REVETT MINERALS INC.

REPORT TO THE SHAREHOLDERS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2008

(UNAUDITED)

(Prepared by Management)

Revett Minerals Inc.
Consolidated Balance Sheets
at June 30, 2008 and December 31, 2007
(expressed in thousands of United States dollars)
(unaudited)

	June 30, 2008 (unaudited)	December 31, 2007
Assets		
Current Assets		
Cash and cash equivalents	$ 13,106	$ 14,055
Short term investments	-	3,955
Accounts receivable	3,941	970
Income taxes receivable	50	1,250
Inventories (note 3)	4,767	4,519
Prepaid expenses and deposits	601	498
Total current assets	22,465	25,247
Mineral property, plant, equipment and mine development (net) (note 4)	60,364	60,714
Restricted cash (note 5)	7,538	7,386
Other long term assets	1,197	1,264
Total assets	$ 91,564	$ 94,611
Liabilities and shareholders equity		
Current liabilities		
Trade accounts payable	$ 2,347	$ 1,985
Payroll liabilities	1,062	806
Income, property and mining taxes	1,698	1,161
Concentrate settlement payable	416	526
Other accrued liabilities	1,438	852
Current portion of long term debt	3,025	9,719
Total current liabilities	9,986	15,049
Long-term portion of debt (note 6)	597	1,784
Reclamation and remediation liability (note 9 (b))	7,231	7,141
Future income taxes	8,450	8,391
Total liabilities	26,264	32,365
Non controlling interest	9,072	8,175
Shareholders' equity		
Preferred stock, no par value, unlimited authorized, nil issued and outstanding		
Common stock, no par value unlimited authorized, 75,002,702 (2007- 74,295,702) shares issued and outstanding	56,871	56,315
Contributed surplus	1,675	1,556
Deficit	(2,318)	(3,800)
	56,228	54,071
Total liabilities and shareholders equity	$ 91,564	$ 94,611

See accompanying notes to interim consolidated financial statements.

Revett Minerals Inc.

Consolidated Statements of Operations and Comprehensive Income

Three and six months ended June 30, 2008 and 2007

(expressed in thousands of United States dollars except share and per share amounts)

(unaudited)

	Three month period ended June 30, 2008	Three month period ended June 30, 2007	Six month period ended June 30, 2008	Six month period ended June 30, 2007
Revenues	$ 13,377	$ 15,903	$ 25,411	$ 26,619
Expenses:				
Cost of sales	9,515	8,758	17,793	16,307
Depreciation and amortization	454	449	846	835
Exploration and development	958	625	1,310	1,100
General and administrative	1,389	1,064	2,375	2,039
Accretion of reclamation and remediation liability	148	162	295	323
	12,464	11,058	22,619	20,604
Income from operations	913	4,845	2,792	6,015
Other income (expenses):				
Interest expense	(270)	(372)	(544)	(744)
Interest and other income	362	465	617	692
Foreign exchange gain (loss)	35	838	(183)	966
Total other income (expenses)	127	931	(110)	914
Net income before non controlling interest and taxes	1,040	5,776	2,682	6,929
Income tax expense	496	953	71	1,329
Net income before non controlling interest	544	4,823	2,611	5,600
Non controlling interest	469	1,096	1,129	1,571
Net income and comprehensive income for the period	$ 75	$ 3,727	$ 1,482	$ 4,029
Basic earnings per share	$ 0.00	$ 0.05	$ 0.02	$ 0.06
Diluted earnings per share	$ 0.00	$ 0.05	$ 0.02	$ 0.06
Weighed average number of shares outstanding	75,002,702	72,863,666	74,882,279	72,863,666
Weighted average number of diluted shares outstanding	75,028,702	73,585,032	74,908,279	73,250,995

Revett Minerals Inc.
Consolidated Statements of Cash Flow
Three and six months ended June 30, 2008 and 2007
(expressed in thousands of United States dollars)
(unaudited)

	Three month period ended June 30, 2008	Three month period ended June 30, 2007	Six month period ended June 30, 2008	Six month period ended June 30, 2007
Cash flows from operating activities:				
Net income for the period	$ 75	$ 3,727	$ 1,482	$ 4,029
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	454	449	846	835
Accretion of reclamation and remediation liability	148	162	295	323
Foreign exchange loss (gain)	(35)	(838)	183	(966)
Stock based compensation	39	154	119	497
Loss (gain) on disposal of fixed assets	(7)	1	67	1
Future income tax expense (recovery)	475	953	(147)	1,329
Non controlling interest	469	1,096	1,129	1,571
Accrued interest from reclamation trust fund	(67)	(85)	(153)	(168)
Amortization of prepaid insurance premium	36	39	68	80
Change in fair value of derivative contracts	2,142	(1,466)	109	1,641
Changes in:				
Accounts receivable	(82)	(3,838)	(3,080)	(5,113)
Income taxes receivable	-	-	1,250	-
Inventory	(65)	605	(247)	(253)
Prepaid expenses and other	(88)	126	(153)	(270)
Accounts payable and accrued liabilities	1,229	5,187	1,631	1,061
Net cash provided by operating activities	4,723	6,272	3,399	4,597
Cash flows from investing activities:				
Proceeds (purchase) of short term investments	1,002	(1,465)	3,955	(1,944)
Other long term assets	3	541	-	583
Purchase of plant and equipment	(149)	(2,450)	(155)	(2,708)
Net cash provided (used) by investing activities	856	(3,374)	3,800	(4,069)
Cash flows from financing activities:				
Proceeds form the issuance of common stock, net	-	-	-	1,327
Proceeds from long term debt	-	1,838	-	1,839
Repayment of debt	(763)	(1,602)	(7,388)	(2,342)
Repayment of capital leases	(282)	(244)	(577)	(425)
Net cash from (used by) financing activities	(1,045)	(8)	(7,965)	399
Effects of foreign exchange on cash held In foreign currencies	35	838	(183)	966
Net increase (decrease) in cash and cash equivalents	4,569	3,728	(949)	1,893
Cash and cash equivalents, beginning of period	8,537	18,027	14,055	19,862
Cash and cash equivalents, end of period	$ 13,106	$ 21,755	$ 13,106	$ 21,755
Supplementary cash flow information:				
Cash paid for interest expense	$ 148	$ 242	$ 552	$ 787
Common stock issued to acquire non-controlling interest	$ -	$ -	$ 556	$ -
Acquisition of plant and equipment under capital lease	$ -	$ -	$ 84	$ -

Revett Minerals Inc.
Consolidated Statement of Shareholders' Equity
Six months ended June 30, 2008 and 2007
(expressed in thousands of United States dollars)
(unaudited)

	Common shares								
	Shares		Amount		Contributed surplus		Deficit		Total
Balance, December 31, 2006	71,904,088	$	53,989	$	816	$	(4,673)	$	50,132
Issued for cash on the exercise of share purchase warrants	1,293,615		1,327		-		-		1,327
Stock-based compensation on options granted	-		-		496		-		496
Net income for the year	-		-		-		4,029		4,029
Balance, June 30, 2007	73,197,703	$	55,316	$	1,312	$	(644)	$	55,984
Balance, December 31, 2007	74,295,702	$	56,315	$	1,556	$	(3,800)	$	54,071
Issued to acquire non controlling interest	707,000		556		-		-		556
Issued for cash on the exercise of share purchase warrants	-		-		-		-		-
Stock-based compensation on options granted	-		-		119		-		119
Net income for the period	-		-		-		1,482		1,482
Balance, June 30, 2008	75,002,702	$	56,871	$	1,675	$	(2,318)	$	56,228

See accompanying notes to interim consolidated financial statements.

