Consolidated Financial Statements of

Revett Minerals Inc.

For the First Quarter ended March 31, 2005 (unaudited)

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 first quarter of the 2005 calendar year should be read in conjunction with the financial statements and notes as at December 31, 2004 and March 31, 2005 which form part of this report. This financial information is expressed in United States dollars, unless otherwise stated, and it is prepared in accordance with Canadian generally accepted accounting principles. This MD&A is prepared as of May 12, 2005.

Overview

The Company was incorporated in August of 2004 under the Canada Business Corporations Act for the purpose of accessing the public markets to finance future development of the Rock Creek project and provide the public with a vehicle for participating in the operations of the Troy Mine. Following the Company's Initial Public Offering (the "IPO") in February 2005 and the supporting Agreement and Plan of Reorganization which was approved by the shareholders of Revett Silver Company ("Revett Silver"), Revett Minerals acquired approximately 65% of Revett Silver which in turn owns 100% of the Rock Creek project and 100% of the Troy Mine. Rock Creek is a large development stage copper and silver property located in northwest Montana. The Troy Mine is a copper and silver mine also located in northwest Montana that, in 1993, was placed into a care and maintenance basis, by its previous owner ASARCO Incorporated ("ASARCO"), due to depressed metal prices. The Troy Mine was restarted by Revett Silver in late 2004. The consolidated financial statements of Revett Minerals at March 31, 2005 include the accounts of the Company and its subsidiaries being Revett Silver Company and its wholly owned subsidiaries. All inter company transactions have been eliminated upon consolidation.

Overall Performance

The first quarter of 2005 was the first full operating quarter for the Troy Mine since it was acquired by Revett Silver in 1999. The Troy Mine had been placed on care and maintenance by its previous owner ASARCO in 1993 and had not operated since its acquisition by Revett Silver. As more fully discussed below, the resumption of operations was successful and with the recent delivery of new underground mining equipment, it is expected that planned production rates will be achieved during the second quarter of 2005. In February of 2005 the Company completed its initial public offering raising net proceeds of approximately $25.0 million. At the end of the first quarter the company had over $19 million of cash on hand and is in a strong liquidity position. This cash excludes restricted cash of $6.4 million used to secure the reclamation financial assurance obligations at the Troy Mine.

In March 2005, a judge in the US District Court of Montana remanded the Biological Opinion for the Rock Creek Project back to the US Fish and Wildlife Service for further consideration and/or consultation. We have been advised that the US Fish and Wildlife Service should complete its work on the new Biological Opinion by mid year. Also, both the U.S. Fish and Wildlife Service and the Company have the right to appeal the judge's order by the end of May. Analysis of this course of action continues. In April 2005, the US Forest Service confirmed the validity of the Rock Creek operating permit granted in 2003. We believe that the Company and the permitting agencies will overcome these permitting challenges; however it cannot be known with certainty what effect the legal challenges will have on the ultimate development of the Rock Creek Project.

Results of Operations for the Quarter Ended March 31, 2005

The first quarter of 2005 was the first full quarter of production from the Troy Mine and the mine was still increasing its rate of production as the quarter progressed. Additionally, the Company did not acquire its interest in the Troy Mine until mid-February when its initial public offering was completed. In March 2005, the mill processed a total of 75,790 tons of ore (or an average of 2,444 tpd). This compares with a total of 125,206 tons milled during January and February (an average throughput of 2,122 tpd). Metal production in March was 1.18 million pounds of copper and 147,346 ounces of silver. Cumulative metal production for January and February was 1.3 million pounds of copper and 155,223 ounces of silver. The mine continues to ramp up its rate of production each month and we expect planned production of 6,500 tpd will be reached during the second quarter of 2005. In March ore grades were well above planned levels. The copper grade in March was 0.93% (budget was 0.59%) and silver grades were 2.27 oz/t (budget was 1.46 oz/t). For the quarter copper grades were 0.78% and silver grades averaged 1.84 oz/t. Mill recoveries were however slightly below expectation because of higher non-sulphide ore. In March, copper recoveries were 83.3% versus planned recoveries of 86% and silver recoveries were 85.9% compared to budget recoveries of 87%. For the first quarter recoveries were 78.9% and 81.9% for copper and silver, respectively. There can be no assurance that ore grades will remain above planned levels and recoveries should increase over the coming months to those levels anticipated in the life of mine plan. Total operating costs for the first quarter averaged $16.82 per ton compared to a budgeted cost of $13.50 per ton. This variance is due to the lower than planned mill throughput caused by the delay in the delivery of the new mining equipment. Revenue per ton averaged over $25.00 per ton compared to budgeted revenue of $17.00 per ton.

During the first quarter, the mine shipped and received partial payment for 1,886,823 payable pounds of copper and 214,594 payable ounces of silver. Shipments in March alone were 985,000 pounds of copper and 113,662 payable ounces of silver. During the quarter, the mine realized in excess of $3.5 million in provisional payments, of which $1.87 million was received in March. In March the mine generated a modest positive cash flow and it was cash positive in April.

In accordance with revenue recognition policies under Canadian generally accepted accounting policies, the Company will not recognize these shipments as revenue until more experience is gained on the accuracy of the mine weights and assays. Therefore all shipments to date will be recognized as revenue in future periods. Because no revenue was recognized the Company reported a net loss of $415,298 before recognition of the loss attributable to non-controlling interests. The loss for the quarter after recognition of the loss attributable to non-controlling interests was $288,552. Almost all of the loss arose from the expensing of general and corporate activities, the accretion expense attributable to the Troy Mine's reclamation and remediation obligations which totaled $58,439 in March and interest costs less other income of $136,159.

