

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of the financial results of Revett Minerals Inc. ("Revett Minerals" or the "Company") for the year ended December 31, 2006 should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2006 and 2005, which form part of this report. These financial statements and the amounts referred to in this MD&A are expressed in United States dollars, unless otherwise stated, and they are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). This MD&A is prepared as of March 30, 2007.

Overview

The 2006 calendar year represented the second full year of operations for the Troy Mine ("Troy"). Revett Minerals has owned its interest in Troy since February of 2005. Revett Minerals was incorporated in August 2004 under the Canada Business Corporations Act for the purpose of acquiring Revett Silver Company ("Revett Silver"), completing its initial public offering on the Toronto Stock Exchange (the "IPO") and furthering the development of the Rock Creek Project ("Rock Creek"). Following the Company's IPO in February 2005 and the Plan of Reorganization which was approved in February 2005 by the shareholders of Revett Silver, Revett Minerals acquired approximately 65% of Revett Silver which in turn owns 100% of Rock Creek and 100% of Troy. In July 2005, Revett Minerals increased its ownership in Revett Silver to approximately 67% through a further exchange of Revett Silver Class B common shares for Revett Minerals common shares.

Rock Creek is a large development stage copper and silver property located in northwest Montana. Troy is a copper and silver mine also located in northwest Montana. In 1993, it was placed on a care and maintenance basis by its previous owner ASARCO Incorporated ("ASARCO"). The Troy Mine was restarted by Revett Silver in late 2004 and commercial operations were attained in January 2005. The consolidated audited financial statements of Revett Minerals at December 31, 2006 and 2005 include the accounts of the Company and its subsidiaries, being Revett Silver and Revett Silver's wholly owned subsidiaries (Genesis Inc. and RC Resources, Inc.). All inter-company balances and transactions are eliminated upon consolidation.

Overall Performance

During its second year of operations Troy performed better than it had during its first year but as more fully discussed later on, its performance fell short of expectations. In November 2006, the Company completed a second financing wherein it raised gross proceeds of approximately (Cdn) \$13.0 million. At December 31, 2006, the Company had \$23.8 million of cash and short term investments and remains in a good liquidity position. This cash excludes restricted cash of \$7.0 million which is used to secure the reclamation and final closure obligations at Troy.

For the year ended December 31, 2006, the Company recorded revenues of \$31.4 million. The direct operating costs to produce that revenue were \$25.0 million and depreciation and depletion expense was \$1.3 million implying a profit from mining operations (a non-GAAP measure) of \$5.1 million. Profit from mining operations is a non-GAAP measure that does not have any standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar

measures presented by other issuers. Management believes that profit from mining operations is a useful supplemental measure of performance of Troy. Other expenses included the non-cash accretion for reclamation and remediation liability of \$0.6 million, general and administrative costs of \$3.6 million, exploration and development expenditures at Troy and Rock Creek of \$1.4 million, net interest expense of \$0.8 million and foreign exchange losses on Canadian dollars held in cash and Canadian dollar denominated investments at year end of \$0.2 million. For the fiscal year ended December 31, 2006, this resulted in a net loss before income taxes and non-controlling interest of \$1.6 million and a net loss after non-controlling interest and taxes of \$1.7 million or (\$0.03) per share. Metal sales for the year ended December 31, 2006 were 6.5 million pounds of copper and 824,049 ounces of silver. During the year ending December 31, 2006, the Company generated approximately \$3.9 million in cash from operating activities. Overall, the Company experienced difficulties in ramping up production to the levels originally forecast, although steady improvements are now being made. This issue is discussed in more detail further in this MD&A.

On a year over year basis (2006 compared to 2005) revenue increased by \$10.2 million despite a decline in 2006 in metal sales of 16% and 15% for copper and silver, respectively. The reason for the revenue increase was twofold; firstly, revenue increased because of the year over year increase in the price of copper and silver and secondly because during 2006 the Company received final settlement on a number of shipments and sales made in 2005. The effect of the final settlement was receipt of \$5.0 million in cash. In 2006, the copper price averaged \$3.05 per pound compared to \$1.67 per pound in 2005, while the silver price in 2006 averaged \$11.55 per ounce compared to \$7.32 per ounce in 2005. Cost of goods sold increased by \$5.7 million. Factors affecting production costs included a \$1.9 million increase in salary expense due in part to a mid-year upward adjustment in wages and a 25 person increase in year end staffing at Troy, a general inflationary increase in the cost of supplies of \$3.5 million and a \$0.8 million increase in Montana mining taxes which are determined as a percentage of revenue. The increase in exploration and development costs was due to the initiation in 2006 of the lower Revett drilling program at Troy. The reduction in other expense was due to increased interest income from the higher cash balances throughout 2006, partially offset by the foreign exchange loss on some of the cash balances and investments held in Canadian dollars. The income tax recovery resulted from the recognition of the 2006 tax loss in the United States for Revett Silver.