1. Basis of Presentation

In the opinion of management, the accompanying unaudited interim consolidated balance sheet and consolidated statements of operations, cash flows, and shareholders' equity contain all adjustments, consisting only of normal recurring items, necessary to present fairly, in all material respects, the financial position of Revett Minerals Inc. ("Revett Minerals" or the "Company") as of June 30, 2008, and the results of its operations and its cash flows for the three and six month periods ended June 30, 2008 and 2007. The operating and financial results for Revett Minerals for the three and six months ended June 30, 2008 are not necessarily indicative of the results that may be expected for the year ended December 31, 2008.

Except as discussed in note 2 below, these unaudited interim financial statements are prepared using the same accounting policies and methods of application as those disclosed in note 2 to the Company's audited financial statements for the year ended December 31, 2007. These financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and accordingly, these interim financial statements do not include all the notes to the financial statements required in audited financial statements and as such these statements should be read in conjunction with the most recently completed audited financial statements and notes of the Company for the year ended December 31, 2007. These statements have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"). Material differences between Canadian GAAP and generally accepted accounting principles in the United States ("US GAAP") are disclosed in note 11. All currency is reported in United States dollars unless otherwise specified.

2. Adoption of New Accounting Standards

On January 1, 2008, the Company adopted The Canadian Institute of Chartered Accountants ("CICA") section 1535- *Capital Disclosures*. This section establishes standards for disclosure concerning the Company's objectives, policies and processes for managing capital. The required disclosure is contained in note 7 (a).

On January 1, 2008, the Company adopted CICA section 3862- *Financial Instruments-Disclosures* and section 3863 *Financial Instruments- Presentation*, which together comprise a set of disclosure and presentation requirements that revise and enhance current disclosure obligations. Section 3862 requires disclosure of additional detail by financial asset and liability categories. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. The standard deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and liabilities are offset. The required disclosure is contained in note 10.

On January 1, 2008, the Company adopted CICA section 3031- *Inventories,* which provides guidance on the measurement, presentation and disclosure requirements for inventories. This pronouncement requires inventories to be measured at the lower of cost and net realizable value and provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. In certain circumstances this section also requires that previous write downs be reversed. Previously, the Company valued materials and supplies inventory at the lower of cost or replacement cost and a write up of inventory was not permitted. This section has been applied retroactively without restatement of prior periods but the adoption of this section did not result in any adjustments to opening deficit. The required disclosure is contained in note 3.

(tabular amounts are expressed in thousands of U.S. dollars, except share and per share amounts)

3. Inventories

The major components of the Company's inventory accounts at June 30, 2008 and December 31, 2007 are as follows:

	June 30, 2008 (unaudited)	**Dec. 31, 2007** (audited)
Concentrate inventory	$ 1,191	$ 1,187
Material and supplies	3,576	3,332
	$ 4,767	**$ 4,519**

Inventories are valued at cost at June 30, 2008 as cost exceeds net realizable value and at net realizable value at December 31, 2007. The table below identifies the nature of expenses included in cost of sales for the three and six months ended June 30, 2008 and 2007:

Nature of expense	**Three month period ended June 30, 2008 (unaudited)**	**Three month period ended June 30, 2007 (unaudited)**	**Six month period ended June 30, 2008 (unaudited)**	**Six month period ended June 20, 2007 (unaudited)**
Raw materials and consumables used	$ 3,633	$ 3,508	$ 6,802	$ 6,455
Labor costs	3,655	3,240	6,259	5,747
Other costs	2,139	1,399	4,736	4,126
Net change in concentrate inventories	88	611	(4)	(21)
	$ **9,515**	$ **8,758**	$ **17,793**	$ **16,307**

4. Mineral Property, Plant, Equipment and Mine Development

The major components of the Company's mineral property, plant, and equipment accounts at June 30, 2008, and December 31, 2007 are as follows:

	June 30, 2008 (unaudited)	**Dec. 31, 2007** (audited)
TROY:		
Property acquisition and development costs	$8,989	$ 9,093
Plant and equipment	11,454	11,324
Buildings and structures	996	997
ROCK CREEK:		
Property acquisition costs	40,044	39,595
OTHER, corporate	3,672	3,672
OTHER, mineral properties	118	118
	65,273	64,799

(tabular amounts are expressed in thousands of U.S. dollars, except share and per share amounts)

Accumulated depreciation &depletion:		
Troy Property	(2,528)	(2,142)
Troy plant and equipment	(2,122)	(1,727)
Troy buildings and structures	(186)	(146)
Other corporate assets	(73)	(70)
	(4,909)	**(4,085)**
	$ 60,364	**$ 60,714**

No drilling costs were incurred and capitalized to convert mineral resources to reserves at the Rock Creek property and the Troy mine during the periods presented.

On February 1, 2008, Revett Silver shareholders exchanged 707,000 Class B common shares for common shares of the Company on a one for one basis. The Company exchanged these Class B common shares for Class A common shares of Revett Silver increasing its ownership in Revett Silver from 69% to 69.8%. As a result of this share exchange, the Company recorded an increase in the carrying value of the Troy and Rock Creek properties in the amount of $528,689, an increase in the future income tax liability of $206,400 and a corresponding reduction of $233,352 in non controlling interest.

5. 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 reclamation and mine closure liabilities at the Troy Mine. The remaining $1.9 million was comprised of a premium paid to the insurer and Montana state taxes on the ERTP transaction. This remaining amount is considered a non-current asset and is amortized over the life of the mine on a units-of-production basis. At June 30, 2008 the commutation account was $7.5 million (December 31, 2007-$7.4 million) and the balance for the prepaid insurance was $1.4 million (December 31, 2007-$1.4 million), of which the long term portion of $1.2 million (December 31, 2007-$1.2 million) is included in other assets.

6. Long-term debt

At June 30, 2008 and December 31, 2007 the balance of the company's long term debt and capital lease obligations were as follows.

	June 30, 2008 (unaudited)	**Dec. 31, 2007** (audited)
Royal Gold royalty	$ 2,317	$ 3,705
Kennecott note	-	6,000
Capital leases	1,305	1,798
	3,622	11,503
Current portion	(3,025)	(9,719)

(tabular amounts are expressed in thousands of U.S. dollars, except share and per share amounts)

	$ 597	**$ 1,784**

Royal Gold Royalty

In October 2004, Revett Silver sold Royal Gold two royalties on production from the Troy Mine for $7.25 million (the "production payment") and $0.25 million (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 $10.5 million. The tail royalty is 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. At June 30, 2008, royalty payments approximating a cumulative total of $7.2 million had been made with an additional $0.9 million payable in July 2008.

Kennecott Note Payable

The Kennecott note payable, originally issued by Revett Silver, bore interest at 1% over the prime rate in effect on the last day of the preceding quarter. On February 21, 2008, this note was acquired by Revett Minerals for face value and the Company received an assignment of the mortgages on the Troy and Rock Creek properties which secure this note.

7. Share Capital

(a) Capital Management

The Company is a junior mining company with only one producing asset and limited access to financial markets at advantageous terms and conditions. The Company's objectives in managing its capital are twofold;

(i) to maintain sufficient liquidity to ensure the Company can meet its obligations as they become due and to ensure sufficient cash or debt facilities are in place to fund the Company's growth objectives and projects; and
(ii) to minimize dilution of common equity now and in the future as and when the Company is required to access the capital markets.