Results of Operations for the Quarter Ended March 31, 2004

The Company was not in existence during this period.

Select Annual Information For 2004

The Company was originally incorporated in August 2004. In 2004, it 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 2004, the incorporation costs and costs relating to the prospectus were capitalized and the director fees and relating 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.

The Troy Mine commenced operations in December 2004 and shipped its first copper concentrate in January 2005. Currently, it is producing at approximately 3,000 tons per day, which is below the planned full production level of 6,500 tons per day. The Company recently accepted delivery of 3 new 55 ton haul trucks and a new roof bolter. Prior to commencing development activities at Rock Creek, the Company must first complete certain mitigation measures as stipulated in the Rock Creek Record of Decision. While the Company and the related permitting agencies believe they can successfully defend the granting of the development permit, the Company anticipates further challenges from environmental groups may be initiated as its activities at Rock Creek gain momentum. Please refer to Principal Risks and Uncertainties.

Financing Activities

Following the completion of the IPO in February of 2005 and including the exercise of the over allotment rights granted the underwriters, Revett Minerals issued 34.5 million common shares for net proceeds after commissions and the costs of the offering of approximately $25.0 million. Revett Minerals used these funds to subscribe for 34.5 million common shares of Revett Silver. Also, in conjunction with the IPO, the Company exchanged 22.7 million of its common shares for 22.7 million common shares of Revett Silver held by the previous owners of Revett Silver. After completion of these transactions, Revett Minerals owns 65% of Revett Silver, with the remaining 35% of Revett Silver retained by its prior shareholders. As of the date of this report, Revett Silver had entered into the following contractual financial obligations:

Contractual Debt Obligations	Amount outstanding	Repayment schedule	Estimated payments in 2005	Comments
Long term debt	$6,542,960	Interest only, principal due in February 2008	$363,417	Interest at prime plus 1%
Royalty obligation	$7,250,000	7% of gross metal value; maximum $10.5 million	$2,196,553	Amount varies with actual production and actual metal prices
Capital lease obligations (loader)	$224,249	Monthly for 36 months	$81,011	Fixed payments
Capital lease obligations (loader)	$379,200	Monthly for 36 months	$133,776	Fixed payments
Capital lease obligations (software)	$32,328	Monthly for 36 months	$11,756	Fixed payments
Operating lease (rail cars)	$1,518,480	Monthly for 36 months and for 60 months	$303,696	Fixed payments
Term loan (underground equipment)	$1,500,000	Monthly for 36 months	$460,325	Fixed payments
Totals	**$17,447,217**		**$3,550,534**	

All of the above obligations were entered into by Revett Silver in late 2004 or early 2005. The long term debt due to Kennecott Montana Company was part of the original consideration given by Revett Silver for the acquisition of the Troy Mine and Rock Creek project. The royalty obligation was entered into by Revett Silver in October 2004 and the proceeds from the sale of this royalty were used to restart the Troy Mine. This royalty obligation is only applicable to production from the Troy Mine. The capital lease obligations were to acquire from Caterpillar Equipment two wheel loaders which are used in the Troy Mine. The software lease was entered into by Revett Silver in December 2004 when the Troy Mine acquired new financial reporting software. The two operating leases for the use of rail cars are to ship copper concentrate produced at the Troy Mine. The $1.5 million term loan was used to partially finance the purchase of the three new haul trucks and the roof bolter; all intended to increase the rate of ore production at Troy.

Liquidity and Capital Resources

The activities of Revett Minerals and Revett Silver in 2005 will be financed by the proceeds of Revett Minerals' IPO and the cash flow expected to be generated from the operations of the Troy

Mine. Cash flow from the Troy Mine will be dependant upon the prices of copper and silver in concentrate and the cost of producing such concentrate. In 2005, at planned production levels and at current price levels in 2005, the Company expects that approximately 60% of its revenue will be from the sale of copper in concentrate and the rest from the sale of silver in copper concentrate.

As at March 31, the Company had cash and cash equivalents of $19.4 million and a working capital position of $19.3 million. The Company believes the reclamation obligations at Troy have been fully funded, freeing up 100% of Troy's future cash flow for general corporate purposes.

Capital expenditures at Revett Silver in 2005 will approximate $2.9 million for new mining equipment and approximately $0.7 million for on-going miscellaneous capital spending. The new equipment was financed by a $1.5 million, 36 month term loan and from cash on hand. Assuming agency approvals are secured in a timely manner, Revett Silver expects to spend up to $9.0 million to begin development of the adit at Rock Creek in 2005.

In March 2005, a subsidiary of Revett Silver purchased from an independent insurance company a reclamation cost insurance program for total of $8.4 million. This program has a number of components; including surety bonds provided to the State of Montana in the amount of $10.5 million, a reclamation cost "trust fund" in the amount of $6.4 million, and insurance for reclamation and remediation costs in excess of the amount currently estimated to close the Troy Mine. This insurance policy also obligates the insurance company to provide additional bonding should the State and the Company agree such financial assurance is required. 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.