Revenues for the fourth quarter of 2006 were \$4.0 million. During the fourth quarter, Troy shipped and received provisional payment for 1.4 million pounds of copper and 165,176 ounces of silver. The direct costs of production for the fourth quarter were \$7.1 million and depreciation and depletion expense was \$0.2 million; implying a loss from mining operations (a non-GAAP measure) of \$3.3 million. Other expenses during the fourth quarter included exploration and development costs of \$0.5 million, general and administrative costs of \$1.6 million which were impacted by option grants in October and December, interest expense net of interest income of \$0.6 million, a foreign exchange loss on Canadian dollar cash and investment balances held at year end of \$0.2 million, and the reclamation and remediation liability accretion of \$0.5 million. The net loss for the fourth quarter before income taxes and non-controlling interest was \$6.7 million and the net loss for the quarter after non-controlling interest and taxes was \$4.8 million or (\$0.07) per share. For the three month period ended December 31, 2006, the Company generated approximately \$0.6 million in cash from operating activities. The less than satisfactory financial performance of the Company in the fourth quarter was a combination of the decline in copper prices in the fourth quarter and, in particular, the fall in the price of copper in December, and the below planned production performance at Troy. Troy experienced low mill throughput and at the same time the grade of ore milled was the lowest in the year. The Company believes that the low

grade of ore mined in the fourth quarter was a temporary issue, and that during 2007, the average grade of ore mined will revert closer to the average grade of the proven and probable reserves.

Results of Operations for the Fourth Quarter and Twelve Months Ended December 31, 2006, with a Comparison to the 2005 Fiscal Year.

The table below illustrates certain key operating statistics for the three months and twelve months ended December 31, 2006 together with a comparison to 2005.

	<u>Three Months Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2005</u>
Tons milled	206,614	944,783	782,972
Tons milled per day	2,246	2,588	2,145
Copper grade (pct)	0.42	0.46	0.69
Silver grade (opt)	1.01	1.13	1.65
Copper recovery (pct)	82.8	83.5	81.1
Silver recovery (pct)	83.6	86.2	84.6
Copper sold (lbs)	1,405,398	6,491,042	7,762,201
Silver sold (ozs)	165,176	824,049	952,783
Copper production (lbs)	1,445,723	7,304,383	8,772,802
Silver production (ozs)	175,343	916,969	1,094,725

For the year ended December 31, 2006, 944,783 tons of ore (2,588 tpd) were processed through the mill, which was less than expected levels. Mill throughput for the fourth quarter was 206,614 tons of ore (2,246 tpd). The primary reason for the shortfall in mill throughput was a shortfall in the production of ore from the mine. This mining shortfall was primarily due to employee inexperience in the operation of the new jumbo drills, delays in developing a sufficient number of mining areas caused by the lower productivity and poor utilization from the new jumbo drills and difficult ground condition in certain areas of the mine. In addition, December production was very low because the primary conveyor belt was under repair and over 3 days of production was lost due to power outages. Management of the Company continues to work aggressively to rectify the production shortfalls. During the fourth quarter, the grade of copper milled averaged 0.42% and the silver head grade was 1.01 ounces per ton. For the year, the copper grade was 0.46% and the silver grade was 1.13 ounces per ton. Recoveries have been satisfactory given the below normal grades and the low mill throughput.

In 2006 spending on Rock Creek totaled \$1.2 million. The spending was concentrated in three main areas, namely legal fees of \$0.6 million, consulting fees of \$0.5 million, and public relations efforts, land costs and miscellaneous expenditures of \$0.1 million. The most notable event pertaining to Rock Creek in 2006 was the October re-issuance of the favorable biological opinion. In 2005 spending at Rock Creek totaled \$2.0 million, but that amount included almost \$1.0 million of mitigation land purchases.

