuously on surface for over 1,200 metres by a series of old mine workings including shafts, pits and adits. Sampling by Silver Shield returned assays ranging from 43 g/t Ag up to 1,018 g/t Ag in grab samples.

A targeted diamond drilling program of 1,500 metres intended to outline near-surface mineralization in the area of the historic mine workings was completed at the Jaripo property in June 2010. Drillholes JAR-01 and 02 successfully located the mineralized zone north of the area of previous mining and intersected good Lead/Zinc and Silver values, with the width of 4 metres in Jar-02 being much wider than expected. Drillholes JAR-02 to 06 are located around the area of historic mining and below. In these holes numerous mineralized intervals were found surrounding the primary vein structure. This suggests that while the mineralization may be more complex than expected, the potential for significantly more mineralization than expected is high. While widths were commonly in the 1–2 metre range, a mineralized interval of 13 metres was found in hole JAR-04 and a mineralized interval of 6.25 metres was found in hole JAR-06, also supporting that a larger tonnage may ultimately be found. Lead grades were generally below 1 % but ranged up to 3.6 %. Zinc grades were more consistent and ranged between 2 and 7%. Gold values were low, as expected, but Silver provided significant value with many intervals over 100 g/t and some narrow intervals were over 300 g/t. Drillhole JAR-08 intersected a section of 4.6 metres in width grading 179.8 grams per tonne Silver, at a depth of only 78 metres below surface. This intersection lines up with the wide intervals of 13 metres found in hole JAR-04, and 6.25 metres found in hole JAR-06, (released previously) supporting management's expectation that a larger tonnage will ultimately be found. The potential for significantly more mineralization than expected is high, given the shallow first phase drill results and multi-vein intersections per hole.

In January of 2008, the Company commenced its drilling program on the La Cumbre project in Mexico (the "Mexico Properties") under the supervision of VP of Exploration Raymond Lashbrook and Stephen Mlot P.Eng. The 18 surface drill hole program was designed to test the La Cumbre Zone while also exploring other areas near the Company's main holdings. This first phase drilling program of 2,500 metres concluded in April, 2008. The results received by the Company from the drilling were very encouraging. Promising silver values, with frequent gold and copper have been intersected in most drill holes. Highlights included Hole LC-08-01 that intersected 308.28 g/t silver and 1.378 g/t gold over 3.8 metres and Hole LC-08-11 which intersected 2159.15 g/t silver and 28.441 g/t gold over .55 metres.

The Company believes that this combination of the high silver values plus the sections of high gold values, combined with lack of lead and zinc values suggest that we the Company is operating in the upper or higher section of the epithermal system. As epithermal vein systems are usually characterized by having higher gold and silver near the top of the system and becoming more base metal rich at the bottom, the drilling seems to confirm management's original belief that the Mexico Property is near the top of the system. Should this be the case, the Mexico Property could hold considerable silver-gold values.

In line with its corporate strategy, the Company is actively pursuing other promising properties in Mexico. To date, the Company has already added 7,600 ha to its land position in the La Cumbre region of Mexico. It is the hope of the Company that these new properties yield the opportunity to develop high quality mines and properties that we can bring to production in the future. We expect in the next quarter to acquire additional properties in Mexico.

The Company is in full compliance with the terms of its La Cumbre option agreement and has made the final property payment to the Vendor, Hector Gonzales Flores, in June, 2008. This payment on the property of $ 28,000 USD has enabled Silver Shield to own 100% of the project outright, subject to the $1.00 per tonne NSR in place. The Company has instituted infrastructure and other improvements around the property and Mr. Lashbrook has been met with increased public acceptance in the Mexican community. Due to this good working relationship, the local people are also very helpful in pointing out new properties for the Company to consider for acquisition.

The La Cumbre project is a priority for the Company and will be the focus of attention in Mexico for this year with diamond drilling to target further confirmation and expansion of the historic resource area. Access to the underground workings is also in the planning phase to complete geological mapping and detailed sampling of reported values.

Readers are encouraged to read the Company's public filings on SEDAR at www.sedar.com, in particular, the press releases dated May 6 and June 18, 2008 containing greater details of the drill program at the La Cumbre property, highlights of the assay results and the quality assurances and controls surrounding the results from the drill program.

