

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 2006 calendar year should be read in conjunction with the financial statements and notes as at March 31, 2006 which form part of this report and the audited consolidated financial statements for the year ended December 31, 2005 filed on www.sedar.com. These financial statements are expressed in thousands of United States dollars, unless otherwise stated, and they are prepared in accordance with Canadian generally accepted accounting principles. This MD&A is prepared as of May 8, 2006.

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. In July, 2005, Revett Minerals increased its ownership in Revett Silver to approximately 67% through the 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. The Troy Mine is a copper and silver mine also located in northwest Montana that, in 1993, was placed on care and maintenance, by its previous owner ASARCO Incorporated ("ASARCO"). The Troy Mine was restarted by Revett Silver in late 2004. The consolidated financial statements of Revett Minerals at March 31, 2006 include the accounts of the Company and its subsidiaries being Revett Silver and its wholly owned subsidiaries. All inter company transactions have been eliminated upon consolidation.

Overall Performance

Revett Silver resumed operations at the Troy Mine in December 2004, and from the commencement of operations it has faced difficulties in increasing production to targeted levels. The challenges facing production include an untrained underground mining work force, poor availability from the jumbo production drills, inexperienced drill operators, and difficult ground conditions in portions of the mine. The management of the Troy Mine has recognized the importance of increasing ore production in a safe and environmentally responsible manner and is investigating all conceivable means of increasing production. Since start up the mine has not incurred any unforeseen or unusual operating problems in the mill.

The Troy Mine reported strong first quarter operating income (100% basis) of approximately \$1.4 million. Only 67% of these earnings are attributable to the shareholders of Revett Minerals because of the non controlling shareholdings in Revett Silver. For the Revett Minerals shareholders the following costs must be deducted from the operating earnings of \$1.4 million: (1) Revett Silver costs of \$0.6 million, (2) Rock Creek spending of \$0.3 million, and (3) Revett Minerals general and administrative costs of \$0.4 million. This results in net income before non controlling interests and taxes of \$0.1 million.

Results of Operations for the Three Months Ended March 31, 2006

Operating Results:

The table below illustrates certain key operating statistics for the Troy Mine (100% basis) for the three months ended March 31, 2006, with a comparison to the three month period ended March 31, 2005.

	<u>Quarter Ended March 31, 2006</u>	<u>Quarter Ended March 31, 2005</u>
Tons milled	282,801	200,997
Tons milled per day	3,142	2,233
Copper grade (pct)	0.44	0.78
Silver grade (opt)	1.11	1.84
Copper recovery (pct)	81.1	78.3
Silver recovery (pct)	84.2	81.3
Copper produced (lbs)	2,026,697	2,474,000
Silver produced (ozs)	265,321	302,589

During the first three months of 2006, 282,801 tons of ore have been processed which represents an average rate of mill throughput of 3,142 tons per day, compared to a throughput averaging 2,233 tons per day in the first quarter of 2005.

Mill throughput, while increasing, remains below targeted levels. The copper grade, which averaged 0.44%, was below normal levels and below the copper grade milled in the same quarter in 2005 and the silver head grade, which averaged 1.11 opt, was below the average grade milled in the first quarter of 2005. Troy mined some lower grade ore in this current quarter because of the high copper and silver prices being experienced. This was done to maximize throughput and thereby reduce unit production costs while continuing to process profitable ore. The difference in ore grades was also affected by other factors. As disclosed in last year's results for the first quarter, the grade of ore exceeded average grades and was expected to decline. Secondly, during the first quarter of this year, a significant portion of the mining activities occurred in the fringe areas of the East Ore Body, and such material was not considered in the mine plan at the start of 2005. This ore is typically of lower grade than the grade of ore elsewhere in the mine. We expect that ore grades should increase to more normal levels during the rest of 2006. Metal recovery for both copper and silver has increased from the comparable quarter last year, and are expected to remain at these levels or possibly increase slightly.

