

Financial Statements
(Expressed in United States dollars)

REVETT MINERALS INC.

Period from incorporation on August 25, 2004 to December 31, 2004



KPMG LLP
Chartered Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
Internet www.kpmg.ca

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheet of Revett Minerals Inc. as at December 31, 2004 and the statements of operations and deficit and cash flows for the period from incorporation on August 25, 2004 to December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2004 and the results of its operations and its cash flows for the period then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Vancouver, Canada

March 4, 2005, except for note 6(c) which
is as of March 17, 2005 and note 6(d)
which is as of March 30, 2005

REVETT MINERALS INC.

Balance Sheet
(Expressed in United States dollars)

December 31, 2004

Asset

Deferred financing costs (note 3)	\$ 510,268
-----------------------------------	------------

Liabilities and Shareholder's Deficiency

Current liabilities:

Accounts payable and accrued liabilities	\$ 137,357
Due to Revett Silver Company (note 3)	394,657
	<hr/> 532,014

Shareholder's deficiency:

Share capital (note 4)	1
Deficit	(21,747)
	<hr/> (21,746)

\$ 510,268

Subsequent events (note 6)

See accompanying notes to financial statements.

Approved on behalf of the Board:

_____ Director

_____ Director

REVETT MINERALS INC.

Statement of Operations and Deficit
(Expressed in United States dollars)

Period from incorporation on August 25, 2004 to December 31, 2004

General and administrative expenses	\$ 14,747
Directors fees	8,000
<hr/>	
Loss for the period, being deficit, end of period	\$ (21,747)
<hr/>	
Basic and diluted loss per share	\$ (21,747)

See accompanying notes to financial statements.

REVETT MINERALS INC.

Statement of Cash Flows
(Expressed in United States dollars)

Period from incorporation on August 25, 2004 to December 31, 2004

Cash provided by (used in):

Operations:		
Loss for the period	\$	(21,747)
Investing:		
Deferred financing costs, net of related accounts payable and accrued liabilities		(372,911)
Financing:		
Common share issued		1
Advances from Revett Silver Company		394,657
		<hr/>
		394,658

Increase in cash, being cash, end of period	\$	-
---	----	---

Supplementary cash flow information:

Interest received	\$	-
Taxes paid		-

See accompanying notes to financial statements.

REVETT MINERALS INC.

Notes to Financial Statements
(Expressed in United States dollars)

Period from incorporation on August 25, 2004 to December 31, 2004

1. Nature of operations:

Revett Minerals Inc. ("Revett Minerals" or the "Company") was incorporated under the Canada Business Corporations Act on August 25, 2004. The Company was incorporated for the purpose of acquiring Revett Silver Company ("Revett Silver"), obtaining a listing on The Toronto Stock Exchange and completing an initial public offering ("IPO"), all of which occurred subsequent to December 31, 2004 (note 6). Revett Silver is a Montana corporation that owns the Troy Mine and the Rock Creek project. As at December 31, 2004, the Company is considered a development stage company, has no operating assets and has no current source of revenue.

2. Significant accounting policies:

(a) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In the Company's case, the significant area requiring the use of management estimates relates to the determination of recoverability of deferred financing costs. Actual results could differ from these estimates.

(b) Deferred financing costs:

Deferred financing costs comprise expenditures incurred in connection with the Company's IPO. These costs will be charged to share capital as share issuance costs upon completion of the IPO, or charged to operations if the IPO is unsuccessful (note 6).

(c) Income taxes:

The Company uses the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values of existing assets and liabilities and their respective income tax bases (temporary differences), and losses carried forward. Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is substantively enacted. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

REVETT MINERALS INC.

Notes to Financial Statements
(Expressed in United States dollars)

Period from incorporation on August 25, 2004 to December 31, 2004

2. Significant accounting policies (continued):

(d) Loss per share:

Basic loss per share has been calculated using the weighted average number of common shares issued and outstanding during the period. Diluted loss per share is calculated using the treasury stock method. However, in the Company's case, diluted loss per share is the same as basic loss per share, as the Company has a loss for the period, and any potential dilutive shares would be ant-dilutive.

