

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Dated: November 29, 2018

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This interim management's discussion and analysis ("MD&A") reports on the operating results and financial condition of Silver Phoenix Resources Inc. for the nine months ended September 30, 2018 is prepared as at November 29, 2018. Throughout this MD&A, unless otherwise specified, "Silver Phoenix" or "Company" refer to Silver Phoenix Resources Inc. This interim MD&A should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2017 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"), together with the unaudited condensed interim financial statements as at and for the nine months ended September 30, 2018 and 2017, which were prepared in accordance with IFRS and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting (collectively referred to as the "Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that this MD&A does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods covered. The consolidated financial statements together with the other financial information included in this MD&A fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date hereof and for the periods presented herein. The Board of Directors' approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially

SILVER PHOENIX RESOURCES INC.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

from those anticipated in such forward-looking statements. These forward-looking statements include but are not limited to statements concerning:

- The Company's strategies and objectives
- General business and economic conditions
- Foreign political policies and objectives
- The Company's ability to successfully negotiate mining licenses
- The Company's success at completing future financings
- The continued financial support of its debtors and shareholders

Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in or implied by these forward-looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. The forward-looking statements contained in this document are made as of the date hereof. Accordingly, readers should not place undue reliance on forward-looking statements.

CORPORATE OVERVIEW

Silver Phoenix Resources Inc. (the "Company") was incorporated on February 14, 2003 under the Company Act (British Columbia). The Company is an exploration stage company engaged in acquiring, exploring and developing mineral properties, principally located in British Columbia, Canada. The Company is listed on the Canadian Securities Exchange, under the trading symbol SP. The address of the Company's corporate office and principal place of business is 1600 – 609 Granville Street, Vancouver, BC V7Y 1C3, and its registered and records office is located at 2200 – 885 West Georgia Street, Vancouver, BC V6C 3E8.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. As of September 30, 2018, the Company has not generated revenues from its principal activities and is considered to be in the exploration stage.

MINERAL PROPERTIES

Big Showing Property, British Columbia

On February 14, 2003, the Company entered into an agreement to acquire a 100% interest in the Big Showing property for mineral claims for a total area of 1,000 hectares in the Revelstoke Mining Division of British Columbia. The Company acquired 90% of the property from the President and director of the Company and 10% from an individual who became a director of the Company on November 1, 2006.

For payment on the property, the Company agreed to issue 750,000 common shares of the Company on the date of the agreement (issued), to pay \$35,000 in cash by April 30, 2007 (paid), to issue 1,000,000 common shares of the Company within 30 business days of the date on which the Company receives a

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

technical report disclosing an indicated mineral resource of 5,000,000 ounces of contained silver equivalent on the claims, and to issue a further 1,583,333 common shares within 30 business days of the date on which the Company receives a positive pre-feasibility study on the claims. To date, the Company has not received an NI43-101 compliant report disclosing any indicated mineral resources or a positive pre-feasibility study on the claims, and therefore, the Company has not issued any common shares pursuant to these clauses.

Waverly Tangier Property, British Columbia

On March 15, 2004, the Company entered into an agreement to acquire a 100% interest in the Waverly Tangier Property for mineral claims for a total area of 5,675 hectares in the Revelstoke Mining Division of British Columbia. The Company acquired 90% of the property from the President and director of the Company and 10% from an individual who became a director of the Company on November 1, 2006.

The Company agreed to issue 750,000 common shares of the Company on the date of the agreement (issued), to pay \$35,000 in cash (paid in August 2007), to issue 1,000,000 common shares of the Company within 30 business days of the date on which the Company receives a technical report disclosing an indicated mineral resource of 5,000,000 ounces of contained silver equivalent on the claims, and to issue a further 1,583,333 common shares within 30 business days of the date on which the Company receives a positive pre-feasibility study on the claims. To date, the Company has not received an NI43-101 compliant report disclosing any indicated mineral resources or a positive pre-feasibility study on the claims, and therefore, the Company has not issued any common shares pursuant to these clauses.