Financial Results:

Revett Minerals sold approximately 1.8 million pounds of payable copper and approximately 226,000 ounces of payable silver in the first quarter of 2006. Revenues totaled \$7.4 million and costs of sales were \$5.9 million and depreciation was \$0.4 million. Gross profit from mining operations (a non-GAAP measure) was \$1.1 million or \$3.85 per ton milled. Comparable results for the first quarter are not available because as discussed below there were no sales recognized during the first quarter of 2006. The reclamation accrual was \$.04 million and exploration and development expenses were \$0.3 million. All of the exploration and development expenditures

were expended to advance the Rock Creek Project. This resulted in positive income from operations of \$0.2 million. On a stand alone basis, the Troy Mine generated net income before tax of \$1.4 million. At the corporate level, interest expense, net of interest income was \$0.1 million and general and administrative expenses were \$0.6 million.

Revett Minerals recorded income of \$0.1 million before taxes and non controlling interests. After deducting taxes and non-controlling interests, the Company reported a profit of \$0.03 million or \$0.00 per share.

Results of Operations for the Quarter Ended March 31, 2005

The results for Revett Minerals for the first quarter of 2005 are not directly comparable to the results for the first quarter of 2006. The reason for this is that Revett Minerals did not complete its acquisition of Revett Silver until the end of February 2005 and therefore the 2005 consolidated results reflect only a month of the consolidated performance. In addition, no sales were reported during the first quarter of 2005 because revenue recognition criteria did not allow these sales to be booked in the month of shipment until the Company illustrated the accuracy of its weight and assay estimates. Subsequent to the first quarter of 2005, sales are reported as revenue in the month of shipment

Revett Minerals lost \$0.3 million after taxes and non controlling interests during the first quarter of 2005. Because the Company had no sales revenue, costs of goods sold were carried on the balance sheet as inventory in transit. The reclamation accrual and depreciation expense continued to be recognized resulting in a cumulative expense of \$0.1 million for the quarter. There was no exploration activity at the Troy Mine or at Rock Creek between January 1st and March 31st of 2005. For the month of March general and administrative costs totaled \$0.2 million, and interest expense, net of interest income was \$0.1 million

During the first quarter of 2005, tons milled averaged 2,233 tons per day which was approximately 70% of the mill throughput averaged during the first quarter of 2006. However, both copper and silver production in the first quarter of 2005 exceeded the production levels achieved in the first quarter of 2006 because the grade of ore processed was significantly higher in 2005. The reasons for the ore grade variation were discussed previously.

Select Annual Information For 2005

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

2005	Tons milled	Cu Grade (pct)	Ag Grade (opt)	Cu Prod'n (million lbs)	Ag Prod'n (ounces)	Sales (000's \$)	Net loss (000's \$)
First Quarter	200,997	0.78	1.84	2.47	302,569	nil	288.6
Second Quarter	188,717	0.79	1.86	2.45	301,720	9,741.2	848.9
Third Quarter	170,370	0.62	1.50	1.75	219,822	4,902.2	1,155.0
Fourth Quarter	222,888	0.58	1.42	2.1	270,614	6,492.5	8.1
Full Year	<u>782,972</u>	<u>0.69</u>	<u>1.65</u>	<u>8.77</u>	<u>1,094,725</u>	<u>21,135.8</u>	<u>2,300.6</u>

Note: Because of revenue recognition criteria first quarter deliveries were recognized as revenue in the second quarter.

Financing Activities

There was no material financing activities entered into during the first quarter of 2006.