The Company defines capital to include debt and equity. The Company establishes the amount of capital in proportion to risk by managing the capital structure and making adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or seek debt financing.

The Company's size, limited operating history, and the limited magnitude of its internally generated cash may be inadequate to finance its planned development activities at Rock Creek and its exploration and property, plant and equipment requirements at Troy. These factors also make accessing the debt markets difficult and costly. The Company may, from time to time, sell equity through secondary offerings to finance these cash requirements. The Company endeavors to sell its equity under the most favorable terms and conditions while attempting to minimize dilution to existing shareholders. To accomplish its objectives in managing capital, the Company continually monitors both the debt and equity markets to ensure the best possible price for any offering. The Company has decided not to pay dividends or repurchase any of its own outstanding equity for the foreseeable future.

Neither the Company nor its subsidiaries are subject to any externally imposed capital requirements, loan covenants or capital ratios. There were no changes to the Company's approach to capital management for the three and six months ended June 30, 2008.

<u>(b) Common Stock</u>

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 June 30, 2008, the Company had 75,002,702 shares of common stock outstanding. At June 30, 2008, Revett Silver had 26,311,761 Class B common shares outstanding which may be exchangeable into common shares of the Company, under certain conditions.

<u>(c) Preferred Stock</u>

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 June 30, 2008, no preferred stock was issued or outstanding.

<u>(d) Stock options</u>

The Company's Equity Incentive Plan authorizes 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. As at June 30, 2008 Revett Silver had a total of 1,585,000 stock options exercisable into Class B common shares of Revett Silver at a weighed average price of $0.68 per share. Revett Silver will not grant any further stock options pursuant to this plan.

There were 60,000 stock options granted during the three and six months ended June 30, 2008 by the Company. At June 30, 2008, Revett Minerals had a total of 3,740,000 stock options outstanding with a weighted average exercise price of Can $1.01 and 3,220,002 options are currently exercisable with a weighted average exercise price of Can $1.01. A total of 55,000 stock options were cancelled during the three and six month period ended June 30, 2008.

The weighted average grant date fair value of options granted in the three and six month periods ended June 30, 2008 was Can $0.32. The exercise price of the option at the date of the grant equals the fair value of the stock. The fair value of stock options granted in 2008 was estimated using the Black-Scholes option pricing model with the following assumptions:

(tabular amounts are expressed in thousands of U.S. dollars, except share and per share amounts)

a) Risk-free interest rate at the date of the grant - 2.5% per annum;
b) Life of the option- 4 years;
c) Volatility- 71%; and
d) Dividends- nil.

For the three and six months ended June 30, 2008, the Company recorded total non-cash compensation related to its equity compensation plans of $39,000 and $119,000 respectively, compared to $154,000 and $496,000 for the three and six month periods ending June 30, 2007. The table below identifies the key attributes of the stock options granted by the Company and the options vested as at June 30, 2008.

Options Granted	**Options Vested**	**Exercise Price (Can $)**	**Expiry Date**
100,000	100,000	0.76	January 25, 2010
600,000	600,000	0.76	April 27, 2010
75,000	75,000	0.55	July 19, 2010
40,000	40,000	1.25	May 12, 2011
20,000	20,000	1.25	September 15, 2011
1,520,000	1,520,000	1.10	October 4, 2011
25,000	25,000	1.45	December 4, 2011
1,050,000	700,002	1.11	January 12, 2012
40,000	40,000	1.15	March 5, 2012
210,000	70,000	0.84	November 19, 2012
60,000	30,000	0.60	May 1, 2013
3,740,000	**3,220,002**		

(e) Stock Purchase Warrants

The table below identifies stock purchase warrants outstanding at June 30, 2008 for the purchase of common shares of Revett Minerals and Revett Silver. The warrants of Revett Silver are exercisable into Class B common stock of Revett Silver, which in turn may be exchangeable into common stock of Revett Minerals, under certain conditions.

	Number	**Exercise price**	**Expiry**
Revett Minerals	2,875,000	Can$ 1.36	May 22, 2009
Revett Silver (1)	3,051,326	US$ 1.00	To be determined
Revett Silver	620,000	US$ 0.25	September 2008

(1) These warrants expire 18 months after Revett Silver becomes listed on a public stock exchange

8. Related Party Transactions

There were no related party transactions during the six months ended June 30, 2008.

(tabular amounts are expressed in thousands of U.S. dollars, except share and per share amounts)

9. Commitments and Contingencies

a) Federal Mine Safety and Health Act Violations

The federal Mine Safety and Health Administration ("MSHA") issued 53 safety related citations against a subsidiary at various times in August 2007. These citations related to a rock fall which occurred at Troy on July 30, 2007. Three of these citations allege the subsidiary company was negligent with respect to certain operations or activities conducted while mining and two citations allege the subsidiary acted in reckless disregard for the safety of the employees at the mine. In April 2008, the Company was informed by MSHA that fines approximating $0.6 million were being proposed relating to these and other citations, of which $0.5 million is being contested. The Company disputes the allegations and rational for the determination of the fines put forth by MSHA and is in the process of appealing the findings and fines. The Company will vigorously defend itself in court, if necessary.

b) Reclamation

In accordance with the operating permit granted the Troy Mine, the Montana DEQ is periodically required to review the ultimate bonding requirements for the mine. The bonding requirement at Troy totals $12.6 million and it is expected to increase an additional $0.3 million in 2008. The following table shows the changes in the reclamation liability for the six month period ended June 30, 2008.

	June 30, 2008 (unaudited)	**Dec. 31, 2007** (audited)
Reclamation and remediation liability beginning of period	$ 7,141	$ 7,603
Change in timing and amount of estimated cash flows	(205)	(1,021)
Accretion expense	295	559
Ending balance	**$ 7,231**	**$ 7,141**

During the six months ended June 30, 2008, the Company extended the mine life at Troy to 2015 from 2013 and also increased the estimated undiscounted cost to reclaim Troy by $1.0 million. This resulted in a net reduction of the estimated liability.

c) Legal Proceedings

(1) Rock Creek Permitting Matters:

There are a number of legal challenges relating to the United States Forest Service ("USFS") and DEQ approving the Rock Creek record of decision and supporting studies (including the recently re-affirmed biological opinion) and analysis. These challenges have been filed by individuals and organizations generally opposed to mining in the United States. The Company, in general, is not a named defendant to these actions, but it typically has requested and has been granted intervener status due to the direct impact the outcome of these cases could have on the Company's Rock Creek project. The court has been fully briefed on all matters currently being adjudicated, or where the Company has prevailed, the decision of the court is being appealed. Therefore, the outcome of these matters is not determinable. Although the Company believes that it will ultimately retain its environmental and operating permits, it is possible that successful challenges could delay or prevent the Company from advancing development of the Rock Creek project which could result in the impairment and write down of the carrying value related to Rock Creek.

10. Financial Instruments

(a) Financial Risk Management

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments.

(b) Credit Risk

Credit risk is the potential for loss if a counterparty or customer fails to meet its financial obligations, principally with respect to accounts receivable, the investment in securities and if applicable, from the counterparty's failure to honor obligations on forward contracts. In general, the Company manages this risk by doing business with reputable, highly rated companies and by closely monitoring the prompt payment of all obligations owing it.

