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, 2004 should be read in conjunction with the financial statements and notes as at December 31, 2004 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 March 30, 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 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. The Troy Mine was restarted by Revett Silver in late 2004. The financial statements of Revett Minerals at December 31, 2004 include only the accounts of the Company. However, beginning in 2005, the financial statements of the Company will be prepared on a consolidated basis and will include the accounts of Revett Silver and its subsidiaries.

Results of Operations for the Period Ended December 31, 2004

The Company was inactive for the majority of the year and 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. Therefore the only expenses incurred during 2004 were 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. Production is at approximately 3,000 to 3,500 tons per day, which is below the planned full production level of 6,500 tons per day. The Troy Mine is not expected to be cash positive until the new mining equipment that it has purchased is placed into service. The Company has accepted delivery of 3 new 55 ton haul trucks and the 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. Revett Silver is aggressively working on completing these measures and is working closely with Montana State officials in obtaining the permits to begin development of the adit at Rock Creek. A number of environmental groups have legally challenged 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.

Summary of Quarterly Results

Prior to the successful completion of the Company's IPO in February 2005, the Company was not a reporting issuer and did not prepare quarterly financial statements.

Financing Activities

The Company had no operating assets and no debt facilities prior to its acquisition of a 65% interest in Revett Silver in February 2005. During 2004, Revett Minerals financed its activities by way of non-interest bearing advances from Revett Silver. Revett Silver became a subsidiary of Revett Minerals concurrent with Revett Minerals' IPO completed in February 2005. Following the completion of the IPO subsequent to December 31, 2004 and with 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 $25.5 million. Revett Minerals used these funds to subscribe for 34.5 million Class A 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. At the end of December 2004, Revett Minerals had no contractual obligations excepting those advances from Revett Silver; however, 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	$6,630,106	Interest only, principal due in February 2008	$387,350	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 (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
Totals	**$15,655,163**		**$2,980,366**	

All of the above obligations were entered into by Revett Silver in late 2004. 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 obligation was to acquire a 980 loader which is used at the Troy Mine. The software lease was entered into by Revett Silver in December 2004 when the Troy Mine acquired new financial reporting software. Finally, there are two leases for the use of rail cars to ship copper concentrate produced at the Troy Mine.

Liquidity and Capital Resources

During 2004, the Company had no operating assets and no source of revenue. With the completion of the IPO, the Company acquired a 65% interest in Revett Silver. Revett Silver owns the Troy Mine which was placed into production in December 2004; likewise Revett Silver had no operating activities and no source of revenue in 2004. 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. At planned production 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.

Capital expenditures at Revett Silver in 2005 will approximate $3.5 million for new mining equipment. This equipment will be financed by approximately $1.7 million cash and third party debt financing for the residual obligations. Capital spending at the Troy Mine in 2006 is expected to approximately $0.5 million and is expected to be financed by the cash flow from operations of the mine. Assuming that all permits are secured in a timely manner, Revett Silver hopes to spend up to $10 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

The Company has no off balance sheet arrangements.

Related Party Transactions

Apart from the advances made by Revett Silver to Revett Minerals, neither company had any related party transactions in 2004.

Proposed Transactions

The acquisition of a 65% interest in Revett Silver was completed on February 16 2005.

Principal Risks and Uncertainties

There have been no changes in any of the Company's legal and permitting activities except that 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 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 Opinion back to the USFWS to reanalyze its non-jeopardy findings. The Company believes that the USFWS will either initiate additional studies on the impact of the proposed development activities on these species or alternatively appeal this decision. 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 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.

Critical Accounting Estimates

The company's accounting policies are presented in note 2 of the accompanying financial statements. Due to the nature of the Company's business activities to December 31, 2004, there are no critical accounting estimates for the period ended December 31, 2004.

However, Revett Silver has critical accounting estimates that have become relevant to the Company upon the acquisition of Revett Silver. A discussion of these estimates follows:

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 carrying values of mineral properties,
c) the carrying values of plant, equipment and mine development,
d) future costs of site reclamation and remediation; and
e) the valuation of stock-based compensation expense.

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.

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.

Financial Instruments and Other Instruments

The Company has no financial instruments and other instruments. Revett Silver has not engaged in any hedging activities at the present time.

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 100,000 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 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.