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. Currently, Revett Minerals owns approximately 67% of Revett Silver, with the remaining 33% 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 (in thousands of USD):

Contractual Debt Obligations	Amount outstanding (long-term portion)	Repayment schedule	Current portion (at March 31, 2006)	Comments
Long term note	\$6,000	Interest only, principal due in February 2008	\$43	Interest at prime plus 1%
Royalty obligation	\$4,380	7% of gross metal value; maximum \$10.5 million	\$2,339	Amount varies with actual production and actual metal prices
Capital lease obligations	\$385	Monthly	\$395	Fixed payments
Operating lease (rail cars)	\$1,519		\$303	Fixed payments
Term loan	\$578	Monthly for 36 months	\$496	Fixed payments
Totals	<u>\$12,862</u>		<u>\$3,576</u>	

The majority of the above obligations was entered into by Revett Silver in 2004 or 2005 and was necessary to resume mining operations at the Troy Mine. The long term debt due to Kennecott Montana Company was part of the original consideration given by Revett Silver in 2000 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 two wheel loaders and a bench drill all of which are used

in the Troy Mine. The operating lease is for the use of rail cars which are used to ship copper concentrate produced at the Troy Mine. The 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 Company continues to be in a good working capital position; at the end of March 31, 2006, there was \$11.3 million of working capital, including cash and cash investments of \$9.5 million. The Company also has restricted cash of \$6.8 million relating to its funding of the reclamation obligations at Troy. Long term debt totals \$11.3 million. Of this amount \$4.4 million is a production royalty payable only from production from the Troy Mine. The long term portion of equipment leases and a term loan totals \$0.9 million and the remainder is a note given Kennecott on the original acquisition of the Troy and Rock Creek properties. This principal portion of this note due Kennecott is due in full in February 2008 and interest is payable semi-annually.

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 at any time until the later of; (i) one year after the Rock Creek Project achieves 80% of designed commercial production capacity or , (ii) December 31, 2015. 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.

Related Party Transactions

There were no related party transactions during the first quarter of 2006.

Proposed Transactions

In accordance with the Agreement and Plan of Reorganization approved by the shareholders of Revett Silver, Revett Silver anticipates it may either redeem for cash or exchange for common shares of Revett Minerals up to \$1,000,000 worth of Class B common shares of Revett Silver per quarter. This exchange is predicated upon the introduction of the regulations for Section 7874 of

the United States Internal Revenue Code or if the Company is able to issue additional common shares pursuant to a financing or other business transaction.

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 U.S. Fish and Wildlife Services (USFWS) Biological Opinion. That Biological Opinion originally 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 in its determination with respect to grizzly bears and the agency acted arbitrary and capriciously in its work. 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 and granted summary judgment on this issue to the USFWS. However, in accordance with the Court's order, the Biological Opinion was remanded back to the USFWS for reconsideration. The Company anticipates that the USFWS will re-issue a favorable Biological Opinion in the near future.

In June 2005 certain environmental groups sued the U.S. 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 intervener status in this dispute. This action is stayed pending the issuance of the revised Biological Opinion.

In 2002, a judicial challenge was filed against the Montana Department of Environmental Quality ("MDEQ") challenging the water discharge permits granted in the Record of Decision which approved the Rock Creek Project. The court has required the MDEQ to re-examine the granting of a portion of this permit as the discharge relates to the tailing facility. The Company and the DEQ were in the process of reapplying for this discharge permit when the court ruled.

As more fully discussed in the annual information form for Revett Minerals dated February 3, 2005, the Company is an emerging mining company with one producing asset and one development property. The following is not an all inclusive discussion of all risks and uncertainties and the reader should refer to the annual information form dated March 31, 2006 for a more detailed discussion of the risk factors and uncertainties 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 67% interest in Revett Silver Company

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 property is also dependent 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 mineral property, plant, and equipment is dependant on the rates used for depreciation and depletion, which themselves are estimates.

Concentrate receivables and deferred revenue

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. 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 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 the 67% 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 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.

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, however it has in the past, hedged a portion of its copper receivables that have not had the prices finalized. 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 60 million common shares outstanding. It also had 825,000 stock options outstanding and 2.07 million stock purchase compensation warrants outstanding. Revett Silver had 3.325 million stock options and 3.6 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.

Forward Looking Statements

Except for the statements of historical fact contained herein, the information presented in this MD&A may contain "forward-looking statements" within the meaning of *The Private Securities Litigation Reform Act of 1995*. 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 results of exploration activities, actual results of current reclamation activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future metal prices, changes in the quantity and costs of producing copper concentrate 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.