In comparing the financial and operating performance of the Company during 2006 and 2005, respectively there were a several critical differences. While the average mill throughput increased by approximately 21%, the improved mill throughput was offset by lower ore grades for both silver and copper. Because of the lower grade of ore, copper and silver production declined by 17% and 16% respectively. The fall in ore grade was a function of the mining cycle as the areas

developed for production had ore grades below the average grade of ore in the life of mine plan. The grade of ore mined is expected to increase in 2007 over 2006 ore grades. In 2006, operations at Troy, as in 2005, suffered from poor availability of one of the jumbo production drills and also from operator inexperience. The performance of the mill was better in 2006 than 2005 as indicated by the improvement in recoveries for both silver and copper. The table below summarizes the quarterly operational performance for the Troy mine (100% basis) and the consolidated results for Revett Minerals.

<u>2006</u>	<u>Tons milled</u>	<u>Cu Grade (pct)</u>	<u>Ag Grade (opt)</u>	<u>Cu Prod'n (million lbs)</u>	<u>Ag Prod'n (ounces)</u>	<u>Sales (000's \$)</u>	<u>Profit/(loss) (000's \$)</u>	<u>Profit/(loss) Per share</u>
1st Quarter	282,801	0.44	1.12	2.0	265,321	7,438	26	\$0.00
2 nd Quarter	228,275	0.49	1.18	1.9	237,767	11,496	2,276	\$0.04
3rd Quarter	227,093	0.50	1.19	2.0	238,538	8,406	773	\$0.01
4th Quarter	<u>206,614</u>	<u>0.42</u>	<u>1.01</u>	<u>1.4</u>	<u>175,343</u>	<u>4,041</u>	<u>(4,806)</u>	<u>(\$0.07)</u>
Full Year	<u>944,783</u>	<u>0.46</u>	<u>1.13</u>	<u>7.3</u>	<u>916,969</u>	<u>31,381</u>	<u>(1,731)</u>	<u>(\$0.03)</u>

In addition to the absolute amount of copper and silver sold, revenues on a quarterly and annual basis are affected by changes in the price of silver and copper because the Company must mark to market the sales of copper and silver for which prices have not been finalized. For example, at the end of the first quarter of 2006 revenues were increased by \$1.5 million, at the end of the second quarter revenues were increased by \$0.9 million and in the third and fourth quarters revenues were reduced by \$1.6 million and \$3.7 million, respectively; all such adjustments to revenue due to the mark to market requirements of GAAP.

Results of Operations for the Year Ended December 31, 2005

The quarterly operational performance for the Troy Mine (100% basis) and the consolidated financial results for Revett Minerals are presented in the table following.

<u>2005</u>	<u>Tons milled</u>	<u>Cu Grade (pct)</u>	<u>Ag Grade (opt)</u>	<u>Cu Prod'n (million lbs)</u>	<u>Ag Prod'n (ounces)</u>	<u>Sales (000's \$)</u>	<u>Net Profit/(loss) (000's \$)</u>	<u>Loss per share</u>
1st Quarter	200,997	0.78	1.84	2.47	302,569	Nil ⁽¹⁾	(289)	(\$0.01)
2 nd Quarter	188,717	0.79	1.86	2.45	301,720	9,741	(849)	(\$0.01)
3rd Quarter	170,370	0.62	1.50	1.75	219,822	4,902	(1,155)	(\$0.02)
4th Quarter	222,888	0.58	1.42	2.1	270,614	6,493	(625) ⁽²⁾	(\$0.02)
Full Year	<u>782,972</u>	<u>0.69</u>	<u>1.65</u>	<u>8.77</u>	<u>1,094,725</u>	<u>21,136</u>	<u>(2,918)</u>	<u>(\$0.06)</u>

- (1) Because of revenue recognition criteria first quarter deliveries were recognized as revenue in the second quarter.
(2) Net loss for 2005 has been restated for a \$0.6 million reduction for future income tax recovery at year end. This adjustment was reflected in the fourth quarter results in the table above

Selected Annual Information For 2006, 2005 and 2004

The table below identifies key financial information for the fiscal years ended December 31, 2006, 2005 and 2004; with 2004 being a partial year because the Company came into existence in August of that year. All amounts are in thousands of US dollars except per share amounts.