Off Balance Sheet Arrangements

During 2002, 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 beginning one year after the Rock Creek Project achieves 80% of designed commercial production capacity or December 31, 2015, whichever is later. The amendment requires Kennecott to surrender the 2,250,000 shares of Revett Silver's common stock previously issued in exchange for this royalty. The royalty terminates upon Kennecott's recovery of $8 million in total royalty payments, plus an adjustment related to changes in the consumer price index.

In October 2004, Revett Silver sold Royal Gold 1,333,333 common shares for gross proceeds of $1,000,000. 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 or into common shares of the Company.

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Related Party Transactions

Apart from the subsequent granting of 150,000 stock options to the each of the four non executive directors of Revett Minerals in April, there were no related party transactions during the first quarter of 2005.

Proposed Transactions

In accordance with the Agreement and Plan of Arrangement approved by the shareholders of Revett Silver, Revett Silver anticipates it will either redeem or exchange for common shares of Revett Minerals up to $1,000,000 Class B common shares of Revett Silver per quarter beginning at the end of the second quarter of 2005.

Principal Risks and Uncertainties

On March 30, 2005, the Company received the decision of the United States District Court in Missoula, Montana respecting an action by certain environmental groups challenging the United States Fish and Wildlife Services (USFWS) 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 the Biological Opinion ignored best available science and was arbitrary and capricious. The 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 noting the mitigation plan as written is not arbitrary or capricious. However, the Court concluded that the USFWS "was not sure what the effects of the displacement would be". The Court remanded the Biological Opinion back to the USFWS to reanalyze its non-jeopardy findings. The Company believes that the permitting agencies used all best available science and fairly considered all evidence in their deliberations. Neither the Company nor the permitting agencies can predict the effect this decision will have on the timing of the development activities for the Rock Creek Project.

As more fully discussed in the final prospectus of Revett Minerals dated February 3, 2005, 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 and the reader should refer to the prospectus dated February 3, 2005 for a more detailed discussion of the risk factors that the Company may face. As with other mining companies, the Company's operations are subject to numerous environmental laws which may be subject to change, which change may be difficult or very costly to comply with. The Company is also subject to risks and hazards typically found with other mining and exploration activities. At the present time the Company does not hedge the price of its metal production and is therefore at risk to declines in the price of copper and silver. The Company continues to review its hedging policy and may in the future consider hedging a portion of the production from Troy.

Critical Accounting Estimates

The company's accounting policies are presented in note 2 of the accompanying 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 estimates of mineral resources and reserves,
b) the estimate of concentrate receivables and deferred revenue,
c) the carrying values of mineral properties,
d) the carrying values of plant, equipment and mine development,
e) future costs of site reclamation and remediation;
f) the valuation of stock-based compensation expense; and
g) the estimate of the allocation of the purchase price for the acquisition of the 65% interest in Revett Silver Company

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

<u>Mineral resources and reserves, and the carrying values of mineral properties, and plant, equipment and mine development</u>

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, equipment and mine development.

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

<u>Concentrate receivables and deferred revenue</u>

The Company sells its copper in concentrate based upon 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 this metal based upon these weight and assay estimates and in accordance with the contract respecting the sale of this copper in concentrate, the preliminary payments are based upon the copper and silver prices determined 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.

<u>Reclamation and remediation obligations</u>

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 its 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, 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 65% interest in Revett Silver Company

The Company is 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 65% 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.

Financial Instruments and Other Instruments

The Company has no financial instruments and other instruments. Revett Minerals has not engaged in any hedging activities at the present time. The Company is analyzing its alternatives with respect to the Troy operations and may consider entering into hedging transactions in the future.

Other Requirements

Outstanding Share Data

As of the date of this MD&A, Revett Minerals had 57.2 million common shares outstanding. Revett Minerals had 700,000 stock options outstanding and Revett Silver had 3.325 million stock options and 4.195 million 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 shares of common stock of Revett Minerals.

Further information on Revett Minerals may be found on the Company's web site at www.revettminerals.com or at www.sedar.com.

REVETT MINERALS INC.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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Revett Minerals Inc.
Consolidated Balance Sheets
(expressed in thousands of United States dollars)

	March 31, 2005 (unaudited)	December 31, 2004
Assets		
Current Assets:		
Cash and cash equivalents	$ 19,416.0	$ -
Accounts receivable	1,077.6	-
Inventory (note 4)	5,177.1	-
Prepaid expenses and deposits	898.0	510.3
	26,568.7	510.3
Property, plant and equipment	52,693.7	-
Restricted cash (note 6)	6,418.6	-
Other assets	1,440.4	-
	$ 87,121.4	$ 510.3
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,299.8	$ 532.0
Current portion of long term debt	2,011.3	-
Deferred revenue	3,911.5	-
	7,222.6	532.0
Long-term portion of debt (note 7)	12,180.8	-
Reclamation and remediation (note 10)	8,425.5	-
Future income tax	8,859.2	-
Non controlling interest	9,321.7	-
Shareholders' equity:		
Common shares, no par value unlimited authorized, 57,211,788 shares issued and outstanding	41,411.6	-
Contributed surplus	10.3	-
Deficit	(310.3)	(21.7)
	41,111.6	(21.7)
	$ 87,121.4	$ 510.3

Nature of operations (note 1)
Subsequent events (note 12)

See accompanying notes to financial statements.