Pursuant to the amended and restated option and royalty agreement (the "Option Agreement") dated February 25, 2009 with Armadillo Resources Ltd. ("Armadillo"), the Company granted Armadillo a 60% interest in the Waverley-Tangier property (the "Property") located in the Revelstoke Mining Division of British Columbia. Armadillo agreed to pay to the Company \$350,000 in cash, to incur \$3,000,000 in exploration expenditures and to issue 625,000 common shares of Armadillo to the Company as follows:

| | Cash | Exploration Expenditures | Shares |
|---|---------|-----------------------------|---------|
| | \$ | \$ | |
| Before March 31, 2009 (received) | 75,000 | — | 175,000 |
| Before March 30, 2010 (received) | 75,000 | 200,000 | 150,000 |
| Before March 30, 2011 (received except \$50,000 cash) | 100,000 | 300,000 | 150,000 |
| Before March 30, 2012 (not received) | 100,000 | 1,000,000 | 150,000 |
| Before March 30, 2013 | — | 1,500,000 | — |
| | 350,000 | 3,000,000 | 625,000 |

On February 28, 2013, the Company terminated the Option Agreement and entered into a Settlement Agreement with Armadillo given that Armadillo was in breach of the terms of the Option Agreement.

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Under the terms of the Settlement Agreement, Armadillo acknowledged that it has no interest in the Waverley-Tangier Property and that it has no right to re-instate the option to acquire an interest in the Waverley-Tangier Property. As part of the Settlement Agreement, the Company was to receive title to certain equipment relating to the Waverley-Tangier Property, including rock saws, blades, a storage container, a bridge and a rail car flatbed, as well as a cash payment. As at December 31, 2016, the Company has not received title to the equipment or the cash payment of \$7,000.

River Jordan Property, British Columbia

On March 16, 2006, the Company entered into an agreement to acquire a 100% interest in the River Jordan Property for mineral claims for a total area of 649 hectares in the Revelstoke Mining Division of British Columbia. The Company acquired 90% of the property from the President and director of the Company and 10% from an individual who became a director of the Company on November 1, 2006.

The Company agreed to pay \$35,000 in cash by April 30, 2007 (paid), to issue 750,000 common shares (issued in June 2007) of the Company, to issue 1,000,000 common shares of the Company within 30 business days of the date on which the Company receives a technical report disclosing an indicated mineral resource of 5,000,000 ounces of contained silver equivalent on the claims, and to issue a further 1,583,333 common shares within 30 business days of the date on which the Company receives a positive pre-feasibility study on the claims. To date, the Company has not received an NI43-101 compliant report disclosing any indicated mineral resources or a positive pre-feasibility study on the claims, and therefore, the Company has not issued any common shares pursuant to these clauses.

Tolstoi and Lickens Properties, Alaska, USA

On October 6, 2014, the Company entered into purchase agreement with Alaska Ventures Inc., a company controlled by the President of the Company, to acquire a 100% interest in two mineral property claim groups located in the Alaska Mining Division, USA known as the Tolstoi and Lichen properties by issuing 8,500,000 common shares. These shares were issued on October 16, 2014 and were valued at \$85,000 based upon the stock price on issuance.

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

SELECTED ANNUAL INFORMATION¹

Silver Phoenix is a publicly traded Canadian exploration company with no mineral producing properties, and thus, does not have revenues from any mineral properties. The Company had limited operating activities during 2015, 2016 and 2017, with costs principally relating to the maintenance of the Company as a public company.

| | For the year ended December 31, 2017 | For the year ended December 31, 2016 | For the year ended December 31, 2015 |
|---|---|---|---|
| Revenue | \$ - | \$ - | \$ - |
| Loss and comprehensive loss for the period | \$ (203,633) | \$ (222,291) | \$ (47,169) |
| Basic/diluted loss per share | \$(0.01) | \$ (0.01) | \$ (0.00) |
| Total assets | \$ 789,507 | \$ 718,045 | \$ 749,651 |
| Current liabilities | \$ 1,018,090 | \$ 821,245 | \$ 631,310 |
| Long-term liabilities | \$- | \$- | \$- |

¹ Financial information prepared in accordance with International Financial Reporting Standards ("IFRS")

SUMMARY OF QUARTERLY RESULTS¹

| | 3rd Quarter Ended September 30, 2018 | 2nd Quarter Ended June 30, 2018 | 1st Quarter Ended March 31, 2018 | 4th Quarter Ended December 31, 2017 |
|---|--|---|--|---|
| (a) Revenue | \$ - | \$ - | \$ - | \$ - |
| (b) Loss and comprehensive loss for the period | \$ (11,376) | \$ (48,460) | \$ (33,760) | \$ (95,691) |
| (c) Basic/diluted loss per share | \$ (0.00) | \$(0.00) | \$(0.00) | \$ (0.01) |
| | 3rd Quarter Ended September 30, 2017 | 2nd Quarter Ended June 30, 2017 | 1st Quarter Ended March 31, 2017 | 4th Quarter Ended December 31, 2016 |
| (a) Revenue | \$ - | \$ - | \$ - | \$ - |
| (b) Loss and comprehensive loss for the period | \$ (39,414) | \$ (33,883) | \$ (34,645) | \$ (111,240) |
| (c) Basic/diluted loss per share | \$ (0.00) | \$ (0.00) | \$ (0.00) | \$ (0.00) |