Canadian Properties

While the Company has completed most of its planned acquisitions in the West Timmins gold mining camp there remains one property of interest that will be pursued as long as it can be acquired on reasonable terms.

In March 2010 the Company completed an agreement with Mhakari Gold, a private company, which will see them each acquire 50% of four groups of mining claims strategically located in the West Timmins Mining Camp. A total of 17 mining claim units were acquired in Ogden, Mountjoy, Denton and Carscallen Townships. A Joint Venture was formed to explore the properties. The two Companies will pay a total of One Hundred and Seventy Thousand dollars ($170,000) over a two-year period to each acquire a 50-per-cent interest in the property. Payment will be made as 50% in cash and 50% in shares or $ 42,500 each in cash and 710,000 shares each. In the first year of the agreement Silver Shield will-pay $ 21,250 and issue 355,000 shares. The Vendors will retain a royalty of 2 % of NSR that the Silver Shield and Mhakari JV has the right to purchase 1% of at any time, for $1,000,000.

The Company is particularly pleased with one claim unit in Denton Township that is immediately adjacent to the group where Nebu Resources was recently reported to have commenced drilling. The Ogden and Mountjoy claims are about 3 km east of the Company's Ogden property on a direct line to the heart of the Timmins Camp in an under-explored area, where preliminary soil geochemistry has reported gold occurrences. The Carscallen Township Property is to the west of the area being explored by Melkior Resources and San Gold.

Soil geochemistry has been completed over most of the property and all three property groups have returned gold in soil anomalies. The Gunther Lake Property (Carscallen Twp.) has a number of interesting Gold showings and plans for additional surface exploration are underway with a view to selecting drill targets.

The final agreement for the Lost Dog project acquisition was announced in February 2010. The property consists of 36 un-patented mining claim units in south central Denton Township. These claims cover an area of 575 ha, located about 5 km south of the highly prospective Porcupine-Destor Fault Zone, which is an important feature to most of the largest past producers in The Timmins Camp. The property is underlain by a suite of felsic to intermediate intrusive rocks of the Kenogamissi Batholith, an older potassium feldspar-porphyry granodiorite that outcrops in the southern half of the property and extends across the property and a younger biotite-hornblende granodiorite that has intruded the feldspar porphyry granodiorite. These rocks have been variously affected by the Porcupine-Destor Fault Zone. Also of interest is the contact with the Tisdale Assemblage-Mafic Volcanic sequence on the north side of the property.

Exploration of the Lost Dog Property commenced in January 2010 and the Phase II program is continuing at this time. A program, including linecutting, magnetic, VLF and IP surveys, was completed on the eastern half of the ground position. Results over the western half of the property have shown a number of conductive zones associated with North-Northwest striking magnetic high features, which are interpreted as dikes. Some association of Gold with these structures has been found by others exploring locally. The most interesting feature is a large and distinctive low magnetic area trending from east to west, that cuts and offsets the magnetic highs. This magnetic low may be indicative of a significant fault structure either related directly to the Porcupine-Destor Fault Zone (PDFZ) or may be a significant splay off of the PDFZ. The current program is expected to confirm the continuation of the structure across the full length of the property. The presence of the PDFZ or a related structure will have important implications for finding Gold values on the property. Follow-up geological surveys and geochemistry will be required to locate drill targets once all of the geophysics has been compiled.

The Company will pay a total of Fifty Thousand ($50,000) and Seven Hundred Fifty thousand (750,000) common shares, over a two-year period for an option to acquire a 100-per-cent interest in the property. Thirty thousand dollars ($30,000.00) has been paid to date and the second 250,000 shares have been issued to maintain the property agreement. The Vendors will retain a royalty of 2 % of NSR that Silver Shield has the right to purchase 1% of at any time, for $ 1,000,000.

The Lost Dog project is located thirty kilometres south-west of the Timmins city center, in the South Central Denton Township, 12 km west of Lake Shore Gold's Timmins Mine, and the Lakeshore/West Timmins Mining Inc. Thunder Creek project. The property adjoins Lakeshore Gold and Nebu Resources who are actively exploring in the same township, and have has recently announced interesting drilling results.