Copper concentrate is sold to one customer under a long term contract. This customer is a privately held international metal trading company and it is one of the largest metal trading companies in the world. Therefore, management is unable to accurately determine the precise credit worthiness of any outstanding receivables due it. The Company receives a 90% provisional payment 14 days from the rail bill of lading date and may be at risk for this payment and the remaining provisional payments on prior shipments should this company encounter significant liquidity problems. Since 2005, the Company has received prompt and timely payment for all outstanding metal sales invoices. All sales are finalized and are required to be settled within three months of the rail car arriving at the smelter. Therefore, if its current customer is unable to purchase the Company's concentrate, the Company believes that another buyer could be found, although the terms and conditions may not be as favorable as those currently enjoyed.

The Company may be exposed to credit risk on copper and silver forward contracts if its counterparty were not to honor its contractual commitment at settlement. The Company attempts to manage this risk by contracting only with reliable and reputable third parties. At June 30, 2008, the Company had 0.3 million pounds of copper hedged at $3.73 per pound settling in the fourth quarter of 2008.

The Company manages its credit risk associated with cash and short term investments through the use of large reputable regional financial institutions in the United States and in Canada by utilizing the services of one of Canada's largest chartered banks. At June 30, 2008, the Company held cash and cash equivalents and short term investments in the amount of $13.1 million. The Company uses two banking institutions, a local regional bank which accounts for $9.4 million of the total and a major Canadian chartered bank which holds approximately $3.7 million. The funds held by the Canadian chartered bank are only invested in certificates of deposit which have a typical maturity of less than a year. Of the total $9.4 million held in the regional bank, approximately $3.9 million is liquid, held in checking or sweep accounts. $5.5 million is held in money market accounts and invested in terms for less than 90 days. The board of directors has approved a policy with respect to the investment of cash and it includes the following requirements:

(tabular amounts are expressed in thousands of U.S. dollars, except share and per share amounts)

> i) no security shall be of a maturity longer than 18 months, unless otherwise directed by the Company's board of directors;
>
> ii) no single issuer or guarantor (other than U.S. Treasury and other Federal Agencies) may represent more than 15-percent of the total value of Company's investible cash;
>
> iii) the total portfolio must meet certain specified liquidity requirement such that the Company can convert these investments into cash within a reasonably short time period; and
>
> iv) the board has specified the credit worthiness of acceptable investments as measured by third party rating agencies.

Both the Company and the investment manager at each financial institution is responsible for ensuring all fixed income investments conform to the policy adopted by the board of directors.

The Company is required to provide third party financial assurance to the State of Montana regarding its reclamation obligations. This assurance is provided by an insurance company with a credit rating of A+ XV by AM Best, and this company also holds and controls the commutation account funds. The commutation account is used to secure the financial assurance provided the State. This provider of the financial assurance and the holder of the commutation account funds must be approved by the State of Montana. However, should this company become insolvent and the State requires third party assurance from a different company, there is no assurance that the Company would be able to obtain such financial assurance, in which case the operating permits at Troy and Rock Creek would likely be revoked.

The carrying amount of financial assets represents the maximum credit exposure. At June 30, 2008, the Company's gross credit exposure was as follows:

Cash and cash equivalents	$	13,106
Accounts receivable		3,941
Restricted cash		7,538
	$	**24,585**

(c) Liquidity Risk

Liquidity risk is the risk the Company will not be able to obtain sufficient cash to meet its financial obligations as they come due. This risk is typically managed through the prudent investment of cash balances, through the close monitoring of discretionary expenditures, such as capital and exploration programs and by the preparation of detailed cash forecasts and monitoring trends in metal production and metal prices. Significant cash commitments at June 30, 2008 are as follows:

(tabular amounts are expressed in thousands of U.S. dollars, except share and per share amounts)

	1 Year	**2-3 Years**	**3 Plus Years**	**Total**
Accounts payable and accrued liabilities	$ 6,961	$ -	$ -	$ 6,961
Capital leases (1)	838	977	-	1,815
Operating leases	512	512	-	1,024
Royalty owing (1) (2)	3,337	-	-	3,337
Asset retirement obligation(3)	-	-	13,320	13,320

(1) These amounts include interest.
(2) The royalty obligation is only payable on actual production and is capped at $10.5 million.
(3) These amounts represent the undiscounted cash flow estimates.

(d) Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates will affect the Company's income or the value of its financial instruments.

Commodity price risk: This is the largest market risk the Company is exposed to as changes in the prices of silver and copper will have a significant effect on revenue and the value of accounts receivable because a significant portion of the Company's sales are subject to a future pricing mechanism and changes in metal prices will change both revenue and the value of accounts receivable. The Company does have a hedging policy which permits the Company to fix the price of concentrate to be produced in the future or for which concentrate has been sold and for which final settlement has not occurred.

For financial statement purposes the Company fair values all forward sales contracts and the amount of silver and copper in concentrate sold to its customer for which final prices have not yet been determined. At each month end, the Company adjusts its revenue to account for expected future prices and the corresponding expected future revenue and cash flow. In order to do this, the Company must make estimates of the future prices expected to prevail when final settlement occurs. The Company uses published forward prices for the period of expected settlement to estimate these expected prices. The table below identifies the accounts receivable for which revenues are subject to adjustment in the future as at June 30, 2008 and December 31, 2007.

Sales for which prices are not finalized	**June 30, 2008**	**December 31, 2007**
Copper sales not finalized (lbs)	3,862,820	1,822,972
Concentrate settlement payable for copper (000's)	$ (207.0)	$ (601.6)
Silver sales not finalized (ozs)	392,365	200,215
Concentrate settlement payable for silver (000's)	$ (209.0)	$ 78.8

Should the price of copper change by $0.50 per pound and the price of silver change by $1.00 per ounce, then copper revenues would have changed by $2.2 million and silver revenue would have changed by $0.4 million for the six month period ended June 30, 2008.

(tabular amounts are expressed in thousands of U.S. dollars, except share and per share amounts)

Interest rate risk: At June 30, 2008, the Company had limited interest rate risk as the majority of its capital leases have fixed rates of interest and secondly, its cash investments are of a sufficiently short duration that changes in interest rates are unlikely to have significant effect on the value of these investments. The interest rate on the Royal Gold royalty is estimated using the effective interest rate method and as such changes in interest rates do not affect it.

Foreign exchange risk: The Company's only foreign exchange risk is its exposure to the Canadian dollar, which as previously discussed, is limited to the $3.7 million dollars invested with a Canadian chartered bank. The Company has limited operating risk created through changes in foreign exchange because its operating assets are located in the United States, the US dollar is the Company's functional currency and metal sales are priced in United States dollars. A 10% change in the value of the Canadian dollar against the US dollar would have changed net income by approximately $0.37 million, all other things being held constant.

(e) Fair Values

The carrying values of cash and cash equivalents, short term investments, restricted cash, and accounts payable and accrued liabilities approximate fair value due to their limited time to maturity or ability to immediately convert them to cash in the normal course. The carrying value of accounts receivable and forward sales contracts approximates fair value as they are marked to market each month using quoted forward prices as at the last trading day of each month. The carrying values of capital lease obligations and the Royal Gold royalty approximate fair market values as they are based on market rates of interest.

11. Reconciliation to United States Generally Accepted Accounting Principles

The consolidated financial statements have been prepared in accordance with Canadian GAAP, which differs in certain material respects from those principles that the Company would have followed had its consolidated financial statements been prepared in accordance with US GAAP.

The effect of the material measurement differences between Canadian GAAP and US GAAP on the amounts reported in the consolidated balance sheets, statements of operations and cash flows are as follows:

	June 30, 2008	**Dec. 31, 2007**
Liabilities, under Canadian GAAP	$ 35,336	$ 40,540
Shares redeemable at option of holder (a)	1,076	1,076
Liabilities, under US GAAP	$ 36,412	$ 41,616
Shareholders' equity, under Canadian GAAP	$ 56,228	$ 54,071
Shares redeemable at option of holder (a)	(1,076)	(1,076)
Shareholders' equity, under US GAAP	$ 55,152	$ 52,995

There are no material differences between Canadian GAAP and US GAAP with respect to net income and comprehensive income and total operating, financing or investing cash flows in the consolidated statement of cash flows, for any of the periods presented.