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Total revenues	31,381	21,136	nil
Net loss	(1,731)	(2,918)	(22)
Basic loss per share	(0.03)	(0.06)	(0.00)
Fully diluted loss per share	(0.03)	(0.06)	(0.00)
Working capital	19,064	10,600	(22)
Total assets	94,203	83,728	510
Long term liabilities	25,310	28,577	nil
Cash dividends per share	nil	nil	nil

In 2004, Revett had no source of revenue and no continuous operating activities. During December 2004, the Company initiated the preparation of a prospectus for its IPO which was completed in February 2005. The only expenses incurred during 2004 were, therefore, the costs

of incorporation, the costs of director fees and meetings and the costs relating to the IPO. All of these expenditures were financed by non-interest bearing advances from Revett Silver which became a subsidiary of the Company following Revett Minerals' IPO in February 2005. In 2004, the incorporation costs and costs relating to the prospectus were capitalized and the director fees and related expenses were charged to general and administrative expenses. For 2004, director fees and related costs totaled \$21,747 and these expenses represented the entire loss for the period. In addition, the Company incurred an estimated \$510,268 in incorporation costs and expenditures related to the IPO. These costs were capitalized pending completion of the IPO.

Financing Activities

In November 2006, the Company completed a private placement of 11,500,000 units realizing gross proceeds of approximately (Cdn) \$13.0 million. Each unit consisted of one common share and one-quarter of a common share purchase warrant. The warrants if fully exercised would result in the issuance of 2,875,000 shares. The exercise price for a full warrant is (Cdn) \$1.36 and the warrants expire on May 22, 2009.

In February 2005, Revett Minerals raised net proceeds of approximately \$25 million upon closing its IPO. In December 2005, Kennecott Montana Company ("Kennecott") elected to receive common shares as payment for \$0.5 million of deferred interest on its long term note. A total of 1,042,108 common shares of Revett Minerals were issued to satisfy this obligation. Kennecott retains the right to have a further \$1.0 million of deferred interest satisfied in common shares or cash at its election. As of the date of this MD&A, Revett Minerals and its subsidiaries had entered into the following contractual financial obligations (reported in thousands of US dollars):

	<u>Total</u>	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>More than 3 years</u>
Long term debt	12,728	3,694	9,034	nil
Capital lease obligations	1,057	732	325	nil
Operating leases	1,433	756	677	nil
Purchase obligations	nil	nil	nil	nil
Other long term obligations	nil	nil	nil	nil
Long term reclamation costs	<u>7,603</u>	<u>nil</u>	<u>nil</u>	<u>7,603</u>
Total contractual obligations	<u>22,821</u>	<u>5,182</u>	<u>10,036</u>	<u>7,603</u>

The long term debt consists of a \$6.0 million note to Kennecott, a 7% gross smelter return royalty in favor of Royal Gold from the production of copper and silver concentrate from the Troy Mine and a term loan used to acquire certain underground production equipment at Troy. The royalty obligation is capped at \$10.5 million. As at the date of this MD&A cumulative payments of \$3.5 million had been made on this royalty obligation. The capital leases all relate to the purchase of equipment used to restart the Troy Mine. The operating leases are for the rental of rail cars covers, a load out facility used to transport copper concentrate to the smelter, mobile surface and underground equipment used at Troy, an administration fee relating to a power contract also at Troy, and the lease on the Spokane Valley office facility.

Liquidity and Capital Resources

At December 31, 2006, the Company was in a strong working capital position with \$19.1 million of working capital, including cash and short term investments of \$23.8 million. This compares to

working capital of \$10.6 million and cash and short term investments of \$12.0 million at December 31, 2005. The Troy Mine is currently generating positive cash flow. The Company also has restricted cash of \$7.0 million relating to its funding of the reclamation obligations at Troy. Long term debt totals \$13.7 million of which the non-current portion is \$9.4 million. Of this non-current portion \$2.9 million is a production royalty payable only from production from the Troy Mine. The long term portion of equipment leases and term loans totals \$0.5 million and the remaining \$6 million is the note given to Kennecott on the original acquisition of the Troy and Rock Creek properties. The Kennecott note is due in full in February 2008 and interest is payable semi-annually in February and August of each year.

