



WILDCAT SILVER CORPORATION

Management's Discussion and Analysis

For the Three Months Ended September 30, 2011

Introduction

This management's discussion and analysis ("MD&A") of Wildcat Silver Corporation (the "*Company*", "*Wildcat*", "*we*", "*us*", or "*our*") covers the three months ended September 30, 2011 and takes into account information available up to and including November 21, 2011. This MD&A should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements and notes for the three months ended September 30, 2011, 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 unaudited condensed consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*, and IFRS 1, *First-Time Adoption of IFRS*. For comparative purposes all financial statement amounts related to the three months ended September 30, 2010 have been restated in accordance with IFRS.

Effective July 1, 2011 the Company changed its financial statement presentation currency to United States dollars. Accordingly, all dollar amounts reported herein are in United States dollars unless indicated otherwise.

Cautionary Note Regarding Forward-Looking Information

This document contains forward-looking information (also known as forward-looking statements) within the meaning of applicable securities legislation. All statements in this document or incorporated by reference herein, other than statements of historical facts, constitute forward looking information. More specifically, forward-looking information contained herein includes, without limitation, statements concerning the future financial or operating performance or condition of the Company and its business and operations and properties, the Company's plans for its mineral property in Arizona, the Company's objectives and outlook for 2012 and 2013 including continuing exploration drilling on its mineral property, the preparation and timing of updates to its mineral resources and preliminary economic assessment, and timing of the initiation of a feasibility study, the sufficiency of its cash resources to enable the Company to continue its contemplated exploration and corporate activities through 2011 and into 2012, expected future prices of silver and other minerals, the estimation of mineral resources or potential expansion thereof, the realization of mineral resource estimates, the timing and amount of estimated capital and operating expenditures, the timing and amount of estimated future production, and the expected mine life. Forward-looking information is often, but not always, identified by the use of words such as *seek*, *anticipate*, *believe*, *plan*, *estimate*, *budget*, *schedule*, *forecast*, *project*, *expect* and *intend*, or variations or, or the negatives of, such words, and phrases or statements that an action, event or result *may*, *will*, *should*, *would*, *could* or *might* be taken, occur or be achieved.

The forward-looking information is based on a number of assumptions which may prove to be incorrect. In addition to the various assumptions set forth herein, these assumptions include, without limitation, the following:

- Drills, other equipment, consultants and personnel continue to be available when and where required;
- The timing of results from the Company's drilling activities are consistent with expectations;
- Drill results achieved continue to justify further drilling activities;
- The updated resource estimate and preliminary economic assessment support the initiation of a feasibility study;
- Exploration activity levels do not materially increase from those anticipated, and operating and exploration costs are consistent with recent costs;

Forward-looking information involves and is subject to known and unknown risks, uncertainties and other factors which may cause actual performance, achievements, actions, events, results or conditions to differ materially from those expressed in or implied by such forward-looking information. These include, without limitation, general business, economic, competitive, political, regulatory and social uncertainties; actual results of current exploration activities; conclusions of economic evaluations; fluctuations in the value of

Canadian and United States dollars relative to each other; changes in project parameters; changes in labour costs or other costs of production; future prices of silver and other minerals; variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; labour disputes; delays in obtaining governmental approvals or financing or in the completion of exploration, development or construction activities; changes in government legislation and regulation; changes in ownership interest; increased infrastructure and/or operating costs; the Company's ability to maintain and renew existing licenses and permits or obtain required licenses and permits; changes or disruptions in market conditions; disruptions or changes in the credit or securities markets and market fluctuations in prices for the Company's securities; inflationary or deflationary pressures; the need to comply with laws and regulations or other regulatory requirements; the speculative nature of mineral exploration and development; contests over title to properties; operating or technical difficulties in connection with exploration, development or mining activities; employee relations and shortages of skilled personnel and contractors; the risks involved in the exploration, development and mining business generally; and the factors discussed in the section entitled "Risks and Uncertainties" in this MD&A.