¹ Financial information prepared in accordance with International Financial Reporting Standards ("IFRS")

Quarterly results vary in accordance with the Company's exploration and financing activities. Mineral exploration is typically a seasonal business, and accordingly, the Company's operating expenses and cash requirements will fluctuate depending upon the season and the level of activity. The Company's primary source of funding is through the issuance of share capital. When the capital markets are depressed, the

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Company's activity level normally declines accordingly. As capital markets strengthen, and the Company is able to secure equity financing with favorable terms, the Company's activity levels and the size and scope of planned exploration projects will typically increase.

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018

The following is an analysis of the Company's operating results for the three months ended September 30, 2018 and includes a comparison against the three months ended September 30, 2017.

Expenses:

Depreciation expense for the three months ended September 30, 2018 was \$nil compared to \$44 for the same period in the previous year.

General and administrative expenses for the three months ended September 30, 2018 were \$5,656 compared to \$1,214 for the same period in the previous year.

Management fees for the three months ended September 30, 2018 were \$1,000 compared to \$28,500 for the same period in the previous year.

Professional fees for the three months ended September 30, 2018 were \$nil compared to \$3,338 for the same period in the previous year.

Transfer agent and filing fees for the three months ended September 30, 2018 were \$4,220 compared to \$2,097 for the same period in the previous year.

Travel expenses for the three months ended September 30, 2018 were \$503 compared to \$4,332 for the same period in the previous year.

Revenue:

Interest income for the three months ended September 30, 2018 was \$3 compared to \$111 for the same period in the previous year.

Net loss and comprehensive loss for the period

As a result of the above activities, the Company experienced a loss and comprehensive loss for the three months ended September 30, 2018 of \$11,376 compared to loss of \$39,414 for the same period in the previous year, representing a \$28,038 decrease in loss and comprehensive loss.

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

The following is an analysis of the Company's operating results for the nine months ended September 30, 2018 and includes a comparison against the nine months ended September 30, 2017.

Expenses:

Depreciation expense for the nine months ended September 30, 2018 was \$nil compared to \$132 for the same period in the previous year.

General and administrative expenses for the nine months ended September 30, 2018 were \$7,933 compared to \$2,542 for the same period in the previous year.

Management fees for the nine months ended September 30, 2018 were \$59,000 compared to \$85,500 for the same period in the previous year.

Professional fees for the nine months ended September 30, 2018 were \$13,500 compared to \$8,938 for the same period in the previous year.

Transfer agent and filing fees for the nine months ended September 30, 2018 were \$10,242 compared to \$6,290 for the same period in the previous year.

Travel expenses for the nine months ended September 30, 2018 were \$3,031 compared to \$4,686 for the same period in the previous year.

Revenue:

Interest income for the nine months ended September 30, 2018 was \$110 compared to \$146 for the same period in the previous year.

Net loss and comprehensive loss for the period

As a result of the above activities, the Company experienced a loss and comprehensive loss for the nine months ended September 30, 2018 of \$93,596 compared to loss of \$107,942 for the same period in the previous year, representing a \$14,346 decrease in loss and comprehensive loss.

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

SHARE CAPITAL

Authorized

Unlimited common shares without par value

Shares issued

| | Number of Common shares |
|--|--------------------------------|
| Balance as at December 31, 2017, September 30, 2018 and as at the date of this MD&A | 19,558,853 |
| Private placement | 100,000 |
| Balance as at September 30, 2018 and the date of this MD&A | 19,658,853 |

On March 12, 2018, the Company closed a non-brokered private placement of 100,000 units of the Company at the price of \$0.20 per unit for gross proceeds of \$20,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share at \$0.25 per share until March 12, 2023.

Stock Options

The Company has a stock option plan whereby the maximum number of shares subject to the plan, in the aggregate, shall not exceed 10% of the Company's issued and outstanding shares. The maximum term of any option will be five years and the vesting is at the direction of the board, however, options granted to consultants performing "investor relations' activities" must at a minimum vest in stages over a period of not less than twelve months, with no more than $\frac{1}{4}$ of the options vesting in any three month period or such longer period as the board determines. The exercise price shall be no less than the discount market price as determined in accordance with stock exchange on which the common shares are listed.