(e) Foreign currency translation:

Transactions and account balances originally stated in currencies other than the United States dollar have been translated into United States dollars using the temporal method of foreign currency translation as follows:

- Revenue and expense items at the rate of exchange in effect on the dates they occur.
- Non-monetary assets and liabilities at historical exchange rates, unless such items are carried at market, in which case they are translated at the exchange rate in effect on the balance sheet date.
- Monetary assets and liabilities at the exchange rate in effect at the balance sheet date.

Exchange gains and losses are recorded in the statement of operations in the period in which they occur.

(f) Financial Instruments:

The fair value of accounts payable and accrued liabilities approximates its carrying value due to its short-term nature. It is not practicable to determine the fair value of the amount due to Revett Silver due to the related party nature and the absence of a market for such an instrument (note 3).

3. Due to Revett Silver Company:

Revett Silver is considered a related party to the Company due to common directors. The Company has incurred costs related to its IPO which have been funded by Revett Silver. Revett Silver has also been providing management and administrative services to the Company on a no-charge basis. Amounts due to Revett Silver at December 31, 2004 are non-interest bearing and payable on demand.

REVETT MINERALS INC.

Notes to Financial Statements
(Expressed in United States dollars)

Period from incorporation on August 25, 2004 to December 31, 2004

4. Share capital:

(a) Common shares:

The Company has one class of no par value common shares. Holders of common shares are entitled to receive dividends if and when declared by the board of directors of the Company. Each common share is entitled to one vote. There are an unlimited number of common shares authorized for issue.

On incorporation on August 25, 2004, the Company issued one common share for cash of \$1.

(b) Preferred shares:

The Company is authorized to issue an unlimited number of preferred shares in one or more series, with each series to consist of such number of shares as may be fixed by the board of directors of the Company. Before the issuance of any series of preferred shares, the board of directors may determine the designation, rights, privileges, restrictions and conditions attaching to the preferred shares, including the dividend rights for each series, any rights of redemption or purchase and the prices and terms of such redemption or purchase rights, any voting votes, any conversion rights, and any rights to receive property upon the dissolution, liquidation or winding up of the Company.

The Company has not issued any preferred shares.

5. Income taxes:

The difference between the actual income tax expense (recovery) of \$nil and the expected income tax recovery based on Canadian statutory rates, relates to the benefit of losses not recognized. As at December 31, 2004, the Company had no material tax assets or liabilities due to its limited activity.

REVETT MINERALS INC.

Notes to Financial Statements
(Expressed in United States dollars)

Period from incorporation on August 25, 2004 to December 31, 2004

6. Subsequent events:

- (a) On January 26, 2005, the Company granted 100,000 stock options that have an exercise price of \$0.75 per share and expire on January 26, 2010.
- (b) Subsequent to December 31, 2004, the Company completed its IPO and listing on The Toronto Stock Exchange. Pursuant to the IPO, the Company issued 34.5 million common shares at Cdn\$1.00 per share for net proceeds of approximately \$25.5 million. At the time of closing, the Company also entered into an agreement and plan of reorganization (the "Agreement") with Revett Silver. Pursuant to the Agreement, the Company subscribed for 34.5 million common shares of Revett Silver for consideration equal to the net proceeds received on the IPO. Additionally, the Company issued approximately 22.7 million common shares to shareholders of Revett Silver to acquire an equal number of common shares of Revett Silver. As a result of these two transactions, the Company held approximately 65% of Revett Silver.

Certain of Revett Silver's common shares have a redemption right. The redemption right allows the holder to require Revett Silver to redeem their common shares, provided that Revett Silver has the right to elect whether the redemption price would be satisfied in common shares of the Company, if certain conditions are met, on a one for one basis, or in cash based on the weighted average trading price of the Company's common shares or a combination of the two.