(a) Redeemable shares:

The Company has issued 3,583,333 common shares which are redeemable, at the option of the holder, into a net smelter return royalty. Under Canadian GAAP, the equity portion of these shares would be classified as equity. Under US GAAP, the full value associated with the redeemable shares is classified as temporary equity in liabilities.

(b) Income taxes:

For Canadian GAAP purposes, future income tax assets and liabilities are calculated based on substantially enacted tax rates in effect in the periods when the temporary differences are expected to reverse. For US GAAP purposes, enacted tax rates are used to calculate future income tax assets and liabilities. For all periods presented, there were no differences between the tax rates used for Canadian and US GAAP purposes.

(c) Common share units:

Under Canadian GAAP, the proceeds received on issuance of units, consisting of common shares and warrants, are not required to be allocated to the individual common share and warrant components when the instrument and its components are all determined to be equity instruments. Under US GAAP, the Company is required to allocate the proceeds received on unit offerings to the individual common share and warrant components on a relative fair value basis when both components are determined to be equity classified. The fair value of share purchase warrants issued in November 2006 was determined to be $1.0 million using the Black-Scholes method based on the following factors: risk free rate - 4.50%; volatility - 70%; expected life - 2.5 years; expected dividend yield - nil. Accordingly, under US GAAP, share capital as at June 30, 2008 and December 31, 2007 would be reduced and contributed surplus as at these dates would be increased by $1.0 million to reflect the relative fair values of the shares and warrants. As at June 30, 2008, none of the warrants had been exercised.

(e) Other additional disclosures:

The following additional information would be disclosed if these consolidated financial statements were presented in accordance with US GAAP:

Stock option plan and compensation expense:

The weighed average intrinsic value of options exercised during the six months ended June 30, 2008 was nil (2007- nil). At June 30, 2008, the weighted average intrinsic value of options outstanding and exercisable was nil and nil respectively, and at June 30, 2007, they were Can $573,700 and Can $445,350, respectively.

At June 30, 2008, the total unrecognized compensation cost related to unvested stock options is $144,200. This cost is expected to be recognized over the weighted average period of 16 months.

At June 30, 2008, Revett Silver Company, a subsidiary of the Company had 1,585,000 stock options outstanding. The weighted average exercise price of Revett Silver options granted and exercisable is Can $0.69 per share. All options granted have vested. As at June 30, 2008 the estimated intrinsic value of the options granted and vested was Can $9,000 (2007-Can $1,865,100). Revett Silver is a private company and for the purposes of this calculation, it was assumed the value of Revett Minerals' and Revett Silver's common shares are the same.

(f) Impact of recently adopted United States accounting pronouncements:

(i) On January 1, 2008, the Company adopted SFAS no. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159), which permits entities to choose to measure many financial assets and financial liabilities at fair value. Unrealized gains on items for which the fair value option has been elected are to be reported in earnings. The Company did not adopt the fair value option of any of its assets or liabilities.

(ii) On January 1, 2008, the Company adopted SFAS no. 157, "Fair Value Measurements, (SFAS 157). SFAS 157 established a framework for measuring fair value and expands disclosure about fair value measurements, but does not require any new fair value measurements. The adoption of SFAS No. 157 did not materially effect the presentation or disclosure in the Company's financial statements.

(iii) In June 2008, the EITF reached a conclusion in EITF07-05 that an equity-linked financial instrument would not be considered indexed to the Company's own stock if the strike price is denominated in a currency other than the issuer's functional currency. The determination of whether an equity-linked financial instrument is indexed to an entities own stock is not affected by the currency or currencies in which the underlying shares trade. This guidance is effective for financial statements beginning on January 1, 2009. The Company is presently evaluating the effect this guidance will have on its financial statements.

Item #2: Management's Discussion and Analysis of Financial Condition and Results of Operations as at August 14, 2008

This Management's Discussion and Analysis ("MD&A") of the financial results of Revett Minerals Inc. ("Revett Minerals" or the "Company") for the three month and six month periods ended June 30, 2008 should be read in conjunction with the unaudited interim financial statements and notes as at June 30, 2008 which form part of this report and the 2007 annual audited consolidated financial statements, the related Management's Discussion and Analysis, and the Form 10-K filed in Canada on SEDAR or on file in the United States on EDGAR. These financial statements are expressed in United States dollars, unless otherwise stated, and they are prepared in accordance with Canadian generally accepted accounting principles. Material differences between Canadian and US GAAP are disclosed in note 11 of the consolidated interim financial statements.

Some of the statements in this MD&A are forward looking statements that are subject to risk factors set out in the cautionary note contained in this MD&A.

Overview and Important Factors Influencing Results for the Three and Six Months Ended June 30, 2008

As at August 14, 2008, the Company's principal assets consisted of a 69.8% interest in the Troy copper and silver mine ("Troy") in northwest Montana, USA and also a 69.8% interest in the Rock Creek copper and silver exploration project ("Rock Creek") also located in northwest Montana. Troy was placed back into commercial production by the Company in January, 2005.

Overall Performance

For the three month period ended June 30, 2008, Revett Minerals reported net income after taxes and non-controlling interest of $0.1 million or $0.00 per share compared to net income after taxes and non-controlling interest of $3.7 million or $0.05 per share for the three months ended June 30, 2007. Net earnings in the second quarter of 2008 were negatively effected by three significant factors, (i) in the quarter revenues were reduced by $2.0 million due to the accounting requirement to mark to market accounts receivables and forward contracts for which final settlement has not yet occurred; (ii) legal expenses relating to Rock Creek approximated $0.5 million; and (iii) a large tax adjustment because management changed its estimate of the amount of exploration spending at Rock Creek which increased income tax expense for the period.

For the six month period ended June 30, 2008, Revett Minerals reported net income after taxes and non-controlling interest of $1.5 million or $0.02 per share compared to net income after taxes and non-controlling interest of $4.0 million or $0.06 per share for the six months ended June 30, 2007.

On a stand alone basis, Troy (100% basis) reported net income before taxes for the three month period ended June 30, 2008 of $3.4 million compared to net income before taxes of $8.2 million for the comparable period in 2007. Only 69.8% of these earnings are attributable to the shareholders of Revett Minerals during the reporting period because of the non-controlling shareholdings in Revett Silver. This ownership interest increased from 69% in December 2007 to 69.8% in February 2008 and was 67% on June 30, 2007.