Revett Minerals Inc.
Consolidated Statement of Operations
(expressed in thousands of United States dollars, except per share amount)

		Three month period ended March 31, 2005 (unaudited)
Costs and expenses:		
Operating expenses	$	1,456.7
Deferred operating costs and inventory changes		(1,542.0)
Depreciation and depletion		89.9
Accretion of reclamation and remediation liability		58.4
		63.0
Other (income) and expenses		
General and administrative		216.1
Interest expense		181.2
Interest income		(40.2)
Other		(4.8)
		352.3
Loss before non controlling interest		415.3
Non controlling interest		(126.7)
Loss for the period	$	288.6
Basic and diluted loss per share	$	0.01
Weighed average number of shares outstanding		19,702,283.0

See accompanying notes to financial statements.

Revett Minerals Inc.
Consolidated Statement of Cash Flow
(expressed in thousands of United States dollars)

		Three month period ended March 31, 2005 (unaudited)
Cash flows from operating activities:		
Loss for the period	$	(288.6)
Adjustment to reconcile loss to net cash used by operating activities		
Depreciation		89.9
Accretion of reclamation and remediation liability		58.4
Common stock option expense		10.3
Non controlling interest		(126.7)
Restricted cash		(6,418.6)
Changes in:		
Accounts receivable		552.8
Inventory		(1,643.6)
Prepaid expenses and deposits		(608.4)
Other long term assets		(1,360.0)
Accounts payable		1,248.8
Accrued liabilities		86.1
Current portion of long term debt		24.1
Accrued interest		33.8
Deferred revenue		2,061.0
Net cash used by operating activities		(6,280.7)
Cash flows from investing activities:		
Business acquistions, net		1,122.8
Purchase of plant and equipment		(584.6)
Net cash provided by investing activities		538.2
Cash flows from financing activities:		
Proceeds from the issuance of common stock, net		24,972.1
Proceeds from long term borrowings, net		186.4
Net cash from financing activities		25,158.5
Net increase in cash and cash equivalents		19,416.0
Cash and cash equivalents, beginning of period		0.0
Cash and cash equivalents, end of period	$	19,416.0
Supplementary cash flow information:		
Common stock issued in business acquistion	$	16,439.5
Cash paid for interest expense	$	1.7

See accompanying notes to financial statements.

Revett Minerals Inc.
Consolidated Statement of Deficit
(expressed in thousands of United States dollars)

	Three month period ended March 31, 2005 (unaudited)
Deficit, beginning of year	21.7
Loss for the period	288.6
Deficit, end of period	310.3

See accompanying notes to financial statements.

1. Nature of Operations and Going Concern

Revett Minerals Inc. ("Revett Minerals" or the "Company") was originally incorporated under the Canada Business Corporations Act in August 2004, for the purpose of accessing public markets to finance future development of the Rock Creek project and provide the public with a vehicle for participating in the operations of the Troy Mine. Following the public offering and the supporting Plan of Arrangement approved by the shareholders of Revett Silver Company ("Revett Silver"), Revett Minerals owns approximately 65% of Revett Silver which in turn owns 100% of the Rock Creek project and 100% of the Troy Mine. Rock Creek is a large development stage copper and silver property located in northwest Montana. The Troy Mine is a copper and silver mine also located in northwest Montana that, in 1993, was placed into a care and maintenance basis, by its previous owner ASARCO Incorporated ("ASARCO"), due to depressed metal prices. It was restarted by Revett Silver in late 2004. The consolidated financial statements of Revett Minerals include the accounts of Genesis Inc. and RC Resources Inc., Revett Silver's wholly owned subsidiaries that own the Troy Mine, and the Rock Creek project, respectively.

In 1999 and 2000, Revett Silver separately negotiated the purchase of the Troy Mine and the Rock Creek project ("Rock Creek") from their predecessor co-owners, ASARCO and Kennecott Montana Company ("Kennecott"). The consideration received by ASARCO consisted of $1,000,000 cash, 2,000,000 shares of Revett Silver common stock valued at $200,000, certain stock price guarantees and an interest bearing promissory note in the amount of $10,000,000. Kennecott received 2,250,000 shares of Revett Silver's common stock valued at $225,000, an interest bearing promissory note in the amount of $5,000,000 and certain stock price guarantees. The stock price guarantees provided both ASARCO and Kennecott have been extinguished. Revett Silver also assumed the reclamation and remediation liabilities associated with the Troy Mine. Until April 2004, Revett Silver's activities had principally consisted of maintaining the Troy Mine on a "care and maintenance" basis and pursuing an operating permit for the Rock Creek project. In April 2004, Revett Silver initiated rehabilitation efforts at the Troy Mine. It was placed back into production in the fourth quarter of 2004. Revett Silver financed these rehabilitation efforts by a series of private placements which raised $5.3 million and the sale of two royalties on production from the Troy Mine for gross proceeds of $7.5 million

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in Canada. These consolidated financial statements have been prepared on a going concern basis which assumes the realization of assets and the settlement of liabilities in the normal course of operations. To date, the Company has incurred limited operating history and has undertaken limited activities at the Rock Creek project.

The Company's continuing operations and the underlying value and recoverability of the amounts shown for the Rock Creek mineral property is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete exploration and development of the property, obtaining the necessary operating permits and upon future profitable production or proceeds from the sale of the project. The recoverability of the amounts shown for the Troy Mine and the related plant and equipment and supplies inventory is dependent upon the ability of the Company's successful operation of the mine and upon future profitable production or proceeds from the disposition of the mine.