Capital spending in 2006 totaled \$1.4 million at the Troy Mine of which \$0.6 million was financed by a capital lease. The main capital items were the acquisition of a jumbo drill, improvements in the ventilation system underground and an expansion of the capacity of the tailing facility. Capital spending at Troy in 2007 is planned to total \$2.5 million with the increase primarily due to the proposed purchase of an additional haul truck. Also, in 2007 exploration spending at Troy is planned to be \$1.2 million. Both exploration and capital spending may change during the year as events and results warrant.

Following the October 2006 re-issuance of the non-jeopardy (i.e. no harm) biological opinion, the Company anticipated that it would re-initiate work on the Rock Creek evaluation adit in May or June of 2007. In fiscal 2007 spending on the Rock Creek Project, while subject to considerable uncertainty due to the timing and progress of activities, could approximate as much as \$14.3 million. Such forecast spending could include \$8.2 million on environmental, reclamation and mitigation commitments, with the balance for mining and engineering studies.

In February 2007, Earthjustice, a Washington D.C. environmental organization, advised the United States Fish and Wildlife Service ("USFWS") that if the USFWS did not initiate re-consultation on the biological opinion, it would commence legal action against the USFWS. The Company believes that this action was taken by Earthjustice because the scientific determination of the USFWS that the Rock Creek Project should proceed was in contradiction to Earthjustice's goal of stopping the project. At about the same time, the Confederated Salish and Kootenai Tribes of the Flathead Nation advised the United States Forest Service ("USFS") that it believed that the consultation by the USFS on cultural resources was inadequate.

The USFS has advised the Company that re-initiation of consultation was the most expedient and economical method of defending the conclusions reached in the biological opinion. Furthermore, the Company was advised that this re-consultation should be completed in 60 to 90 days which would be before the work on the evaluation adit was scheduled to commence. However, both or either of these challenges may delay the commencement of work on the evaluation adit.

Off Balance Sheet Arrangements

During 2003, Kennecott and Revett Silver agreed to amend the February 21, 2000 Asset Purchase and Sale Agreement pursuant to which Revett Silver acquired Kennecott's interest in the Troy Mine and the Rock Creek Project. Among other things, the amendment granted Kennecott the right to acquire a 2% net smelter return royalty from the sale of metals from a defined area of the Company's Rock Creek property. The amendment requires Kennecott to surrender the 2,250,000 shares of Revett Silver's common stock issued as part of the original acquisition agreement in exchange for this royalty. The royalty will terminate upon Kennecott's recovery of \$8 million in total royalty payments, plus an adjustment related to changes in the consumer price index. The exchange of common stock for the royalty is at Kennecott's option and may be done at any time

until the later of (i) the date that is one year after Rock Creek achieves production at 80% of designed capacity, and (ii) December 31, 2015.

In October 2004, Revett Silver sold Royal Gold Inc. 1,333,333 common shares for gross proceeds of \$1.0 million. Royal Gold has the right to convert these common shares into a perpetual, non-participating 1% net smelter return royalty from production from the Rock Creek Project. This conversion must be made within a specified period of time after the Company makes a decision to develop the Rock Creek Project. This agreement also gives Royal Gold the right to assume certain obligations with respect to the Kennecott note payable if the Company is in default of that note. If Royal Gold assumes the Kennecott note, Royal Gold will have the right to convert the note and interest owing into a 3% net smelter return royalty on production from Rock Creek or into common shares of the Company.

Related Party Transactions

There were no related party transactions in either 2006 or 2005.

Proposed Transactions

In accordance with the Plan of Arrangement approved by the shareholders of Revett Silver, the holders of Revett Silver Class B common shares have a right, on a quarterly basis, to request that Revett Silver either purchase or exchange into Revett Minerals shares up to an aggregate of \$1.0 million worth of Class B common shares of Revett Silver per quarter beginning at the end of the second quarter of 2005. No share conversions were done in 2006. Future exchanges of common shares will be dependent upon the guidance provided by the United States Internal Revenue Service on the application of IRS Code section 7874.

Principal Risks and Uncertainties

In March 2005, the Company received the decision of the United States District Court in Missoula, Montana respecting an action by certain environmental groups challenging the USFWS's biological opinion. That biological opinion concluded that the proposed development of the Rock Creek Project would not jeopardize the continued existence of grizzly bears or bull trout in the vicinity of the proposed development. Essentially, the environmental groups alleged that the biological opinion ignored best available science in its determination with respect to grizzly bears and the agency was arbitrary and capricious. The same groups also challenged the mitigation plan which allowed Revett Silver to acquire certain mitigation lands over a period of time, rather than acquiring such lands prior to the commencement of any activity. The Court denied the appeal by the environmental groups on this issue and granted summary judgment on this issue to the USFWS. In accordance with the Court's order, the biological opinion was remanded back to the USFWS for reconsideration and in October 2006 the Company received another favorable biological opinion.