The major highlights for the three and six months ended June 30, 2008 included:

- *Troy (100% basis) attained mill throughput averaging 3,645 tons per day for the three months ended June 30, 2008 (and 3,489 tons per day for the first six month period in 2008) compared to 3,711 tons per day during the three months ended June 30, 2007 (and 3,801 tons per day for the six month period ended June 30, 2007);*
- *Troy (100% basis) generated over $5.2 million in cash for the three months ended June 30, 2008 bringing its year to date cash flow to over $3.6 million;*
- *Troy (100% basis) generated net earnings before taxes of $3.4 million for the second quarter of 2008 and $6.6 million for the six month period ended June 30, 2008;*
- *Troy (100% basis) produced 2.4 million pounds of copper and 259,847 ounces of silver in concentrate during the second quarter of 2008 compared to 3.5 million pounds of copper and 372,332 ounces of silver for the three months ended June 30, 2007;*
- *For the six month period ended June 30, 2008, Troy produced 4.5 million pounds of copper and 491,759 ounces of silver in concentrate compared to production of 6.8 million pounds of copper and 731,466 ounces of silver in concentrate for the comparable six month period in 2007;*
- *Troy has now operated for 12 consecutive months without a lost time incident; and*
- *The Troy Mine has entered into a contractual agreement with Small Mine Development ("SMD") whereby SMD will provide contract mining services to assist in development of the "C-Beds" and also assist in the on-going mining and development in the East Ore Body.*

Results of Operations for the Three Months and Six Months Ended June 30, 2008 Compared to the Same Periods in 2007

For the three months ended June 30, 2008, Revett reported net income of $0.1 million or $0.00 per share on revenue of $13.4 million. This compared to net income of $3.7 million or $0.05 per share during the three months ended June 30, 2007 on revenues of $15.9 million.

For the six month period ended June 30, 2008, Revett Minerals reported net income after taxes and non-controlling interest of $1.5 million or $0.02 per share compared to net income after taxes and non-controlling interest of $4.0 million or $0.06 per share for the six months ended June 30, 2007.

Operating Results:

The table below illustrates certain key operating statistics for Troy (100% basis) for the three months ended June 30, 2008, with a comparison to the prior three months and same three month period in 2007.

	Three Months Ended June 30, 2008	Three Months Ended March 31, 2008	Three Months Ended June 30, 2007
Tons milled	331,698	299,863	337,712
Tons milled per day	3,645	3,332	3,711
Copper grade (%)	0.41	0.41	0.59
Silver grade (opt)	0.87	0.87	1.24
Copper recovery (%)	87.9	86.5	87.1
Silver recovery (%)	90.1	89.0	88.5
Copper produced (lbs)	2,388,947	2,129,522	3,490,930

Silver produced (ozs)	259,847	231,912	372,332
Copper sold (payable pounds)	2,391,086	2,017,974	3,544,216
Silver sold (payable ounces)	244,630	204,297	378,226

Production levels in the second quarter of 2008 improved by 10.6% over the first quarter of 2008, but lower than planned ore grades continue to affect the amount of payable metal produced. Since January 2008 the mine has operated for significant periods of time in the fringes of the ore body because metal prices have allowed for the production from lower grade material and, additionally the mine remains behind in its development as it continues to recovery from restrictions placed on it by MSHA during the second half of 2007. Ore grades, however, remain below average life of mine grades and modest improvement in grades is anticipated throughout the rest of the year. By the end of the quarter as mining activities became normalized, the grade of ore milled had improved significantly which will contribute to improved production. Mill recoveries remain good and are above anticipated levels. The table below illustrates operating costs on a tons milled basis and generally reflects the sensitivity of costs to the level of mill throughput.

	Q2.08	**Q1.08**	**Q4.07**	**Q3.07**	**Q2.07**	**Q1.07**
Tons milled	331,698	299,863	212,425	208,186	337,712	350,180
Cost per ton milled ($)	26.96	26.33	32.81	32.89	22.04	21.77

Financial Results for the three months ended June 30, 2008:

a) *Revenue:* During the second quarter of 2008, the Troy Mine delivered and sold 2.4 million pounds of payable copper and 244,630 ounces of payable silver in concentrate. This is an improvement over the level of sales in the first quarter of 2008 which totaled 2.0 million pounds of payable copper and 202,763 ounces of payable. Compared to the second quarter of 2007, sales volumes were slightly less in this quarter due largely to the lower grade of ore milled. In the second quarter of 2007, the Company delivered and sold 3.5 million pounds of copper and 378, 226 ounce of payable silver in concentrate. Total sales revenue during the second quarter of 2008 was $13.4 million compared to $15.9 million in the second quarter of 2007 and is a result of lower production and sales of payable metal in concentrate. In 2008 higher metal prices mostly offset the lower physical sales of both copper and silver in concentrate. During the three months ended June 30, 2008 the price of copper averaged $3.38 per pound (Q1.08-$3.54 per pound) and silver averaged $17.17 per ounce (Q1.08- $17.68 per ounce) compared to the copper price of $3.46 per pound in the second quarter of 2007 (Q1.07-$2.69 per pound). In 2007 silver averaged $13.34 and $13.53 per ounce in the second and first quarters respectively. The main factors which resulted in lower production and sales in 2008 compared to that in 2007 were: (i) lower mill throughput of 8%; and (ii) a reduction in the grade of copper and silver ore milled of 27% and 24%, respectively. These unfavorable factors were offset by higher recoveries of metal in the mill. The 2008 reduction in metal production was a result of the restrictions placed by MSHA on areas where mining could take place resulting from the second quarter 2007 ground fall. Improvements have been made in July in both mill throughput and the grade of ore milled.

b) *Cost of Goods Sold:* The cost of goods sold associated with the second quarter revenue was $9.5 million, an increase of $0.76 million (8.6%) over the same period in 2007. Costs increased because of higher labor expenditures, increased maintenance costs, increased parts and supplies costs (mostly in the drill and blast activities), and an increase in property and state mining taxes (the latter being a direct function of metal sales). On an operating cost basis the cost per ton milled (calculated as mining costs per ton milled plus milling costs per ton milled plus mine indirect costs per ton milled) increased to $26.96 per ton compared to $22.04 per ton in the second quarter of 2007. In the first quarter of 2008, operating costs per ton milled averaged $26.33 per ton. The increase in operating costs per ton milled in the second quarter of 2008 compared to the second quarter of 2007 was a function of lower mill throughput, increased salary expense and increased costs of parts and supplies.

c) *Depreciation and amortization:* For the second quarter of 2008, these non cash charges were marginally lower than the second quarter of 2007 because of the small reduction in mill throughput. The majority of the plant and equipment at Troy is depreciated using the units-of-production method and changes in tons processed will change the amount of depreciation and amortization expense for the period.

d) *Exploration and development:* Exploration and development expense increased by over $0.3 million because of increased legal expenses relating to the Rock Creek permit challenges. The court required that all briefs, replies and responses be submitted by June 4, 2008 and therefore there was a concentrated effort by the Company’s legal counsel to complete all of the required work before the end of the quarter.

e) *General and administration costs:* The increase in corporate administration costs in the second quarter of 2008 over the comparable quarter in 2007 was due to increased public company costs including SOX 404 compliance costs, an increase in salaries and an increase in board of director costs resulting from the addition of one director and more director meetings were held.

f) *Accretion of reclamation and remediation liability:* The decrease in the reclamation accretion account was a result of the increase in the mine life at Troy, essentially accreting the remaining costs over a longer period of time.

g) *Income from operations:* The decrease in concentrate production, which was offset by an increase in the price of copper and silver, resulted in the Company recording $0.9 million in income from operations, a decrease of $3.9 million from income from operations reported for the second quarter of 2007. During the second quarter of 2008, revenues were reduced by $1.9 million to fair value sales for which prices and assays were not finalized.

h) *Other Expenses:* For the second quarter of 2008, other income was a modest $0.1 million reflecting a reduction in interest expense and a reduction in foreign exchange gains on Canadian dollars held by the Company. In the second quarter of 2007 other income totaled $0.9 million which largely reflected such foreign exchange gains.

i) *Income taxes:* For the three month period ended June 30, 2008, the Company estimated its income tax expense at $0.5 million versus $1.0 million for the second quarter of 2007. The tax expense was high for the current quarter because management reduced its estimate of exploration spending on Rock Creek which resulted in an increase in its AMT liability, this change in estimate increased the utilization of its loss carry forwards and it also reduced the value of some other deferred tax assets.

j) *Non-controlling interest:* The non-controlling interest charge of $0.5 million represents the after tax share of Revett Silver's earnings attributable to the Class B shareholders of Revett Silver. This amount increases as Revett Silver's income increases and it is reduced as Revett Minerals ownership in Revett Silver increases.

k) *Net earnings:* The Company recorded net income of $0.1 million or $0.00 per share for the second quarter compared to net income of $3.7 million or $0.05 per share in the second quarter of 2007.