In August 2009 the company announced the acquisition of the Ogden property in the West Timmins Gold Area, currently the hottest gold exploration play in Canada. This reflects the company's growing interest in primary gold projects. It is planned to increase the property position in West Timmins as well as to acquire additional gold projects in Ontario. The Company has paid a total of five hundred thousand (500,000) common shares, and expend $ 500,000 in exploration, over a two-year period for an option to acquire a 100-per-cent interest in the property, subject to regulatory approval. The Vendors will retain a 1.5% NSR which Silver Shield has the right to purchase at any time, for $ 1,250,000. A director of Silver Shield is one of the vendors with a 25% ownership in the property. The Ogden project is located ten kilometres south-west of the Timmins city center, in the North-west corner of Ogden Township. Recent discoveries in the area include Lake Shore Gold's 830,000 oz Timmins Mine, and the Lakeshore/West Timmins Mining Inc. Thunder Creek project, located 10 kilometres to the west of the property. Metals Creek Resources has recently announced high-grade surface sampling and excellent drill results on its Ogden Project 5 km to the east.

The property consists of 2 patented mining claims that have been privately held for many years and no previous exploration work is known to have been performed. The area however is highly overburden covered and very few outcrops exist in the area and no outcrops are known on the property. These claims cover an area of 20 ha, located about 3 km north of the highly prospective Porcupine-Destor Fault Zone, which is an important feature to most of the largest past producers in The Timmins Camp, and 1.5 kilometres east of the north-south trending Mattagami River Fault. The property is underlain by sedimentary rocks of the Porcupine Assemblage, close to the contact with the Tisdale Assemblage- Mafic Volcanic sequence. The sedimentary sequence is the youngest in the Porcupine Assemblage overlying the Krist felsic volcanics and the prolific Quartz-Feldspar Porphyry intrusions that many of the significant gold deposits are associated with. The deposits appear to be also associated with splay faults that trend off to the north of the Porcupine Destor fault.

In March 2008 the Company initiated a Phase II drilling program of 1,500 metres at its Welsh Mine property in Elk Lake, Ontario (the "Welsh Property"). The program was designed to test for historical values that had been obtained by Teck/Lacana in the 1980's in narrow but high-grade intersections. The drilling program and the initial results noted below were sufficiently encouraging to lead management to expand the drill program to a total of 21 holes and 3,000 metres. The Company believes that this area to the south-east of the Welsh Mine has potential to hold a significant silver resource.

Highlights of the drill program operated at the Welsh Property include a high grade intersection of 2,659.50 g/t silver, (77.66 oz/t) over 0.15 m on hole WS-08-02, and a high grade intersection of 2,589 g/t silver (75.6 ounces per ton) at 111.3 metres to 111.5 metres, and 286 g/t silver (8.35 ounces per ton) at 82.15 metres to 82.35 metres in hole WS-08-09. Management believes that the discovery of another high-grade intersection discovered to the south of the aforementioned intersection indicates further veining with high grade values along the strike length of 190 metres. Further drilling on the property intersected 1,230 g/t silver approximately 190 metres south of WS-08-02. Stripping has been completed in the area between the high-grade intersections and the company hopes to further evaluate the surface exposure this exploration season.

In March 2011 the Company staked additional land in Ontario in the Elk Lake region to protect its holdings at the Welsh Mine. A diamond drilling program of about 1,200 metres, in 10 holes, was announced and is underway at the Welsh mine. Being targeted is the South Silverclaim Lake area where previous drilling intersected high-grade silver values, and the Welsh Mine area to test continuity in the high-grade number 4 and 7 veins. This program is to be completed in May 2011 and results from assaying of drill core will be issued as received.

The Company also completed a drilling program on the Wilder / Duggan Property in Donovan Township in 2008. This 1,500 metre first phase drilling program was the first ever to be completed program on this property. The Company has reviewed historical trenching and sample data and believes it has targeted drilling to hit the mineralized zones. Assay results from this program only returned small silver/cobalt values. Company geologists will review the data for a planned Summer-2011 surface work program to update our database on this still basically unexplored property. The Company engaged in discussions with the Vendor of the Wilder Property to accept the delayed May 2009 cash payment of $ 40,000 in shares once formal approval was received. The agreement with the Vendor was included in the shares for debt settlement with a number of other creditors and in January 2011 the Vendor was issued a total of 250,000 common shares valued at $ 0.16 per share. The Company has now completed all payments and is 100% owner of the Wilder Property.