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. Forward-looking information contained herein is as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable law. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated by such information. Accordingly, readers should not place undue reliance on forward-looking information.

About Reserves and Resources

This MD&A uses the terms 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 Assessment as defined under NI 43-101. Readers should also refer to the Company's Annual Information Form for the year ended June 30, 2011 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 together with a 2% net smelter royalty interest in the whole property is held by Diamond Hill Investment Corp. ("Diamond Hill"), which is controlled by a director of the Company. Wildcat 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, although the deposit also includes economic quantities of copper and zinc.

In April, 2010 the Company announced an updated resource estimate that incorporated drill results through to September 2009 as follows:

Indicated Mineral Resources									
	Tonnes (000s)	Silver (g/t)	Manganese (%)	Copper (%)	Zinc (%)	Silver (million oz)	Manganese (tonnes)	Copper (tonnes)	Zinc (tonnes)
Oxide	6,004	187.8	6.83	0.10	1.03	36.2	410,000	6,000	62,000
Inferred Mineral Resources									
	Tonnes (000s)	Silver (g/t)	Manganese (%)	Copper (%)	Zinc (%)	Silver (million oz)	Manganese (tonnes)	Copper (tonnes)	Zinc (tonnes)
Oxide	39,268	61.0	7.66	0.06	1.55	77.0	3,009,000	22,800	609,000
Sulphide	6,999	35.0	5.77	0.10	2.25	7.9	404,000	7,000	157,000

Resource estimate calculated using a \$55 per ton cut-off grade representing Hermosa's approximate cost of production, and using the following metal price assumptions: silver \$14/oz; manganese \$0.61/lb; zinc \$0.75/lb; copper \$2.00/lb.

Mineral resources that are not classified as mineral reserves do not have demonstrated economic viability.

On September 28, 2010 the Company announced the results of the updated Preliminary Economic Assessment ("PEA") of its Hermosa project. The PEA estimated the project's net present value at \$357 million (using a 7.5% discount rate), with an internal rate of return of 19% on an after-tax basis. Silver production is expected to average approximately 6 million ounces a year at a cash cost estimated to be negative \$1.86 per ounce for the first five full years of production, net of by-products. The initial capital cost is estimated to be \$337 million, and will include an open pit and underground operation lasting 18 years. These results assumed metal prices of \$16.78 per ounce of silver, \$0.41 per pound of contained manganese, \$0.91 per pound of zinc, and \$3.07 per pound of copper.

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized.

The Company expects to complete both an updated resource estimate and PEA before the end of 2011.

Drill Program

Since it initiated its current drill program in late 2010, the Company has drilled 119 holes totalling approximately 31,100 metres of which 35 holes totalling approximately 8,200 metres were completed during the quarter. The Company has reported on 92 of the 119 holes including 45 that were reported during the quarter and 18 subsequent to the quarter end. The assays returned continue to support the extension of mineralization beyond the current resource and also provide important geologic information in previously untested areas where recognized faulting exists. Results also continue to indicate the mineralization remains open in all directions. Examples of significant results announced during and after the quarter end include:

- HDS-193 encountered two zones with the top zone returning 6.1 metres of 651.9 g/t silver and 10.71% manganese.
- HDS-199 encountered three zones with the middle zone returning 13.7 metres of 425.1 g/t silver and 13.93% manganese.
- HDS-192, located in an area of shallow drilling within the resource area, encountered two zones of significant silver, manganese and base metals mineralization. The upper zone averaged 483.2 g/t silver, 15.5% manganese, 2.5% zinc, 2.8% lead and 0.2% copper over 22.9 metres. The lower zone averaged 138.5 g/t silver, 12.3% manganese, 3.3% zinc, 1.1% lead and 0.1% copper over 4.6 metres.
- HDS-184, located in an area of sparse drilling within the resource area, encountered two significant zones of silver/manganese mineralization. The lower zone intersected 19.8 metres of 420.6 g/t silver, 15.8% manganese, 2.8% zinc, 2.3% lead and 0.3% copper. The upper zone returned 27.4 metres of 289.0 g/t silver, 10.9% manganese, 4.1% zinc, 2.0% lead and 0.1% copper.