In February 2007 Earthjustice, a Washington D.C. based environmental organization, wrote a letter to the USFWS requesting that it withdraw the October 11, 2006 biological opinion for the proposed Rock Creek mine and also requested the re-initiation of formal consultation with respect to the new biological opinion. This organization claims that the USFWS has received new information undermining the USFWS's analysis of the effects of the mine on the bull trout and grizzly bear. The USFWS has agreed to undertake such re-consultation as it believes the conclusions reached in the biological opinion are defensible.

In June 2005, certain environmental groups sued the United States Forest Service, among others, over its granting of the Record of Decision (“ROD”) approving the development of the Rock Creek project. The Company has been granted intervenor status in this dispute. This action remains stayed by agreement of all parties pending a review of the revised biological opinion.

The Company is an emerging mining company with one producing asset and one developmental property. The following is not an all inclusive discussion of all risks and uncertainties applicable to the Company and the reader should refer to the Annual Information Form dated March 30, 2007 for a more detailed discussion of the risk factors that the Company may face. Revett Minerals has engaged in significant mining operations for a period of just over two years. Several regional and national environmental groups have appealed the permitting decisions allowing the Rock Creek Project evaluation work to proceed. The estimates of mineral resources for the Rock Creek Project are preliminary and cannot be equated with reserves. The Company will not be able to determine if it has a commercially viable ore body at Rock Creek until the evaluation program is completed and a final, positive economic and technical feasibility study is produced. Copper and silver prices fluctuate markedly and had been low for a number of years. The actual costs of mining at the Troy Mine and developing and operating Rock Creek may differ from the Company’s estimates. Challenges to some of the Company’s permits brought by various environmental groups could delay or even prevent the commencement of activities at Rock Creek. The Company may not be able to obtain the substantial additional financing needed for such activities. The Company may be subject to substantial reclamation costs at its Troy Mine, and it has substantial financial obligations to Kennecott. Finally, the Company will encounter general mining risks as it engages in mining operations at the Troy Mine and if and when it engages in mining at Rock Creek.

Outlook

As previously discussed, the Company has expended considerable efforts in improving the productivity of the underground mining workforce and management believes improvements are being realized. Mine production during the first quarter of 2007 approximated budgeted levels and the mine is on target to produce approximately 2 million ounces of silver and 16 million pounds of copper in concentrate. If metal prices remain at current levels and the budgeted production is attained, Troy’ earnings and cash flow will improve significantly in 2007. In addition the Company will continue to work aggressively to advance the Rock Creek permits and it still plans to initiate its previously announced exploration activities at Troy.

Critical Accounting Estimates

The company’s accounting policies are presented in note 2 to the accompanying consolidated audited financial statements. The preparation of consolidated financial statements in accordance with generally accepted accounting principles requires management to select accounting policies and make estimates. Such estimates may have a significant effect on the financial statements. These estimates may include but are not limited to:

- a) the carrying values and rates of amortization for plant, equipment and mine development,
- b) the estimate of concentrate receivables and revenue,
- c) the carrying values of mineral properties,
- d) the estimates of mineral resources and reserves,

- e) future costs of site reclamation and remediation,
- f) the valuation of stock-based compensation expense,
- g) the estimate of the allocation of the purchase price for the acquisition of the 67% interest in Revett Silver; and
- h) the determination of valuation allowances for future income taxes

Actual amounts could differ from the estimates used and, accordingly, affect the results of operation.

Mineral resources and reserves, and the carrying values of mineral properties, plant, and equipment

Mineral resources and reserves are estimated by professional geologists and engineers in accordance with recognized industry, professional and regulatory standards. These estimates require inputs such as future metal prices, future operating costs and various technical, geological, engineering and construction parameters. Changes in any of these inputs could cause a significant change in the resources and reserves calculated which in turn could have a material effect on the carrying value of mineral property, plant and equipment.