Due to our ongoing presence and high level of activity in the Elk Lake area, the Company has been approached, by various local prospectors, regarding additional properties that are available in the area. Management has reviewed these properties and will pursue such acquisitions when the economics and market conditions merit. If any properties be of quality and fit our corporate objectives and offer the potential to increase shareholder value they will be pursued in 2011. As always the Company maintains a strict focus on the potential to find and develop producing mines in all property acquisitions.

The Company does not currently derive any revenue from its operations, aside from interest revenue on short-term investments. Its ability to conduct exploration on its properties and develop properties that could prove to be economical is based on its ability to raise capital through equity financing. The Company's ability to raise capital by equity financing in the near future will be affected by the price of silver and gold and the result of the drill program on its Ontario properties the La Cumbre property.

Readers are encouraged to read the Company's public filings on SEDAR at www.sedar.com, in particular, the press release dated September 24, 2008, containing greater details of the drill program at the Welsh Silver Mine property, in Elk Lake, Ontario, and the highlighted assay results from the 3,000-metre drill program.

Financing Activities

Four months ended April 30,2011

$ 0.05: 10,800,000 common shares with full warrant @ .10 for six months and @ .15 thereafter for eighteen months

$ 0.06 4,170,000 flo thru common shares with half warrant @ .15 for two years

Three months ended December 30, 2010

$ 0.06: 8,333,333 flo –thru common shares with half warrant @ .15 for two years

Three months ended September 30, 2010
The Company did not undertake any financing activities in the period

Three months ended June 30, 2010
The Company did not undertake any financing activities in the period

Three months ended March 31, 2010
The Company did not undertake any financing activities in the period

Three months ended December 31, 2009
$.09: 4,000,000 common shares with half warrant @ .18 for two years
$.05:6,900,000 common shares with warrant @.10 for two years

Three months ended September 30, 2009
The Company did not undertake any financing activities in the period

Three months ended June 30, 2009
The Company did not undertake any financing activities in the period

Three months ended March 31, 2009
The Company did not undertake any financing activities in the period.

Results of Operations

As an exploration stage company, the Company does not have operating revenue from mining operations. In the year ended December 31, 2010 the Company earned did not earn any income . (December 31, 2009 - Nil).

Operating Expenses

Operating expenses for the year ended December 31, 2010 were $366,517 compared with $185,078 for the year ended December 31, 2010. The major expenses for the period were accrued /paid $61,000 and Legal and Audit of $ 27,753. Royalty payments due were also accrued on the income statement in the amount of $30,000. The Company has shown remarkable constraint in maintaining operations while cutting costs.

The Company has not paid a cash dividend to its shareholders and does not anticipate paying cash dividends in the near future.

Selected Yearly Financial Data ($)
Liquidity and Capital Resources

The mineral properties of the Company are in the exploration and development stage and, as a result, the Company has no source of operating cash flow. The exploration and development of the Company's properties depends on the ability of the Company to obtain financing. If the Company's exploration programs are successful, additional funds will be required to develop the Company's properties and, if successful, to place them into commercial production. The only sources of future funds presently available to the Company are the exercise of warrants or stock options, the sale of equity capital of the Company, or the sale by the Company of an interest in any of its properties in whole or in part.

Financial Results

	Year Dec 31 2010	**3rd Qtr Sept30 2010**	**2nd Qtr June 30 2010**	**1st Qtr Mar 31 2010**	**Year Dec 31 2009**	**3rd Qtr Sept 30 2009**	**2nd Qtr June 30 2009**	**1st Qtr Mar 31 2009**
Net Loss	$224,662	$8,303	$41,350	$48,700	$138,177	$26,888	$31,920	$44,532
Basic and Diluted Loss per share	$0.005	$0.001	$0.001	$0.001	$0.004	$0.001	$0.001	$0.001
Balance Sheet Data								
Cash/ Equivalents	$452,765	$24,677	$146,143	$292,869	$535,181	$6,794	$24,579	$4,080
Mineral Properties	$3,631,210	$3,557,823	$3,362,570	$3,130,549	$2,872,507	$2,838,948	$2,813,848	$2,781,898
Total Assets	$4,251,570	$3,806,441	$3,697,298	$3,590,474	$3,567,307	$3,047,318	$3,044,264	$2,980,656
Shareholders Equity	$2,817,811	$2,526,983	$2,544,107	$2,600,301	$2,612,703	$2,064,542	$2,092,236	$2,124,156

The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in some or all of its properties and reduce or terminate its operations.