An update to the existing Hermosa mineral resource is expected to be released before the end of 2011.

Subsequent to the quarter end the Company was issued a permit to drill 15 holes on its unpatented mineral claims. These claims are adjacent to the Company's private lands where the current drill program has been undertaken and should provide further information as to the possible further extension of the current mineralization. There are currently two core and three reverse circulation drills on the property.

Other PEA Activities

In addition to its drill program, the Company has been continuing its work analysing the metallurgy of the mineralization with the assistance of various consultants. In addition, the Company has been reviewing various alternatives with respect to processing and marketing the manganese. This work is directed at further refining the proposed process to be incorporated into the update to the Preliminary Economic Assessment that the Company expects to complete in late 2011.

TSX Listing and Change in Year End

On July 19, 2011, Wildcat commenced trading on the Toronto Stock Exchange under the symbol "WS", graduating from the TSX Venture Exchange. Also during the quarter the Company changed its fiscal year end to December 31 to better align with its peers and internal reporting protocols.

Project Costs Capitalized

The following shows total costs deferred on the Company's Hermosa property for the three months ended September 30:

	2011	2010
Drilling	\$ 1,839,395	\$ -
Drill access and restoration	700,379	-
Assay and analysis	400,330	-
Salaries and benefits	228,528	110,485
Geologic consulting and support	223,913	51,677
Environmental Impact Study	153,188	-
Other	294,488	123,559
	3,840,221	285,721

During the three month period ended September 30, 2011 the Company capitalized \$3,840,221 of expenditures in respect of its Hermosa property compared to \$285,721 in the corresponding period of 2010. The amounts for the quarter represent costs of the current drill campaign as previously discussed. Also included are costs associated with work with respect to ongoing metallurgical analysis and process design and with respect to baseline environmental studies that the Company initiated during the quarter. The increase in salaries and benefits capitalized to the project during the quarter compared to the same period in 2010 reflects the hiring of additional executives to meet the growing needs of the project as it moves forward towards completion of an updated resource estimate and PEA and, if warranted, commencement of feasibility study work.

Other costs capitalized in the comparative period of 2010 primarily relate to engineering and consulting work with respect to the updated PEA that was released in September 2010.

Costs Expensed, Net Loss and Comprehensive Loss

	Three months ended September 30,	
	2011	2010
Expenses:		
Stock based compensation	\$ 357,183	\$ 234,657
Salaries and benefits	306,349	162,743
Filing and regulatory	221,846	2,103
Office and administrative	112,110	40,376
Professional services	86,715	28,409
Investor relations	55,319	20,356
Insurance	18,509	6,814
Legal	16,313	1,429
Recruitment and relocation fees	8,766	-
Travel	5,892	2,400
Fiscal and advisory services	3,936	4,999
Interest and finance charges	2,797	1,756
Depreciation	1,765	3,089
Gain on Riva Gold transactions	-	(190,907)
Foreign exchange (gain) loss (note 11)	(1,042,470)	1,771
Interest and other income	(133,612)	(146)
Loss before income taxes	(21,418)	(319,849)
Deferred income tax expense	98,144	-
Net loss	(119,562)	(319,849)
Other comprehensive loss (income):		
Unrealized loss on marketable securities, net of deferred income tax	687,010	-
Foreign currency translation (gain) loss	1,148,939	(8,254)
	(1,835,949)	8,254
Comprehensive loss	\$ (1,955,511)	\$ (311,595)
Net loss attributable to:		
Shareholders of the Company	\$ (115,076)	\$ (317,099)
Non-controlling interest	(4,486)	(2,750)
	\$ (119,562)	\$ (319,849)
Comprehensive loss attributable to:		
Shareholders of the Company	\$ (1,951,025)	\$ (308,845)
Non-controlling interest	(4,486)	(2,750)
	\$ (1,955,511)	\$ (311,595)