There was no stock option granted as at the date of this MD&A, September 30, 2018 or during the year ended December 31, 2017.

There were no stock options outstanding as at the date of this MD&A, September 30, 2018 or December 31, 2017.

Warrants

On March 12, 2018, as part of the Company's non-brokered private placement, the Company issued 100,000 share purchase warrants, with each warrant entitling the holder to purchase an additional common share at the price of \$0.25 until March 12, 2023.

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

A summary of the Company's share purchase warrant activity is as follows:

| | Number of warrants | Weighted average exercise price |
|--|-------------------------------|--|
| Balance, December 31, 2017 | 2,925,000 | \$0.17 |
| Issued | 100,000 | \$0.25 |
| Balance as at September 30, 2018, and the date of this MD&A | 3,025,000 | \$ 0.17 |

As at September 30, 2018 and the date of this MD&A, the following share purchase warrants were issued and outstanding:

| Number of Warrants | Exercise Price | Expiry date | Remaining contractual life (years) |
|---------------------------|-----------------------|--------------------|---|
| 2,500,000 | \$0.15 | May 28, 2019 | 0.49 |
| 135,000 | \$0.25 | May 24, 2019 | 0.48 |
| 290,000 | \$0.30 | November 17, 2019 | 0.97 |
| 100,000 | \$0.25 | March 12, 2023 | 4.28 |
| 3,025,000 | \$0.17 | | 0.66 |

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital deficiency of \$1,046,315 at September 30, 2018 as compared to a net working capital deficiency of \$993,320 as at December 31, 2017. At September 30, 2018, the Company had cash in the amount of \$13,164 as compared to \$23,897 at December 31, 2017.

On March 12, 2018, the Company closed a non-brokered private placement of 100,000 units of the Company at the price of \$0.20 per unit for gross proceeds of \$20,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share at the price of \$0.25 until March 12, 2023.

The Company has no operating revenues and finances its operations principally through equity financing. Although the Company has been successful in raising the above funds, there can be no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities. In these uncertain times, the Company carefully monitors its expenditure and cash flows. The Company anticipates that it will continue to rely on the equity market to raise additional funds when needed. Debt financing has not been used to fund property acquisitions and exploration and the Company has no current plans to use debt financing.

Since incorporation, the Company's capital resources have been limited. The Company has had to rely upon the sale of equity securities for the cash required for capital acquisitions, exploration and development, and administration.

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

The Company does not have any commitments for material capital expenditures and none are presently contemplated other than as disclosed above normal operating requirements. The Company may require funds in order to fund exploration programs on the Big Showing Property, the Waverly Tangier Property, the River Jordan Property, and the Tolstoi and Lickens Properties, and as a result, the Company will have to continue to rely on equity and debt financing in the future. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties. The following discussion summarizes certain risk factors that apply to the Company's business. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also materially adversely affect the business, financial condition and results of operations, or the trading price of the Company's common shares if any such risks actually occur.

An investment in the Company's common shares should be considered highly speculative due to the nature of the Company's existing business and operations.

The Company requires financing in order to maintain and continue its operations.

The Company's ability to continue will largely be reliant on its continued attractiveness to equity investors and its ability to obtain additional financing to maintain and grow operations. Failure to obtain sufficient financing may result in delaying, scaling back, elimination of, or indefinite postponement of, the development schedule and its current or future programs. Additionally, should the Company require additional capital to continue, failure to raise such capital could result in the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

From time to time, the Company may issue new shares, seek debt financing, dispose of assets, or enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards.

The Company depends on the business and technical expertise of its management team.

The Company is dependent on the business and technical expertise of its management team. If it is unable to rely on this business and technical expertise, or if any of the expertise is inadequately performed, the business, financial condition and results of operations of the Company could be materially adversely affected until such time as the expertise could be replaced.

The Company's share price is expected to be volatile.

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Securities of micro- and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies involved. These factors include macroeconomic development globally and market perceptions of the attractiveness of particular industries and location of the assets. The Company's share price is expected to be volatile and will be affected by the Company's financial conditions or results of operations as reflected in its liquidity position and earnings reports.