There are warrants and unit purchase options outstanding as of April 30,2011 that are a potential source of financing to the Company; these are Shareholders' and Agent's Warrants. The exercise of all outstanding warrants (at April 30, 2011) would result in the injection of approximately $3,282,290 into the Company.

There are Stock Options outstanding as of April 30,2011 that may be a potential source of financing to the Company. The exercise of all outstanding Stock options would result in the injection of $ 380,000 into the Company.

As at December 31, 2010 the Company had current assets of $ 609,456 to meet current liabilities of $1,433,759. Included in current assets is cash and cash equivalents of $ 452,765.

Contractual Obligations and Commitments

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1 The Company also has a consulting contract with Mr. Tim Towers, details noted below.

The directors and officers have fulfilled the investor relations in these times at no cost to the company.

Welsh Silver Mines Option Agreement

Pursuant to the Welsh Option Agreement, SSR optioned the Welsh Property from WSM and Robert Welsh (collectively the optionor) such that SSR can earn 100% of the optionors title and interest in the Welsh Property subject to a 2% net returns royalty. Advance Royalties of $ 30,000 per year commence in 2009. The effective date of the agreement was July 17, 2006.

SSR will exercise it's option on the Welsh Property by:

1 Paying $ 20,000 on the signing of the option agreement (paid),
2 paying a further $ 20,000 before the first anniversary date in 2007 (paid)
3 and making the final payment before July 2008. (paid)

The final payment has been made April 25, 2008. The company was required to issue 200,000 on the initial option signing, 200,000 common shares on or before the first anniversary date and 200,000 shares before the second anniversary date. All shares required have been issued.

La Cumbre Property Agreement

On June 29, 2007 the Company entered into an agreement to acquire 2 mining concessions from Hector Gonzalez Flores in Guerrero State Mexico. Under terms of the agreement the Company has acquired a 100 % interest in the Property by paying the Vendor a total of $ 68,000 USD. The Company has paid the Vendor the required amount. The Vendor has also retained a $ 1.00 USD per tonne royalty on the property for ore extracted, mined and milled.

Jaripo Property Agreement

June 15, 2009 the Company entered into an agreement to acquire 2650 ha of mining lands in Michochan Mexico from 4 individuals (Gilberto Martinez Ramirez, Salvador Pineda Pineda, Jose Orlando Serrano Sanchez, and Magdaleno Pineda Santana,). Under terms of the agreement the Company will acquired a 100 % interest in the Property by paying $2,000.000 over three years as follows:

- $25,000 upon signing of the formal agreement (paid)
- $25,000 after 6 months (paid)
- $50,000 after 12 months (paid)
- $75,000 after 24 months
- $1,825,000 after 36 months

The company could receive a discount of $ 125,000 by paying the final payment after 24 months. No royalty interest will be retained by the vendors.

Ogden Property Agreement

On June 30, 2009 the Company entered into an agreement to acquire 2 patented mining claims in Ogden Township, Ontario, from 4 individuals (Joan Tremblay, Earl Towers, Tim Towers, and Ken Towers). Under terms of the agreement the Company will acquired a 100 % interest in the Property by paying the Vendors a total of 500,000 shares, and completing $ 500,000 in exploration work on the property before June 30, 2011. The Company will pay by year end the Vendors the required amount of shares. The Vendors have also retained a 1.25 % royalty on the NSR from the property.

Lost Dog Property Agreement

On October 29, 2009 the Company completed the agreement with Pierre Robert and Wade Kornick to acquire 36 un-patented mining claims in Denton Township, west of Timmins Ontario which form the Lost Dog Property. The Company will pay a total of Fifty Thousand ($50,000) and Seven Hundred Fifty thousand (750,000) common shares, over a two-year period for an option to acquire a 100-per-cent interest in the property.The Vendors will retain a royalty of 2 % of NSR that Silver Shield has the right to purchase 1% of at any time, for $ 1,000,000.