For the three months ended September 30, 2011 the Company reported a net loss of \$119,562 (\$0.00 per common share) compared to a net loss of \$319,849 (\$0.00 per common share) in the comparable period of 2010. After taking account of the mark-to-market loss of \$687,010 (2010 – \$nil) on the Company's investment in Riva Gold and the loss on translation of the financial statements into United States dollars of \$1,148,939 (2010 – gain of \$8,255) that were both reported through other comprehensive income, there was a comprehensive loss of \$1,955,511 in the three months ended September 30, 2011 compared to a comprehensive loss of \$311,595 in 2010. The increase in the comprehensive loss of \$1,643,918 is attributable to the mark-to-market loss noted above and higher corporate costs.

Stock based compensation expense increased by \$122,526 to \$357,183 in the quarter primarily as a result of the impact of the stock option grants in December, 2010 and June, 2011. In addition, the call

value calculated for each option using the Black Scholes model increased significantly for the June 2011 grant as a result of the increase in the market price of the Company's shares.

Salaries and benefits expense increased by \$143,606 to \$306,349 in the quarter primarily as a result of the corporate costs associated with increased exploration and corporate activity. A number of the Company's employees provide services to Wildcat and other related companies and to the extent the level of activity in the Company increases so does the amount of time and cost charged to the Company. These services are charged to the Company at cost. The Company benefits from this arrangement by having access to the services on an as needed basis. In addition, as noted under "project costs capitalized" above, subsequent to September 30, 2010 the Company hired a number of new executives, a portion of whose time is spent on corporate matters.

Filing and regulatory cost increased from \$2,103 in 2010 to \$221,846 in the three months ended September 30, 2011. The increase relates to the fees charged to migrate the Company's listing from the TSX-Venture Exchange to the Toronto Stock Exchange, which was completed in July, 2011.

Office and administrative expense increased to \$112,110 in the quarter from \$40,376 in the same quarter of 2010 due to the inclusion of the Company's share of office rental and associated costs for the new shared investor relations office in Toronto. In addition, the increased exploration and corporate activity referred to above has resulted in additional general corporate expenses.

There was a foreign exchange gain included in income of \$1,042,470 (2010 – loss of \$1,771) on the Company's US dollar cash balances as a result of the weakening of the Canadian dollar subsequent to the Company acquiring the US dollars. The gain is included in income as the parent company's functional currency is Canadian dollars. An offsetting loss on the translation of the parent's Canadian dollar financial statements into US dollars for presentation purposes of \$1,148,939 is included in other comprehensive income.

Interest and other income of \$133,612 in the quarter primarily relates to amounts received on the termination of a lease by a previously related company.

The Company recorded an unrealized loss of \$785,154, less deferred income tax recovery of \$98,144 in other comprehensive income in the consolidated statements of operations during the three months ended September 30, 2011 in respect of the mark-to-market of the one million Riva Gold shares the Company still holds. Income tax expense relates to changes in the fair value on the mark-to-market of the Riva Gold shares.

Liquidity and Capital Resources

At September 30, 2011 the Company had cash and cash equivalents of \$13,842,733 compared to \$18,327,596 at June 30, 2011. The decrease in the Company's cash position since June 30, 2011 is attributable to the exploration activities performed on the Hermosa property and general corporate costs.

Operating activities for the three months ended September 30, 2011 used cash in the amount of \$837,597 compared to \$114,971 in 2010. The increased use of cash is attributable to the higher corporate costs, discussed above, and due to the timing of cash flows attributable to working capital.

Cash from financing activities for the three months ended September 30, 2011 of \$304,056 compared to \$27,691 in the same period of 2010 all relates to cash received from Diamond Hill with respect to its share of costs incurred on the Hermosa project, which amounts are included in non-controlling interests. The increase reflects the increase in expenditures on the project.