Other factors unrelated to the Company's operations and performance that may have an effect on the price of the Company's shares include: the lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company's securities to be delisted further reducing market liquidity.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The Company is subject to risks presented by fluctuations in exchange rates.

The Company publishes its financial statements in Canadian dollars. Substantially all of its expenses are denominated in Canadian dollars and the US Dollar. Any significant fluctuation in the exchange rates between the Canadian dollar, and the US Dollar may have an adverse impact on its results of operations and may adversely affect the value of its revenue and net income.

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

FINANCIAL INSTRUMENTS

The fair value of the Company's receivables, marketable securities, reclamation bond and accounts payable and accrued liabilities and deferred flow-through premium approximate their carrying values due to the short-term nature of the instruments. The Company's other financial instrument, being cash, is classified as amortized cost.

(a) Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk on cash the Company places the instrument with financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and exploration activity. The Company has a working capital deficiency and requires additional financing to meet its short-term obligations and to fund costs for the Company's projects and operations. The Company's accounts payable are generally due in terms ranging from 30 to 90 days.

(v) *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities.

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

The Company is exposed to market risk in trading its investments, and unfavorable market conditions could result in dispositions of investments at less than favorable prices. The Company's investments are accounted for at estimated fair values and are sensitive to changes in market prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company is not exposed to significant interest rate risk as the Company's has no interest-bearing debt. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

RELATED PARTY TRANSACTIONS

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Summary of expenses incurred:

| Type of Service | Nature of Relationship | For the three months ended September 30, | | For the nine months ended September 30, | |
|-----------------|--|--|------------------|---|------------------|
| | | 2018 | 2017 | 2018 | 2017 |
| Management fees | To William Murray (former President) and Roxann Murray (former CFO) of the Company | \$ 1,000 | \$ 28,500 | \$ 59,000 | \$ 85,500 |
| Total | | \$ 1,000 | \$ 28,500 | \$ 59,000 | \$ 85,500 |

As at September 30, 2018, the amounts due to or from related parties as follows:

| | September 30, 2018 | December 31, 2017 |
|---|--------------------|-------------------|
| Amounts payable to former President | \$ 584,218 | \$ 540,218 |
| Amounts payable to former Chief Financial | 192,500 | 177,500 |
| Total | \$ 776,718 | \$ 717,718 |

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

ADOPTION OF NEW ACCOUNTING STANDARDS

The accounting policies applied in the preparation of the condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2017, except for the adoption, on January 1, 2018, of **IFRS 9, Financial Instruments: Classification and Measurement** ("IFRS 9"), and **IFRS 15, Revenue from Contracts with Customers** ("IFRS 15"), both of which have an initial application as at this date .

IFRS 9, Financial Instruments (new; to replace IAS 39)

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

The following is the new accounting policy for financial assets under IFRS 9:

Financial assets

Financial assets will be classified in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's current accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of (loss) income in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The following table shows the classification of the Company's financial assets when IFRS 9 is implemented:

| Financial asset | IFRS 9 Classification |
|------------------------|------------------------------|
| Cash | Amortized cost |
| GST receivable | Amortized cost |
| Trade payables | Amortized cost |
| Accrued liabilities | Amortized cost |

As the accounting reflected by the adoption of IFRS 9 under the above classifications and election is similar to that of IAS 39, there will be no impact on the Company's financial statements and no restating of prior periods will be required.

IFRS 15, *Revenue from Contracts with Customers*

IFRS 15 specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative and relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

The adoption of IFRS 15 will have no impact on the Company's financial statements.

New Standards Not Yet Adopted

IFRS 16, *Leases*

The new standard requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a "right-of-use" asset with exceptions for certain short-term leases and leases of low-value assets. The new standard is likely to result in increases to both the asset and liability positions of lessees as well as reported depreciation expense and finance costs of these entities in the statement of profit or loss. The Company is currently evaluating the financial impact the new standard will have on its financial results.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted.

The Company has initially assessed that there will be no material reporting changes as a result of adopting the above new standards; however, enhanced disclosure requirements are expected.

SILVER PHOENIX RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into off-balance sheet arrangements. The Company does not have any outstanding derivative financial instruments, forward contracts, foreign exchange contracts or off-balance sheet guarantees.

CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Uncertainty about these estimates, assumptions and judgments could result in outcomes that could require a material adjustment to the carrying amount of assets or liabilities in future years. Information about critical accounting estimates, assumptions and judgments are detailed in Note 2 (d) of the May 31, 2018 audited consolidated financial statements.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.