Financial Results for the six months ended June 30, 2008:

The table below illustrates certain key operating statistics for Troy (100% basis) for the six months ended June 30,2008, with a comparison to the same six month period in 2007.

	Six Months Ended June 30, 2008	**Six Months Ended June 30, 2007**
Tons milled	631,561	687,892
Tons milled per day	3,489	3,801
Copper grade (%)	0.41	0.56
Silver grade (opt)	0.87	1.19
Copper recovery (%)	87.2	87.1
Silver recovery (%)	89.6	88.7
Copper produced (lbs)	4,518,469	6,793,282
Silver produced (ozs)	491,759	731,466
Copper sold (payable pounds)	4,409,060	6,276,480
Silver sold (payable ounces)	447,393	668,073

l) *Revenue:* During the six months ended June 30, 2008, the Troy Mine delivered and sold 4.4 million pounds of payable copper and 447,393 ounces of payable silver in concentrate. This was a decrease for the first six months of this year compared to the first six months of 2007 due largely to the lower grade of ore milled. In the first six months of 2007, the Company delivered and sold 6.3 million pounds of payable copper and 668,073 ounce of payable silver in concentrate. Total sales revenue during the six months ended June 30, 2008 was $25.4 million compared to $26.6 million for the first six months of 2007. In 2008 higher metal prices mostly offset the lower physical sales of both copper and silver in concentrate. During the six months ended June 30, 2008 the price of copper averaged $3.69 per pound and silver averaged $17.43 per ounce compared to the copper price of $3.08 per pound and a silver price of $13.43 per ounce for the comparable period in 2007. The main factors which resulted in lower production and sales in 2008 compared to that in 2007 were: (i) lower mill throughput of 9%; and (ii) a reduction in the grade of copper and silver ore milled of 27% and 27%, respectively. These unfavorable factors were offset by higher recoveries of metal in the mill. The 2008 reduction in metal production was a result of the restrictions placed by MSHA on areas where mining could take place resulting from the second quarter 2007 ground fall. Improvements have been made in July in both mill throughput and the grade of ore milled.

m) *Cost of Goods Sold:* The cost of goods sold associated with the revenue for the first six months of 2008 was $17.8 million, an increase of $1.5 million (9.1%) over the same period in 2007. Costs increased because of higher labor expenditures, increased maintenance costs, increased parts and supplies costs, and an increase in property and state mining taxes. On an operating cost basis the cost per ton milled (calculated as mining costs per ton milled plus milling costs per ton milled plus mine indirect costs per ton milled) increased to $26.66 per ton compared to $22.04 per ton for the first six months of 2007.

n) *Depreciation and amortization:* For the six month period ended June 30, 2008, these non cash charges were marginally higher than for the same period in 2007 because of the greater depreciable basis in plant and equipment.

o) *Exploration and development:* This expense item increased by $0.2 million because of increased legal expenses relating to the Rock Creek permit challenges.

p) *General and administration costs:* The increase in corporate administration costs for the year to date was due to higher salary costs and increased corporate governance costs.

q) *Accretion of reclamation and remediation liability:* The decrease in the reclamation accretion account was a result of the increase in the mine life at Troy, essentially accreting the remaining costs over a longer period of time.

r) *Income from operations:* The decrease in concentrate production, which was offset by an increase in the price of copper and silver, resulted in the Company recording $2.8 million in income from operations, a decrease of $3.2 million from income from operations reported for the same period in 2007.

s) *Other Expenses:* For the first six months of 2008, other expenses totaled $0.1 million versus other income of $0.9 million for 2007. The difference is largely due to sizable foreign exchange gains of $1.0 million recorded in 2007.

t) *Income taxes:* For the six month period ended June 30, 2008, the Company estimated its income tax expense at $0.1 million versus $1.3 million for the six months period ended June 30, 2007.

u) *Non-controlling interest:* The non-controlling interest charge of $1.1 million represents the after tax share of Revett Silver's earnings attributable to the Class B shareholders of Revett Silver. This amount increases as Revett Silver's income increases and it is reduced as Revett Minerals ownership in Revett Silver increases.

v) *Net earnings:* The Company recorded net income of $1.5 million or $0.02 per share for the six months ended June 30, 2008 compared to net income of $4.0 million or $0.06 per share for the same period in 2007.

Summarized Financial Results by Quarter

	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
Cu Prod'n (million lbs)	2.4	2.2	1.1	1.8	3.5	3.3	1.4	1.9
Ag Prod'n (000's ozs)	260	232	127	196	372	359	175	239
Total Sales (000's $)	13,377	12,034	3,130	9,136	15,903	10,716	4,041	8,406
Net Income (000's $)	75	1,407	(3,037)	(120)	3,727	301	(4,806)	773
EPS- Basic ($)	0.00	0.02	(0.04)	(0.00)	0.05	0.00	(0.07)	0.01
EPS- fully diluted ($)	0.00	0.02	(0.04)	(0.00)	0.05	0.00	(0.07)	0.01
Cash and Cash Equivalents & s/t Investments ending (000's $)	13,106	9,540	18,010	26,012	27,639	22,446	23,802	12,574
Total Assets, ending (000's $)	91,564	89,519	94,611	100,329	102,398	94,225	94,203	87,289
Total liabilities, ending (1) (000's $)	26,264	24,801	32,365	33,959	36,318	33,111	35,545	34,097
Total Equity, ending (000's $)	56,228	56,114	54,071	56,017	55,984	52,115	50,134	43,722

(1) excludes non-controlling interest

Financing Activities

Revett Silver had entered into the following contractual financial obligations (in thousands of USD):

Contractual obligation	Total	Current portion	1 to 3 years	3 to 5 years	5 years or more
Royalty obligation	2,317	2,317	-	-	-
Capital lease obligations	1,591	708	883	-	-
Long term reclamation costs	13,320	-	-	-	13,320
Total contractual obligations	**17,228**	**3,025**	**883**	**-**	**13,320**

Liquidity and Capital Resources

The Company continues to be in a good working capital position with minimal debt obligations outstanding as at end of the second quarter of 2008. At the end of June 2008, there was $12.5 million of working capital compared to $10.2 million at December 31, 2007 and $11.6 million at March 31, 2008. This working capital includes cash, cash equivalents, and short term investments of $13.1 million at June 30, 2008 compared to $18.0 million at December 31, 2007.

During the first quarter of 2008, Revett Minerals repurchased at face value the Kennecott loan which accounted for the majority of the reduction in cash which was offset by Troy's cash flow for the six month period ended June 30, 3008 of $3.6 million. In addition, receivables increased because of an increase in production and sales during the second quarter of 2008 compared to production and sales in November and December of 2007 coupled with the significant increase in the price of copper and silver at June 30, 2008 compared to December 2007. This increase in metal prices also contributed to an increase in the fair value of accounts receivable for which final settlement had not occurred as at those same balance sheet dates. The only debt obligations remaining include capital leases on equipment at Troy and the production based royalty owing Royal Gold. As of the date of this report, the Company had paid a total of $8.0 million on the Royal Gold 7% royalty obligation. This royalty is capped at total payments of $10.5 million.