<u>Plan of Arrangement and Initial Public Offering</u>

In February 2005, the Company sold 34.5 million common shares and contributed the net proceeds of the offering to Revett Silver for 34.5 million Class A common shares of Revett Silver. Concurrent with this initial public offering, the shareholders of Revett Silver approved a Plan of Arrangement whereby Revett Silver exchanged its common shares for Class B common shares, on a one for one basis, which are exchangeable into common shares of Revett Minerals. At the closing of the IPO approximately 22.7 million Class B common shares of Revett Silver were exchanged for an equal number of common shares of Revett Minerals and Revett Minerals received a like number of Class A common shares of Revett Silver. There are approximately 30.8 million Class B common shares of Revett Silver that remain outstanding.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes and the disclosure of contingent assets and liabilities at the date of the financial statements. Significant areas requiring the use of estimates include the recoverability of mineral property, plant, equipment and mine development costs, the estimation of metal revenues prior to the finalization of weights, assays and the applicable metal price quotational period, and the determination of the reclamation and remediation liability. Actual results may differ from those estimates.

Principles of Consolidation

The Company's consolidated financial statements include the accounts of the Company, Revett Silver and Genesis Inc., and RC Resources Inc., which are wholly owned subsidiaries of Revett Silver Company. Inter-company balances and transactions are eliminated upon consolidation.

Reporting currency

The functional currency of Revett Minerals Inc. and its operating subsidiaries are United States dollars and accordingly, the Company has adopted the United States dollar as its reporting currency.

Cash and Cash Equivalents

Cash and cash equivalents include all short term money market instruments which, on acquisition; have an original maturity of three months or less. Cash and cash equivalents consist of funds deposited with various high quality financial institutions. The Company's cash and cash equivalents are not subject to any restriction.

Investments

Investment, which comprise marketable and other securities, are carried at cost less any amounts written off to reflect impairment in value which is other than temporary.

Revenue recognition

Revenue from the sale of copper and silver concentrate is recorded net of smelter treatment and refining charges and deductions. Sales are recognized when shipments arrive at the port of discharge or are loaded onto rail cars for shipment to the final destination smelter and when title to the concentrate has passed to the buyer. The sales of copper and silver concentrate are sold under pricing arrangements where final prices are determined by quoted metal prices in periods subsequent to the date of sale. Subsequent variations in the price are recognized as revenue adjustments as they occur until the price is finalized.

Inventory

Supplies inventory is carried at cost less any allowance for obsolescence. Finished goods inventory, which consists of copper and silver concentrate available for sale, is stated at the lower of weighted average production cost or net realizable value.

Stock Options

The Company has adopted CICA standard "Accounting for Stock-based Compensation and Other Stock-based Payments". As the equity awards granted by the Company will consist solely of stock purchase options, the company charges the fair value of stock options to compensation expense and the corresponding amount is recorded as paid in capital.

Mineral Property, Plant, Equipment and Mine Development

Costs related to the acquisition of property and mineral rights, construction of production facilities and the development of mine infrastructure are capitalized. Costs of permitting, evaluation and feasibility are capitalized upon completion of an analysis which demonstrates the economic viability of the mineral deposit. Once commercial production has commenced, these costs are amortized using the units-of-production method based upon proven and probable reserves. If the mineral deposit proves to be uneconomical or otherwise determined to have a value less than its carrying amount, then previously capitalized costs are written down in the period in which such determination is made. Production facilities and equipment are stated at the lower of cost or estimated net realizable value and are depreciated using the straight-line and units of production methods at rates sufficient to depreciate the assets over their estimated useful lives, not to exceed the life of the mine to which the assets relate. Vehicles and office equipment are stated at cost and are depreciated using the straight-line method over estimated useful lives of three to six years. Maintenance and repairs are charged to operations as incurred. Betterments of a major nature are capitalized. When assets are retired or sold, the costs and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in operations.

At each reporting period and whenever events or circumstances indicate that a long-lived asset's fair value may not be at least equal to its carrying value, management of the Company reviews the net carrying value of such assets on a property-by-property basis. These reviews involve consideration of the net realizable value of each property to determine whether a permanent impairment in value has occurred and whether any asset write down is necessary. The Company considers current metals prices, cost of production, proven and probable reserves and salvage value of the property and equipment in its valuation.

Management's estimates are subject to risks and uncertainties of changes affecting the recoverability of the Company's investment in its mineral property, plant, equipment and mine development. Management's estimates of these factors are based on current conditions. Nonetheless, it is reasonably possible that in the near term, changes that could adversely affect management's estimate of net cash flows expected to be generated from its properties could occur. This would necessitate a write down for asset impairment.

Reclamation and Remediation

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Company follows CICA Handbook Section 3110 "Asset Retirement Obligations" which requires the recognition of statutory, contractual, or other legal obligations related to the retirement of tangible long lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting cost capitalized into the carrying value of the related assets. In subsequent periods, the liability is adjusted for accretion of

the discount and any change in the amount or timing of the underlying cash flows. The asset retirement cost is amortized to operations over the life of the assets.
It is reasonably possible that the ultimate cost of remediation and reclamation could change in the future, due to uncertainties associated with defining the nature and extent of environmental contamination, the application of laws and regulations by regulatory authorities and changes in remediation technology. The Company continually reviews its accrued liabilities as evidence becomes available indicating that its remediation and reclamation liabilities may have changed. Any such increases in costs could materially impact the future amounts charged to operations for reclamation and remediation obligations.