Investing activities for the three months ended September 30, 2011 used cash of \$3,881,537 compared to \$338,625 in the same period of 2010. The increase in the use of cash all relates to the increase in expenditures on the Company's Hermosa project, as previously discussed.

The Company anticipates that its funds on hand as at September 30, 2011 of \$13,842,733 together with the funds received on the exercise of the remaining share purchase warrants in October, 2011 of Canadian \$3,750,000 will be used to fund its exploration activities and for general corporate purposes and should be sufficient to fund its planned programs through the end of 2012.

Quarterly Review of Financial Information

The following table is a summary of the Company's results for the eight most recently completed quarters.

Unaudited (\$000s, unless otherwise stated)	2011 ⁽²⁾ Q1	Year ended June 30, 2011				Year ended June 30, 2010 ⁽¹⁾		
		Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net loss	\$ (120)	\$ (1,207)	\$ (427)	\$ (422)	\$ (320)	\$ (1,020)	\$ (178)	\$ (357)
Foreign exchange gain (loss)	\$ 1,043	\$ 6	\$ (49)	\$ (23)	\$ (2)	\$ (523)	\$ 358	\$ 268
Exploration and evaluation additions	\$ 3,840	\$ 3,232	\$ 2,177	\$ 353	\$ 286	\$ 226	\$ 271	\$ 264
C\$/US\$ Exchange rate - period end	\$ 1.0389	\$ 0.9643	\$ 0.9718	\$ 0.9946	\$ 1.0298	\$ 1.0606	\$ 1.0156	\$ 1.0466
Basic and diluted net income (loss) per share	\$ -	\$ (0.01)	\$ -	\$ -	\$ -	\$ (0.01)	\$ -	\$ -

(1) Prepared under Canadian GAAP. Translated into United States dollars based on the average exchange rate for the quarter.

(2) The Company has changed its fiscal year end to December 31. Represents the first of two quarters.

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

- The foreign exchange gain in the quarter ended September 30, 2010 on the parent company's holdings of United States dollars. An offsetting loss is included in other comprehensive income.
- The timing of stock option grants on stock based compensation expense including where a portion of the grant vests immediately. The first and fourth quarters of fiscal 2011 were impacted.
- The first quarter of fiscal 2011 includes a gain of \$190,907 being a portion of the dilution gain that arose on the Riva Gold transaction as described in the Company's audited consolidated financial statements for the year ended June 30, 2011.
- The impact on additions to exploration and evaluation expenditures of the commencement of the current exploration program late in the second quarter of the year ended June 30, 2011.
- For the three quarters in 2010 only, the impact of the Canadian/US exchange rate on the Company's future income tax liability under Canadian GAAP that was denominated in US dollars. This liability is not recorded under IFRS.

Objectives and Outlook

The Company's immediate focus is on completing an updated mineral resource estimate and PEA both by the end of calendar 2011. Other key areas of focus for the remainder of the year and into 2012 include:

- Continuing the exploration drilling program on both the patented and unpatented claims with the main objective of further expanding the existing silver resource.
- Exploring for new sulphide and oxide zones on the property including through analysis of the geophysical survey that was completed on the Company's lands in the fourth quarter of 2011.
- Exploring new markets for manganese products.
- Design and operation of a pilot process plant for metallurgical testing purposes to be executed in the first half of 2012.
- Continuing the baseline environmental studies that were initiated in the quarter for use in the environmental permitting process.
- Assuming that the current drilling program is successful in generating a sufficient quantity of measured and indicated mineral resources, initiating a full feasibility study.

Share Capital Information

As at November 21, 2011, the Company had an unlimited number of common shares authorized for issuance with 131,751,798 issued and outstanding and an unlimited number of preferred shares authorized with nil outstanding. Also at November 21, 2011, the Company had outstanding 8,767,000 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

Non-controlling interest represents the 20% interest in the common shares of Arizona Minerals held by Diamond Hill. 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 expenditures on the property are in accordance with the Shareholders' Agreement, which provides Diamond Hill with a 10% carried interest. The Shareholders' Agreement provides for a dilution of Diamond Hill's interest in the event of failure to fund its share of approved programs. Accounts receivable includes \$345,939 (June 30, 2011 - \$304,056) outstanding from Diamond Hill.