Consulting Agreement with Mr. Tim. D. Towers

The Company and Tim D. Towers entered into a consulting agreement (the “Towers Services Agreement”) dated September 1, 2007. Pursuant to the terms of the Towers Consulting Agreement, Mr. Towers has agreed to serve as President for the Company. Mr. Towers is a shareholder, officer and director of the Company. The Towers Services Agreement provides for a monthly fee of $8,000 for up to twenty days of services during the month, and $400 for each additional day of work, to a maximum of $10,000 per month, plus reimbursement of reasonable out-of-pocket expenses incurred in connection with the performance of services under the agreement. Mr. Towers will provide office space, furnishing and phone service for exploration staff and the company. Mr. Towers is eligible, subject to compliance with all securities and regulatory laws, rules and policies, and the discretion of the board of directors, to participate in the Stock Option Plan. Annual bonuses may also be declared at the sole option of the board of directors based on Mr. Towers’ performance which, at the option of the Company, may be paid either in cash, Common Shares, options or such other form of compensation as may be determined by the board.

The Company may terminate the Towers Services Agreement without cause at will without prior written notice to Mr. Towers. If terminated without cause the Company will provide severance compensation equal to $100,000.

The initial term of the Towers Services Agreement ends on September 1, 2009, and may be extended for additional one (1) year period by agreement of the parties. Mr. Towers continues to serve the company under the same terms on an accrued basis due to limited funds available .

Transactions with Related Parties

During the year ended December 31, 2010, the company had dealings with the following related parties:

The company relies on the experience and expertise of Mr. Tim Towers in his role as President and Chief Executive Officer and Director of the Company. The Company has secured his services, and he is maintaining office space, furnishings, telephone and administration computer for the company at an all inclusive fee $8,000 per month. In 2010 these fees amount to $Nil (2009-$ 61,000). Out of Pocket expenses for office, promotion and other costs were reimbursed in the amount of $ 29,119 (2009- $ 8,578)

The Company also used the services for geological consulting and management fees of a company controlled by a shareholder and officer of the Company. In 2010 these fees amount to $nil (2009 –$ 56,000). Mineral expenditures reimbursed for out of pocket expenses amounted to $ 13,506 (2009- $ 3,576).
Due to limited funds the individuals have had their fees accrued in recent months but continue to serve the company.

Disclosure Controls and Procedures

Management, with the participation of the directors and Tim Towers, President, and Interim CFO have evaluated the effectiveness, as of April 30,2011, of the Company's disclosure controls and procedures (as defined by the Canadian Securities Administrators). Based on that evaluation, the certifying officers have concluded that such disclosure controls and procedures are effective to provide reasonable assurance that material information relating to the Company and its subsidiary is known to them and to others within the Company.

Critical Accounting Estimates

The preparation of financial statements requires the Company to estimate the effect of various matters that are inherently uncertain as at the date of the financial statements. Each of these required estimates varies with respect to the level of judgment involved and the potential impact on the Company's reported financial results. Estimates are deemed critical when the Company's financial condition, change in financial condition or results of operations would be materially impacted by a different estimate or a change in estimate from period to period. The Company's significant accounting policies are discussed in note 1 of the Notes to Consolidated Financial Statements. Critical estimates inherent in these accounting policies are discussed in the following paragraphs.

Income taxes

The Company operates in Canada. The breadth of the Company's operations and the complexity of the taxing legislation and practices require the Company to apply judgment in estimating its ultimate tax liability. The final taxes paid will depend on many factors, including the Company's interpretation of the legislation and the outcomes of audits by and negotiations with tax authorities. Ultimately, the final taxes may be adjusted based on the resolution of these uncertainties.

The Company follows the liability method of accounting for income taxes. Under this method, future tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax liabilities and assets are measured using enacted tax rates. The effect on future tax liabilities and assets of a change in tax rates is recognized in the period that the change occurs.

Nature of Operations

The Company is an exploration company. Its mineral properties are currently being explored and the Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount shown for mineral properties is dependent upon the existence of economically recoverable reserves (as established in accordance with NI 43-101), the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production or proceeds from disposition of such properties.