Income Taxes

The provision for income and resource taxes is based on the asset and liability method. The Company recognizes deferred income tax assets and liabilities and the expected future income tax consequences of events that have been recognized in its financial statements. Deferred income tax assets and liabilities are determined based on the temporary differences between the financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates in effect in the periods in which the temporary differences are expected to reverse. The Company records a valuation allowance against any portion of those deferred income tax assets that management believes will, more likely than not, fail to be realized.

Loss Per Common Share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of such options and warrants are used to repurchase common shares at the average market price during the period.

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 it occurs.
- Non-monetary assets and liabilities at historical exchange rates, unless such items are carried at market, in which case it is 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 it occurs.

3. Business Acquisition

On February 16, 2005, the Company completed the acquisition of a 65% interest in Revett Silver Company, a private Montana corporation.

The Company contributed the net proceeds of its IPO to Revett Silver in exchange for 34,500,000 common shares of Revett Silver and in addition exchanged 22,711,788 of its common shares for 22,711,788 common shares of Revett Silver. The Company has accounted for this acquisition using the purchase method, as follows:

(expressed in thousands of United States Dollars)

Fair market value of assets acquired:	
Current assets	$33,856.7
Plant and equipment	4,251.4
Mineral property	47,947.1
Other assets	80.4
	$86,135.6
Less:	
Current Liabilities	6,628.5
Reclamation and remediation liability	8,367.0
Long term debt	10,551.1
Future income tax	8,859.2
Non controlling interest	10,318.2
	44,724.0
Consideration given:	
Cash subscription for 34,500,000 shares	24,972.1
Exchange of 22,711,788 Revett Silver common shares	16,439.5
	$41,411.6

4. Inventory

The major components of the Company's inventory accounts at March 31, 2005 are as follows:

	March 31, 2005
Concentrate Inventory	$ 993.1
In transit Concentrate (pre-acquisition	1,692.3
In transit concentrate (post- acquisition)	1,615.6
Material and Supplies	876.1
	$ 5,177.1

5. Mineral Property, Plant, Equipment and Mine Development

The major components of the Company's mineral property, plant, equipment and mine development accounts at March 31, 2005 are as follows:

	March 31, 2005
TROY:	
Property	$ 9,205.1
Plant and equipment	4,417.4
Buildings	343.8
ROCK CREEK:	
Property and development	38,624.6
OTHER, corporate	74.7
OTHER, mineral properties	117.5
	52,783.1
Accumulated depreciation	(89.4)
	$ 52,693.7

The Company reviews the carrying value of its assets at each reporting period and whenever events or circumstances indicate that an asset's fair value may not be at least equal to its carrying value.

6. Restricted Cash

On March 29, 2005, the Company purchased from a leading North American insurance company an environmental risk transfer program ("the ERTP'). The total cost of the ERTP was $8.4 million. Of this $8.4 million, $6.5 million was deposited in an interest-bearing account with the insurer ("the Commutation Account"). The Commutation Account principal plus interest earned on the principal are reserved exclusively to pay the Company's currently existing reclamation and mine closure liabilities.

The remaining $1.9 million comprises premiums paid to the insurer and Montana state taxes on the ERTP transaction. The remaining amount is considered a non-current asset and will be amortized over the life of the mine on a units-of-production basis.

7. Long-term Debt

ASARCO Production Obligation

In connection with the ASARCO Purchase Agreement, Revett Silver Company and Genesis Inc. executed a $10 million note payable to ASARCO. The note originally bore interest at 9%, was payable semi-annually and matured on October 14, 2002. In 2000, Revett Silver and Genesis negotiated an amendment to the ASARCO Purchase Agreement, modifying the terms of the obligation so that payments would not begin until the second full year of production from a mine on the Rock Creek property. Payments would continue annually thereafter over the life of the mine in an aggregate amount sufficient to recover $10 million in "1999 dollars" as calculated by an 8% discount rate. If payments did not commence by December 31, 2014, Revett Silver or Genesis Inc. was to make annual payments of not less than $1.5 million each. Revett Silver initially accrued the note payable and accumulated interest thereon based on the effective 8% discount rate. In 2002, the ASARCO Purchase Agreement was amended again to reduce the discount rate on the note from 8% to 4%. The note payable and accrued interest was extinguished in May 2004. Revett Silver exchanged 3,000,000 common shares (value of $2,250,000) to fully extinguish the note and accrued interest of $1,871,188. Paid in capital in the amount of $9,621,188 was recognized on this transaction.

Kennecott Note Payable

The Kennecott note payable is for $5 million, and initially accumulated interest at 9% compounded on a semi-annual basis and matured on February 21, 2004. In 2002, an amendment to the Kennecott purchase agreement changed the interest rate to one-percent over the prime rate in effect on the last day of the preceding quarter and extended the maturity date to February 21, 2008. The note allows Kennecott the option to receive interest payments in cash or in common stock provided the stock has traded on a public market for no less than thirty days at the time the interest payment is due. In addition, Kennecott may elect to receive the interest semi-annually or to defer such payments. As of March 31, 2005, Kennecott had elected to defer the interest payments due it, and accordingly, such accrued interest amounts were classified as long-term. The Kennecott note is secured by mortgages on the mining claims comprising the Troy and Rock Creek properties, buildings and mill facilities. Revett Silver cannot sell or further encumber these assets (other than in connection with production financing) without Kennecott's express consent for so long as the obligation is outstanding. Kennecott also has the right to approve any sale of all or substantially all of the assets of Revett Silver, or a merger or consolidation in which Revett Silver is not the surviving entity.