The Company acquired its 80% interest in the common shares of Arizona Minerals from Diamond Hill in May 2006. Based on the purchase consideration and related tax filings, at September 30, 2011, the Company has an estimated withholding tax obligation with respect to the acquisition of \$1,388,000 (June 30, 2011 - \$1,427,979), including penalties and interest, which has been included in accounts payable. Diamond Hill has provided an indemnification to the Company in the event the Company is required to pay the withholding tax, which is secured against Diamond Hill's 20% ownership interest in Arizona Minerals. As a consequence of the indemnification the Company has recorded an amount due from related party for \$1,388,000 (June 30, 2011 - \$1,427,979). The relevant tax regulations are complex and any tax obligation of the Company is dependent on Diamond Hill's actual tax calculations and may be further reduced or eliminated once those taxes are finalized.

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. In addition, certain other professional administrative services have been provided by other related companies and charged at cost. 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. During the three months ended September 30, 2011 the Company was charged \$332,756 (September 30, 2010 - \$155,644) and charged out \$nil (September 30, 2010 - \$8,105) in connection with these arrangements. Included in these amounts is \$28,213 (September 30, 2010 - \$26,071) with respect to office space owned by a company controlled by a director of Wildcat. The Company also recorded income of \$121,144 during the three months ended September 30, 2011 with respect to the termination of a lease by a previously related company. At September 30, 2011, accounts receivable includes a balance due from related companies of \$nil (June 30, 2011 - \$5,848) and there is an amount due to related companies of \$21,645 (June 30, 2011 - \$5,231) with respect to these arrangements. Amounts are due on demand, unsecured, and have no terms of repayment.

Other assets of \$121,422 (June 30, 2011 - \$93,626) relate to the Company's share of assets held by the management company.

Critical Accounting Policies and Estimates

The Company's accounting policies are described in note 3 to its condensed consolidated interim financial statements for the three months ended September 30, 2011. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of the Company's consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

Mineral properties and exploration and evaluation expenditures

Mineral property acquisition costs and resource exploration and development costs are capitalized on an individual project basis until such time as the Company begins commercial production on the prospect or the prospect is sold, abandoned, allowed to lapse, or determined to be impaired.

Recoverability of the amounts shown for mineral properties and exploration and evaluation expenditures is dependent upon the discovery of economically recoverable mineral reserves, maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral properties, and on future profitable production or proceeds from the disposition of the mineral properties.

The Company reviews and evaluates its mineral properties and exploration and evaluation expenditures for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where such indications exist the recoverable amount is estimated by calculating the higher of the asset's fair value less cost to sell and its value in use. Where information is available estimated future net cash flows are calculated using estimated future prices, proven and probable reserves, resources and operating and capital costs on a discounted basis. If the estimated discounted future net cash flows are less than the carrying value of the asset, an impairment charge is recorded. Where estimated future cash flows are not available the carrying value is written down to its estimated fair value.

Stock-based compensation

Stock option based awards made to directors, employees and consultants are measured using a fair value based method. Under this method the Company determines the fair value of stock option awards using the Black-Scholes model, and these amounts are recognized as an expense over the vesting period. In determining the fair value, management is required to make certain assumptions regarding such items as the expected life of the options, forfeiture rates and expected volatility. Changes in the assumptions used to estimate fair value could result in materially different results.

Withholding tax

The Company has estimated a withholding tax obligation together with penalties and interest with respect to its acquisition of its Hermosa property in 2006. The relevant tax regulations are complex and any tax obligation of the Company is dependent on Diamond Hill's actual tax calculations and may be further reduced or eliminated once those taxes are finalized.