The carrying value of mineral properties is also dependant on the valuation of the consideration given when such properties were acquired. These estimates included the value of common stock, notes payable and reclamation obligations assumed at the time of the acquisition.

The carrying value of property, plant and equipment is dependant on the rates used for depreciation and depletion, which themselves are estimates.

Concentrate receivables and revenue

The Company sells its copper in concentrate based upon its own assays of metal content, moisture content and the estimated dry weight of copper concentrate loaded in rail cars. These weight and assay estimates are subject to final confirmation by the receiving smelter and as such these weights and assay estimates may be subject to change. In addition, the Company records the revenue anticipated to be received from the sale of each concentrate shipment based upon its determination of the weight and assays for each shipment and in accordance with the contract respecting the sale of this copper and silver in concentrate, the preliminary payments are based upon the copper and silver prices determined prior to the date of the provisional invoice. The final price received for copper and silver sold is determined by quoted metal prices in periods subsequent to the date of the provisional invoice. Changes in these estimates or in metal prices could result in a significant change to the results from operations.

Reclamation and remediation obligations

The Company has a legal obligation to reclaim its mineral properties, and it has estimated the final costs necessary to comply with the standards currently enacted under the applicable laws and regulations. These estimates are prepared and reviewed by third party consultants, government authorities and the Company's employees. The Company must also make estimates for the rate of interest applicable for determination of the periodic accretion expense and the depreciation expense, and for the timing and magnitude of future payments for the work undertaken. Changes in these estimates could result in a significant change to the results from operations.

Stock-based compensation expense

The Company may, from time to time, grant stock options to employees, directors, and service providers. The Company uses the Black-Scholes option pricing model to estimate a value for these options. This model requires management to make estimates as to the expected volatility of the common stock of the Company, the expected term of the option to exercise and future interest rates. Additionally, the Black-Scholes model includes a number of assumptions which are inconsistent with the terms under which these options are granted; for example such assumptions assume that the options are exercisable by the holder at any time and that these options are freely transferable. Neither of these critical valuation parameters may hold for the options granted by the Company. Thus, changes in these estimates and the conditions underlying the grant of the option could cause a significant change in the stock-based compensation expense charged in any period.

Allocation of the purchase price for the acquisition of a 67% interest in Revett Silver Company

The Company was required to make estimates of the fair market value of the consideration paid for the assets of Revett Silver when it completed its acquisition of a 67% interest in Revett Silver. These estimates included estimates of the fair market value of minerals properties and plant and equipment associated with the Troy Mine which do not have readily determinable market prices and in addition the liabilities assumed are not publicly traded and as such their fair market value is subject to uncertainty.

The valuation allowances for future income taxes.

The Company is required to make estimates of the valuation allowances for future income taxes. This requires the Company to make estimates of the likelihood that it will or will not attain certain levels of taxable income in the future and thereby use or lose certain estimated tax assets. These estimates require the Company to estimate future metal prices, future operating costs and production levels; which estimates are subject to a high degree of uncertainty.

Financial Instruments and Other Instruments

The Company has engaged in limited hedging activities in the past in order to protect the price of copper and silver which has been produced or will be produced within the next twelve months. Generally, such hedging activities are limited in quantity to less than 100% of the planned or actual production in any one month. As of the date of this MD&A and subsequent to December 31, 2006, the Company fixed the price of 275,000 pounds of copper per month for each month from March to December of 2007. The price that will be realized in each of these ten months periods is \$2.63 per pound. It is the policy of the Company that when it enters into a hedging agreement, the amount of metal hedged will be less than the amount of metal sold for that same time period.

Each month the Company must mark to market the amount of concentrate for which final prices have not yet been determined, often referred to as the "open quotational period". At each month end, the Company will then adjust its revenue to account for these future prices. In order to do this, the Company must make estimates of the future prices which will prevail when the final prices are determined. The Company uses future contract prices in effect as at the end of each month to estimate these prices. As of February 28, 2007 the mark to market value of its open quotational period positions was a liability of \$1.2 million.

Controls and Procedures

Management of the Company is responsible for designing, establishing and maintaining adequate internal controls over financial reporting. The Company's internal control system was designed to provide reasonable assurance to the Company's management and board of directors that the financial statements present fairly the financial position and activities of the Company. However all internal control systems, no matter how well designed, have limitations. Therefore, even a system believed to be effective will only provide reasonable assurance with respect to financial statement preparation and presentation.