(expressed in thousands of United States Dollars)

Royal Gold Royalty

In October 2004, the Revett Silver sold Royal Gold two royalties on production from the Troy Mine, for $7,250,000 (the "production payment") and $250,000 (the "tail royalty"), respectively. The production payment royalty is a 7% gross smelter return royalty payable in cash on production and limited to the lesser of 90% of proven and probable reserves as at October 13, 2004 or $10,500,000. The tail royalty is also payable in cash at the rate of 6.1% on the gross smelter returns from Troy for production between 100% and 115% of its proven and probable reserves as at October 13, 2004 and then at the rate of 2% thereafter. The tail royalty was accounted for as disposition of mineral property.

Capital Leases

Revett Silver has entered into two 36 month capital leases to acquire a 980 loader and a 998 wheel loader. The monthly payments are $6,751 and $11,148, respectively. Revett Silver also entered into a 36 month deferred sale agreement to acquire certain computer hardware and software. The monthly payments on this are $980 and it is retired in October 2007.

At March 31, 2005, the balance of the Company's long-term debt outstanding was as follows:

		March 31, 2005
Royal Gold Royalty	$	5,331.1
Capital leases		406.3
Kennecott[(1)]		6,443.4
	$	12,180.8

(1) Includes accrued and capitalized interest expense in total of $1,443,392 as of March 31, 2005.

8. Share Capital

Common Stock

The Company has one class of no par value common stock of which an unlimited number are authorized for issue. The holders of common stock are entitled to receive dividends without restriction when and if declared by the board of directors. Holders of the Company's common stock are not entitled to preemptive rights to acquire additional shares of common stock and do not have cumulative voting rights. At March 31, 2005, 57,211,788 shares of common stock were outstanding. In addition Revett Silver has 30,756,623 Class B common shares outstanding which are exchangeable into common shares of the Company under certain conditions.

	No. of Shares	Amount
Balance, December 31, 2004	1	$ -
Issued for cash	34,500,000	24,972.1
Exchanged for Revett Silver shares	22,711,788	16,439.5
Redeemed	(1)	-
Balance March 31, 2005	57,211,788	$41,411.6

Preferred Stock

The Company is authorized to issue an unlimited number of no par preferred stock. The Company's board of directors is authorized to create any series and, in connection with the creation of each series, to fix by resolution the number of shares of each series, and the designations, powers, preferences and rights;

including liquidation, dividends, conversion and voting rights, as they may determine. At March 31, 2005, no preferred stock was issued or outstanding.

Stock options

In 2005, the Company adopted the Equity Incentive Plan (the "Plan"). The purposes of the Plan are to enable the Company to attract and retain able employees and to provide a means of compensating those employees, and directors, officers and other individuals or entities integral to the Company's success, with stock. The Plan is currently administered by the Company's board of directors, which is authorized to grant common stock, incentive stock options, stock appreciation rights or any combination of the foregoing to eligible participants.

The Plan requires the Company to reserve and have available for issue, 8,000,000 shares of common stock, less that number of shares reserved for issuance pursuant to stock options granted under the Revett Silver stock option plan. The aggregate number of shares of common stock that may be issued to any holder or awarded to any grantee under the Plan may not exceed five percent of the outstanding common shares. The Plan was approved by the Company's board of directors in January 2005.

To March 31, 2005, Revett Silver had granted a total of 3,325,000 stock purchase options exerciseable into Class B common shares of Revett Silver at a weighed average price of $0.59 per share

To March 31, 2005, the Company granted its directors options to acquire 100,000 common shares of the Company pursuant to the Plan at an exercise price of $0.75 per share. All of these options have a term of 5 years from the date of grant.

The fair value of stock options granted was estimated using the Black-Scholes option pricing model with the following assumptions: The exercise price of the option at the date of the grant equals the fair value of the stock;

a) Risk-free interest rate at the date of the grant- 3.71% per annum;
b) Life of the option- 4 years; and
c) Volatility- 0.001% (the Company was private on the date of the grant).

Stock Purchase Warrants

In conjunction with the IPO of Revett Minerals in 2005, the Company granted the underwriters non-assignable compensation warrants exerciseable into 2,070,000 common shares of the Company at (Cdn) $1.20 per share until February 15, 2007.

All of the warrants of Revett Silver are exerciseable into class B common stock of Revett Silver, which in turn are exchangeable into common stock of Revett Minerals. In 2004, in conjunction with the private placement completed in the first quarter, Revett Silver issued compensation warrants to the underwriter exercisable into 520,667 Class B common shares of Revett Silver at $0.75 per share until March 18, 2006. In addition, as part of this private placement Revett Silver Company issued stock purchase warrants exerciseable into 3,054,659 Class B common shares of Revett Silver at $1.00 per share. These warrants expire 18 months after Revett Silver becomes listed on a public stock exchange.

In 2003, the Revett Silver issued 620,000 stock purchase warrants in connection with a series of private placements of common stock of Revett Silver. These warrants expire on September 17, 2008 and have an exercise price of $0.25 per common share.

9. Related Party Transactions

There were no related party transactions in the three months ended March 31, 2005.