The Company tries to maximize its exposure to promising exploration opportunities, to manage the risks inherent in exploration and to make appropriate use of financial management resources. The Company intends to hire several employees that worked the properties in the past, hence, are familiar with the legacy workings and historic infrastructure; further, they are familiar with the historic mine data and government reports that identify some of the positive attributes of the properties. This experience and knowledge base would mitigate the risk associated with otherwise unknown properties.

Additional Funding Requirements

As discussed above, the mineral properties of the Company are in the exploration stage and, as a result, the Company has no source of operating cash flow. The Company intends to raise such additional funds to complete its projects. The Company does currently have the financial resources necessary to undertake all of its currently planned Canadian activities. At the present time the company does not have the resources to maintain its planned Mexican exploration and operations for the year 2011. The company has for the past months been diligently pursuing financing for Mexico. Certain financing initiatives have been at times potentially successful only to be terminated by circumstances beyond the companys control. However there can be no assurance that the Company will be successful in obtaining any additional required funding necessary to conduct additional exploration, if warranted, on the Company's exploration properties or to develop mineral resources on such properties, if commercially mineable quantities of such resources are located thereon.

Incentive Stock Option Plan

The Company has established a stock option plan to provide incentive compensation to the Company's directors, officers, employees and consultants (the "Stock Option Plan").
The Stock Option Plan is administered by the board of directors of the Company. Stock options may be granted at any time to any director, senior officer, key employee or other person providing services to the Company, taking into consideration his or her contribution to the success of the Company and any other

factor which the board of directors of the Company may deem proper and relevant. The aggregate number of Common Shares which may be reserved for issuance pursuant to the Stock Option Plan and any other share compensation arrangements of the Company will not exceed 10% of the total number of issued and outstanding Common Shares (calculated on a non diluted basis) from time to time.

Stock options granted under the Stock Option Plan are exercisable over a period not exceeding five years, subject to earlier cancellation upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, senior officer, director or consultant of the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The stock options are non-assignable and non-transferable. The Stock Option Plan contains provisions for adjustment in the number of shares issuable in the event of a subdivision, consolidation, reclassification or change of the Common Shares, or a merger or other relevant changes in the Company's capitalization. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of stock options granted thereunder.

Mineral Properties and Deferred Exploration Costs

The Company defers the costs of exploration on existing projects and carries them as assets until production commences. The amounts at which mineral properties and deferred exploration expenditures are recorded do not necessarily reflect present or future values. If a project is successful, the related mineral properties and deferred exploration costs will be amortized over the estimated economic life of the project. If a project is unsuccessful, or if exploration has ceased because continuation is not economically feasible, the mineral properties and related exploration expenditures are written off.

Dividends

The Company has not paid any dividends on its Common Shares since incorporation and does not anticipate paying any dividends on its Common Shares in the foreseeable future. The Company has a limited operating history and there can be no assurance of its ability to operate its projects profitably.

Legal Proceedings

Management is not aware of any material legal proceedings, actual, contemplated or threatened to which the Company is a party or to which any of its property or assets is subject.

Forward-Looking Statements

This prospectus contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, and its projects, the exploration expenditures, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, limitations of insurance coverage and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; the future price of gold and silver; possible variations of ore grade or recovery rates; failure of the plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this prospectus 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. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances, management's estimates or opinions should change, except as required by securities legislation. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

Financial Instruments

The balance sheet carrying amounts for cash, GST recoverable, subscription receivable, prepaid expenses, deferred financing fees, accounts payable and accruals approximate fair value due to their short-term nature.

Share Data

As at December 31, 2010 the Company has 54,802,091 common shares outstanding, as well as:

(a) Shareholder Warrants to purchase an aggregate of 4,166,666 common shares expiring December 27 2012 and exercisable at $0.15 per share;
(b) Shareholder Warrants totalling 1,999,999 at a price of $ 0.20 per unit, expiring December 14, 2011.
(c) Shareholder Warrants totalling 6,900,000 at a price of $ 0.10 per unit expiring December 14,2011.
(d) Stock Options issued under the Company's Stock Option Plan: 3,800,000 @.10 till August 20/2015.

On a fully diluted basis, therefore, the Company has common shares outstanding.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.