As of December 31, 2006, the Company's Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") evaluated the design of internal control procedures and, with the exception of material weaknesses discussed in the following paragraph, have determined that they provide reasonable assurance with respect to the reliability of the Company's financial reporting.

In completing their evaluation of the design of the Company's internal control procedures, the CFO and CEO have concluded that due to growth in size of the Company and the inherent complexity of accounting for some of the Company's transactions, the Company does not have sufficient specialized knowledge to address certain technical and complicated accounting issues. As a result the Company recorded, at year end, material adjustments to amounts recorded and disclosures made in the Company's consolidated financial statements. In order to remediate this issue, the Company will hire, from time to time, consultants and tax advisors who are skilled in the specialized areas of taxation and financial reporting and who are independent of management and the Company's auditors to assist in the preparation of the Company's tax provision calculations and to assist the Company in its financial reporting with respect to complex accounting issues.

The Company's management is also responsible for establishing and maintaining disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is appropriately disclosed. The CEO and CFO have evaluated the Company's disclosure controls and procedures as defined in Multi-lateral Instrument 52-109 and have determined that they were effective at December 31, 2006

As of the date of this MD&A there were no changes in the Company's internal control over financial reporting, other than those discussed above, that have materially affected, or are reasonably likely to affect, its internal control over financial reporting.

New Accounting Standards

The Accounting Standards Board of the Canadian Institute of Chartered Accountants ("CICA") issued Section 3855, "Financial Instruments-Recognition and Measurement", Section 3861, "Financial Instruments- Disclosure and Presentation", Section 3865, "Hedges", and Section 1530, "Comprehensive Income", all of which are applicable to the Company for annual and interim accounting periods beginning on January 1, 2007.

Section 3855 requires all financial assets, financial liabilities and non-financial derivatives to be recognized on the balance sheet and measured based upon specific categories. Section 3861 identifies and details information to be disclosed in financial statements.

Section 3865 identifies when hedge accounting can be applied and it builds upon existing Canadian GAAP guidance which specifies how hedge accounting is applied and disclosed. This standard is not expected to materially affect the Company's reporting because the company currently does not use hedge accounting.

Section 1530 introduces new standards for the presentation and disclosure of the components of comprehensive income. Comprehensive income is defined as the change in net assets of an enterprise during a reporting period from transactions and other events and circumstances from non-owner sources.

The Company is evaluating the full impact of the above noted standards and will be required to present a new statement entitled "Comprehensive Income".

The CICA also issued Section 1506, "Accounting Changes", which is effective January 1, 2007 and revises the current standards on changes in accounting policy and estimates or errors as follows: voluntary changes in accounting policy are allowed only when they result in financial statements that provide reliable and more relevant information; changes in accounting policy are to be applied retrospectively unless doing so is impracticable; changes in estimates are to be recorded prospectively; and prior period adjustments are to be corrected retrospectively. In addition, this standard calls for enhanced disclosure about the effects of changes in accounting policies, estimates and errors on the financial statements. The Company cannot determine the impact of Section 1506 until such time as it makes a change in accounting policy.

Other Requirements

Outstanding Share Data

As of the date of this MD&A, Revett Minerals had 73,197,703 common shares outstanding and 3,540,000 stock options outstanding. In addition it had 2,875,000 stock purchase warrants outstanding which are related to the private placement completed in November 2006. Revett Silver has 3,325,000 stock options and 3,671,326 stock purchase warrants outstanding. The Revett Silver options and warrants may be exercised into Class B common shares of Revett Silver which, under certain conditions, may be exchanged for common shares of Revett Minerals.

Further information on Revett Minerals, including its Annual Information Form, may be found on SEDAR at www.sedar.com.

Forward Looking Statements

Except for the statements of historical fact contained herein, the information presented in this MD&A contains forward-looking statements. Such forward-looking statements, including but not limited to those with respect to the price of silver and copper, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks relating to environmental laws and regulations, the actual level of metal production and costs associated with that production, the actual results of exploration activities, actual amounts spent on capital and exploration programs, actual results of current reclamation activities, conclusions of economic

evaluations, changes in project parameters as plans continue to be refined, future metal prices, as well as those factors discussed in the section entitled “Risk Factors” in the annual information form filed on SEDAR at www.sedar.com Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.