10. Commitments and Contingencies

Environmental

The Company's mining properties are subject to various federal and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect the public health and environment and believes its operations are in compliance with all material applicable laws and regulations.

In connection with the terms of the ASARCO asset purchase agreement, the Company agreed to assume all liabilities associated with reclamation and closure obligations at the Troy Mine. The Montana Department of Environmental Quality ("Montana DEQ") looks to Genesis Inc. as primary obligor of the reclamation liabilities, and has required that Genesis post a reclamation bond in the amount of $10.5 million as security for the reclamation obligations at Troy. Revett Silver has purchased an environmental risk transfer program which will Revett Silver's future reclamation and remediation cost obligations (note 6) at the Troy Mine.

Revett Silver has estimated its environmental liabilities in conjunction with its purchase accounting of the Troy Mine and recorded them in accordance with CICA 3110 "Asset Retirement Obligations". This statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred. CICA 3110 requires the Company to record a liability for the present value of the estimated environmental remediation costs and the related asset created with it. The liability will be accreted and the asset will be depreciated over the remaining life of the Troy Mine using the units-of-production method. Adjustments for changes resulting from the passage of time and changes to either the timing or amount of the original present value estimate underlying the obligation will be made as such facts become quantifiable.

To initially apply CICA 3110 the following assumptions were made:
a) the cost in 2003 dollars to fully reclaim the site is $9,313,900;
b) the rate of inflation is 2.5%;
c) the Company's risk adjusted risk free rate is 8.5%; and
d) operations cease in 2007.

In October 1999, the Montana DEQ notified the Revett Silver that it had reviewed the Troy Mine's reclamation plan and made revisions that resulted in increasing its reclamation performance bond from $2,763,500 to $10,500,000. The Montana DEQ is continuing to study and review the ultimate bonding requirements for the Troy Mine.

Agreement for Electric Service

The Company has a power sales and services agreement with a utility company to provide electric power to its Troy Mine production facility. The agreement provides for the Company's purchase of electric power at agreed upon kilowatt per hour prices. The agreement calls for a monthly service charge of $4,660 that is subject to capital credits and cost recovery adjustments. The agreement expires and renews annually.

Litigation

(i) On December 20, 2002, an action was filed against Revett Silver and ASARCO in the United States District Court of Montana, Missoula Division, by an environmental activist group alleging violations of various federal and state environmental laws at the Troy Mine, and with breaching the terms of an earlier settlement agreement entered into by ASARCO in 1997 requiring it (and Revett Silver, as successor and owner and operator of the mine) to operate and maintain the tailings impoundment in accordance with technical recommendations. The Company believes the claims are Inaccurate and plans to vigorously defend against them. While the ultimate outcome of the litigation is uncertain, management does not anticipate that it will have a materially adverse affect on the Company's financial statements.

(ii) On March 2, 2002, an amended judicial challenge was filed against the Montana Department of Environmental Quality ("DEQ), challenging a permit approved under the record of decision with respect to the Rock Creek project. The outcome of this judicial challenge is uncertain and it could delay the eventual permitting of the Rock Creek project.

(iii) The Company's proposed development of the Rock Creek project is the subject of a judicial appeal in federal district court filed by a number of environmental groups, challenging the May 2003 biological opinion. The outcome of this judicial appeal and further judicial appeals, if any, are uncertain which could also delay the ultimate permitting of the Rock Creek project.

(iv) On August 11, 2003, an administrative appeal was filed challenging the record of decision and the final environmental impact statement for the Rock Creek project. This appeal was unsuccessful. No further appeals have been filed with respect to this original decision; however, a notice of intent to sue was filed in April 2004. The outcome of this matter is uncertain which could delay the ultimate permitting of the Rock Creek project.

(v) 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 Service ("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 the Rock Creek Project.

Kennecott Purchase Agreement Amendment

During 2002, Kennecott and Revett Silver agreed in principle to amend the February 21, 2000 Asset Purchase and Sale Agreement. 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 beginning one year after the Rock Creek Project achieves 80% of designed commercial capacity production or December 31, 2015, whichever is later. The amendment requires Kennecott to surrender the 2,250,000 shares of the Company's common stock or the common stock of Revett Silver previously issued in exchange for this royalty (note 6). The royalty terminates upon Kennecott's recovery of $8 million in total royalty payments, plus an adjustment related to changes in the consumer price index.

Royal Gold Private Placement

In October 2004, Revett Silver sold Royal Gold 1,333,333 common shares for gross proceeds of $1,000,000. Royal Gold has the right to convert these common shares or the common shares of the Company 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 Revett silver 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 or into common shares of the Company.

Rail Car Lease

During the first two months of 2005, the Company entered into two different five year agreements to lease a total of 57 rail cars at an average price of $436 per month.

11. Fair Value of Financial Instruments

The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret market data and to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

The carrying amounts for cash and cash equivalents, accounts payable and accrued liabilities, are reasonable estimates of their fair values based upon the short term nature of these amounts. It is not

practicable to determine the fair value of the royalty obligation and the Kennecott note payable due to the long term nature of the obligations and the absence of a secondary market for such instruments.

12. Subsequent Events

In April 2005, Revett Silver entered into a 36 month term, $1.5 million loan for the purchase of new underground mining equipment. The monthly payments are $46,325.

In April the Company granted non-executive directors a total of 600,000 options to purchase common shares of the Company at an exercise price of Cdn $0.76 per share.