Changes in Accounting Policies

Effective January 1, 2011, Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information, the effective transition date for the Company is July 1, 2010. Full disclosure of the Company's accounting policies in accordance with IFRS can be found in notes 2 and 3 to the unaudited condensed consolidated interim financial statements for the three months ended September 30, 2011. The interim statements also include, in note 13 thereto, reconciliations of the previously disclosed comparative period financial statements prepared in accordance with Canadian generally accepted accounting principles to IFRS.

New Standards 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) that are mandatory for accounting periods beginning after January 1, 2013, or later periods. 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 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 at fair value through profit or loss.
- IFRS 10, *Consolidated Financial Statements* builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides additional guidance where it is difficult to assess. IFRS 10 replaces the consolidated requirements in SIC-12, *Consolidated-Special Purpose Entities*, and IAS 27, *Consolidated and Separate Financial Statements*.
- IFRS 11, *Joint Arrangements* provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*.
- IFRS 12, *Disclosures of Interest in Other Entities* provides the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint agreements, associates and consolidated structured entities.
- IFRS 13, *Fair Value Measurement* provides a single source of guidance on how to measure fair value where its use is already required or permitted by other IFRS and enhances disclosure requirements for information about fair value measurements.

The Company is currently evaluating the impact of these standards, if any, on the Company.

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. Wildcat'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 June 30, 2011, 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 affect on the Company's business and financial condition and accordingly, should be carefully considered in evaluating the Company's business.

Financial Instruments

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 that 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 by Arizona Minerals the risk is negated and provides more certainty in terms of the funds available for that purpose.

At September 30, 2011, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars:

	September 30, 2011		June 30, 2011	
Cash and cash equivalents	US\$	11,968,066	US\$	5,787,266
Due from related party		1,733,939		1,427,979
Accounts payable and accrued liabilities		(1,701,455)		(2,511,076)
Due to related parties		-		(5,231)
	US\$	12,000,550	US\$	4,698,938

As at September 30, 2011, based on the above net exposures a 10% change in the Canadian-US dollar exchange rate would impact the Company's earnings by approximately \$1,200,000. As the Company reports in US dollars this amount would be offset by an equivalent amount as part of other comprehensive income.

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 fire assay (1 AT) with an AA finish. For all samples that assay greater than 200 ppm Ag, the sample is re-run using fire assay (1 AT) with a gravimetric finish. In certain holes Skyline also completes analysis of the pulps for Au (FA/AAS) and Ag by (Aqua Regia digestion and AA finish). If over 150 g/t, all Silver assays are redone using FA/Grav finish at 1AT.

Qualified Persons

The results of Wildcat's drilling announced in 2011 have been reviewed, verified and compiled by Donald R. Taylor, MSc., PG, Vice President, Exploration for Wildcat, a qualified person as defined by National Instrument 43-101 (NI 43-101).

Wildcat's updated mineral resource estimate was prepared under the guidance of A. Clayr Alexander, PE, PMP, Independent Consultant, who acted as Qualified Person. Resource modeling work was performed by Don Elkin of Mine Reserves Associates of Golden, Colorado. The resource estimate was prepared in compliance with Canadian NI 43-101 standards.

The updated PEA and NI 43-101 technical reports were prepared by an integrated team led by M3 Engineering and Technology Corporation ("M3") of Tucson, Arizona as the primary author of the technical report. The technical report was conducted under the overall review of Timothy S. Oliver, P.E. of M3, an independent Qualified Person under the standards set forth under NI-43-101.

WILDCAT SILVER CORPORATION
Corporate Information

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Officers	Christopher M. Jones – President and Chief Executive Officer Paul J. Ireland – Chief Financial Officer Letitia Cornacchia – Vice President, Investor Relations and Corporate Communications Gregory F. Lucero – Vice President, Sustainable Development Charles J. Magolske – Vice President, Corporate Development Purni Parikh – Corporate Secretary William J. Pennstrom, Jr. – Vice President, Technical Services Donald R. Taylor – Vice President, Exploration
Registrar and Transfer Agent	Computershare Investors Services Inc. #401 - 510 Burrard Street Vancouver, BC V6C 3B9
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