In connection with the IPO, the Company issued to the underwriters a total of 2,070,000 warrants. Each warrant entitles the underwriters to purchase one common share at an exercise price of Cdn\$1.20. 1,800,000 of these warrants expire February 16, 2007 and the remaining 270,000 expire February 25, 2007.

The following pro forma consolidated balance sheet has been compiled to reflect the IPO and acquisition of Revett Silver as if the transactions had occurred on December 31, 2004 and the pro forma consolidated statement of operations has been prepared as if the transactions had occurred on January 1, 2004.

REVETT MINERALS INC.

Notes to Financial Statements
(Expressed in United States dollars)

Period from incorporation on August 25, 2004 to December 31, 2004

6. Subsequent events (continued):

(b) Continued:

As at December 31, 2004	Revett Minerals Inc.	Revett Silver Company (unaudited)	Pro forma adjustments (unaudited)	Pro forma consolidated Revett Minerals Inc. (unaudited)
Assets				
Current assets:				
Cash and cash equivalents	\$ -	\$ 4,838,015	\$ 26,034,817 (i)	\$ 30,872,831 (iii)
Accounts receivable	-	400,622	(394,657) (iv)	5,965
Concentrate inventory	-	255,219	-	255,219
Supplies inventory	-	489,377	-	489,377
Prepaid expenses and deposits	-	275,327	-	275,327
	-	6,258,560	25,640,159	31,898,719
Mineral property, plant, equipment and mine development	-	21,215,797	35,660,734 (ii)	56,876,531
Deferred financing costs	510,268	19,390	(510,268) (ii)	19,390
	\$ 510,268	\$ 27,493,747	\$ 60,790,625	\$ 88,794,640
Liabilities and Stockholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 137,357	\$ 1,157,966	\$ -	\$ 1,295,323
Due to Revett Silver Company	394,657	-	(394,657) (iv)	-
Current portion of long-term debt	-	1,991,563	-	1,991,563
	532,014	3,149,529	(394,657)	3,286,886
Reclamation and remediation	-	8,250,158	-	8,250,158
Long-term debt	-	12,196,616	-	12,196,616
Future income tax liability	-	-	12,513,940 (ii)	12,513,940
	532,014	23,596,303	12,119,283	36,247,600
Non-controlling interest	-	-	10,265,015 (ii)	10,265,015
Stockholders' equity (deficiency):				
Share capital	1	16,382,237	(1) (iii)	42,303,772 (i)
			25,524,549 (i)	16,779,223 (ii)
			(16,382,237) (ii)	(16,382,237) (ii)
Contributed surplus		9,621,188	(9,621,188) (ii)	-
Deficit	(21,747)	(22,105,981)	22,105,981 (ii)	(21,747)
	(21,746)	3,897,444	38,406,327	42,282,025
	\$ 510,268	\$ 27,493,747	\$ 60,790,625	\$ 88,794,640

REVETT MINERALS INC.

Notes to Financial Statements
(Expressed in United States dollars)

Period from incorporation on August 25, 2004 to December 31, 2004

6. Subsequent events (continued):

(b) Continued:

Year ended December 31, 2004	Revett Minerals Inc.	Revett Silver Company (unaudited)	Pro forma adjustments (unaudited)	Pro forma consolidated Revett Minerals Inc. (unaudited)
Troy Mine expenses:				
Wages and benefits	\$ -	\$ 1,529,906	\$ -	\$ 1,529,906
Accretion of reclamation and remediation liability	-	646,326	-	646,326
Property taxes and claim fees	-	219,297	-	219,297
Electric power charges	-	266,506	-	266,506
Supplies and repairs	-	1,386,551	-	1,386,551
Consulting and feasibility	-	707,724	-	707,724
	-	4,756,310	-	4,756,310
General and administrative	21,747	2,142,455	-	2,164,202
	21,747	6,898,765	-	6,920,512
Other expenses (income):				
Interest expense	-	373,253	-	373,253
Interest and other income	-	(70,824)	-	(70,824)
	-	302,429	-	302,429
Loss before non-controlling interest	21,747	7,201,194	-	7,222,941
Non-controlling interest	-	-	(2,520,418) (v)	(2,520,418)
Loss for the year	\$ 21,747	\$ 7,201,194	\$ (2,520,418)	\$ 4,702,523
Basic and diluted loss per share	\$ 21,747	\$ 0.13		\$ 0.08
Weighted average number of shares outstanding	1	53,448,412		57,197,163

These pro forma consolidated financial statements are not necessarily indicative of the financial position and results of operations that would have been attained had the pro forma transactions actually taken place at the dates indicated and does not purport to be indicative of the effects that may be expected to occur in the future.

Because there has been a substantive change in ownership interests in the underlying assets of Revett Silver, the transactions have been accounted for by the purchase method.

The pro forma consolidated balance sheet and pro forma consolidated statement of operations have been compiled assuming the following transactions occurred on December 31, 2004, for purposes of the pro forma consolidated balance sheet and January 1, 2004 for purposes of the pro forma statement of operations:

- (i) the issuance of 34,500,000 common shares of Revett Minerals at CDN\$1.00 per common share pursuant to the IPO, net of commissions and other share issuance costs, for net proceeds of Cdn \$31,780,668 (\$25,524,549 at an exchange rate of US\$ 1.25/Cdn\$);

REVETT MINERALS INC.

Notes to Financial Statements
(Expressed in United States dollars)

Period from incorporation on August 25, 2004 to December 31, 2004

6. Subsequent events (continued):

(b) Continued:

- (ii) the purchase by Revett Minerals of 34,500,000 common shares from the treasury of Revett Silver for consideration of \$25,524,549. In addition, the issuance of 22,697,163 common shares of Revett Minerals to acquire an equal number of common shares of Revett Silver from existing shareholders of Revett Silver to acquire, in total, 65% of the issued common shares of Revett Silver, including the recognition of the future income tax liability based on differences between the pro forma accounting and tax bases of the acquired assets and liabilities and non-controlling interest;
 - (iii) redemption of the initial common share issued on incorporation of the Company;
 - (iv) elimination of inter-company amounts; and
 - (v) recognition of the non-controlling interest's share of the loss of Revett Silver for the year ended December 31, 2004.
- (c) On March 17, 2005, a subsidiary of Revett Silver purchased from an independent insurance company a reclamation cost insurance program (the "Program"). This Program was purchased for approximately \$8.4 million and it includes several components; including surety bonds provided by the State of Montana in the amount of \$10.5 million, a reclamation cost trust fund in the amount of \$6.4 million, and an insurance policy covering certain future increases in the estimated costs of reclaiming Revett Silver's Troy Mine. The policy also obligates the insurance company to provide additional bonding to a maximum specified amount if such additional bonding is required by the State of Montana. The term of this insurance policy is 15 years. If the costs of reclaiming the Troy Mine site are less than \$6.4 million, the subsidiary of Revett Silver will be entitled to a refund of the amount of the trust fund not expended.
- (d) Revett Silver has a 100% interest in the Rock Creek project, a development stage copper and silver property located in northwest Montana. On March 30, 2005, Revett Silver received the decision of the United States District Court (the "Court") in Missoula, Montana with respect to an action by certain environmental groups challenging the United States Fish and Wildlife Services ("USFWS") biological opinion that the proposed development of the Rock Creek project would not jeopardize the continued existence of certain fish and wildlife. The Court remanded the biological opinion back to the USFWS to re-analyze its non-jeopardy findings. Revett Silver cannot predict the outcome that this decision will have on the timing of the ultimate permitting of the Rock Creek Project.