During 2008, the Company has budgeted to spend $0.9 million in exploration at Troy and $1.2 million in capital, of which $0.7 million is development work to drive a ramp down from the existing mining areas into the "C-bed" reserves. The Company believes that it may be able to commence the evaluation program at Rock Creek in the near future. Total budgeted spending at Rock Creek for 2008 is approximately $13.5 million, however the amount and timing of the spending at Rock Creek is subject to considerable uncertainty.

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 Troy and Rock Creek. 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 Rock Creek 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 as part of the original Purchase and Sale Agreement 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 $1.0 million. Royal Gold has the right to convert these common shares into a perpetual, non-participating 1% net smelter return royalty from production from Rock Creek. This conversion must be made within a specified period of time after the Company makes a decision to develop Rock Creek. In February 2008, this note was acquired by Revett Minerals for face value and the Company received an assignment of the mortgages on the Troy and Rock Creek properties which secured this note.

Related Party Transactions

There were no related party transactions during the first six months of 2008.

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 $1.0 million 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.

Principal Risks and Uncertainties

Revett Minerals is a speculative investment, for many reasons, and the following risk factors should be carefully considered in evaluating it. In addition, this report contains forward-looking statements that involve known and unknown risks and uncertainties. These forward-looking statements include statements of our plans, objectives, expectations and intentions. Actual results could differ from those discussed in the forward-looking statements as a result of certain factors, including those set forth below. You should carefully consider the risks and uncertainties described below and the other information in this report before investing.

Environmental challenges could prevent us from ever developing Rock Creek. Our proposed development of Rock Creek has been challenged on environmental grounds by several regional and national environmental organizations at various times subsequent to the Forest Service's issuance of an administrative record of decision approving our plan of operation in 2003. Some of these challenges are substantial and ongoing, and allege violations of the procedural and substantive requirements of a variety of federal and state laws and regulations pertaining to our permitting activities at Rock Creek, including ESA, NEPA, the 1872 Mining Law, the Federal Land Policy Management Act, the Wilderness Act, the National Forest Management Act, the Clean Water Act, the Forest Service Organic Act of 1897, and the Administrative Procedural Act. Although we have generally been successful in addressing most of the environmental challenges to our operations, we cannot predict with any degree of certainty how the pending challenges will be resolved. Rock Creek is potentially the more significant of our two mining assets. Continued court challenges to the record of decision and its accompanying biological opinion will inevitably delay us from proceeding with our planned development, and a successful challenge to either could prevent us from developing the project at all. If we are successful in defending these challenges, we still must comply with a number of requirements and conditions as development progresses, failing which we could be denied the ability to continue with our proposed activities at Rock Creek.

Our reclamation liability at Troy could be substantial. In acquiring Troy, we agreed to indemnify ASARCO and hold it harmless from all of the liabilities associated with the reclamation, restoration and closure of the mine. This entailed our procurement of a $12.6 million performance bond to ensure that sufficient funds would be available to meet these obligations, and our subsequent agreement with the DEQ to increase the amount of the bond by $338,000 in December 2008. We are currently preparing a revised reclamation and restoration plan for Troy, which, when completed, may result in changes to the estimated reclamation and restoration costs and the amount of the performance bond. One of the key issues that has yet to be resolved is the extent to which we may be required to treat water from Troy after mining operations have ceased. Another issue is whether we are required to prepare and file an EIS in conjunction with any action taken with respect to our revised reclamation plan. We have advised the DEQ that we will fund the cost of an EIS, but believe the study should be postponed until such time as mining operations at Troy are actually projected to cease and more current information concerning the scope of any required remediation is known. We do not presently know whether our revised plan will actually result in increased reclamation and restoration costs at Troy. Laws governing the closure of mining operations in Montana have become more stringent since Troy was first placed into production, and in the case of Troy, could include provisions requiring us to perpetually treat all of the discharged water from the mine. These factors could result in the imposition of a higher performance bond. Further, our reclamation and restoration liability at Troy is not limited by the amount of the performance bond itself. The bond serves only as security for the payment of these obligations; any substantial increase in actual costs over and above the amount of the bond would necessarily be borne by the Company. Payment of such costs could have a material adverse effect on its financial condition.

We have a limited operating history and had losses in prior years. We have been engaged in commercial mining operations at Troy for just over three years and have not yet attained a significant level of earnings. In the 2007 fiscal year, we earned approximately $0.9 million on revenues of approximately $39 million. In the 2006 fiscal year, we incurred a loss of approximately $1.7 million on revenues of approximately $31.4 million, and in the fiscal 2005 year we incurred a loss of approximately $2.9 million on revenues of approximately $21.1 million. Our losses in 2006 and 2005 were partially attributable to the fact that production levels at Troy have not attained projected levels due to geotechnical problems, a shortage of skilled employees, problems in obtaining necessary repair parts for its equipment, and other factors common to underground hard rock mining operations. This ongoing shortfall in production has resulted in higher than anticipated operating costs. All of this is against the backdrop of higher than average copper and silver prices.

We presently do not have the financial resources to develop Rock Creek. At June 30, 2008 we had cash and cash equivalents and short term investments of approximately $13.1 million. Although we believe we may have sufficient cash to fund our evaluation program at Rock Creek, we do not have sufficient funds to allow us to develop the mine or begin mining operations should it prove feasible to do so. Moreover, we do not have any commitments for additional funding. The forecasted capital cost of constructing a mine at Rock Creek is currently estimated to be in the range of $300 to $350 million and could change materially.

The Rock Creek mineral resources are not equivalent to reserves. This report includes information concerning our estimated size of the mineral resource at Rock Creek and the amount of ore that may be produced from the project were it to be developed. Since no ore has been produced from Rock Creek, these estimates are preliminary in nature. And although we believe these amounts are significant, it does not mean the mineral resource can be economically mined. A mineral resource is not equivalent to a commercially mineable ore body or "proven reserves" or "probable reserves" under standards promulgated by the United States Securities and Exchange Commission (the "SEC"), principally because they are less certain and not necessarily amenable to economic development. We will not be able to determine whether Rock Creek contains a commercially mineable ore body until our evaluation program has been completed and we have obtained a final, economic and technical feasibility study that will include an analysis of the amount of ore that can be economically produced under then-prevailing market conditions. Investors are cautioned not to assume that our mineral resource estimates for Rock Creek will ever be converted into reserves.

Non-U.S. persons owning our stock could be subject to U.S. taxes if we are treated as a United States company. Section 7874 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that, under certain instances, a non-U.S. corporation such as Revett Minerals could be treated as a U.S corporation for U.S. tax purposes. A consequence of this treatment for non-U.S. persons owning common stock of such a corporation is that they could be subject to U.S. tax on any gain they receive from the sale of such stock unless they qualify for a statutory exemption. Was this to occur, it is unlikely that this potential U.S. tax liability would be credited against the shareholder's tax liability in his or her country of domicile, meaning that the shareholder would likely suffer double taxation on any such gain. Management does not believe Revett Minerals will be treated as a U.S. corporation for tax purposes, but cannot offer any assurance that such treatment would not occur. There is presently uncertainty surrounding the interpretation of Section 7874. The Internal Revenue Service could challenge Revett Minerals' interpretation of the guidance that has been provided to date, or it could write implementing regulations that differ from that guidance.

There are other formidable risks to mining. We are subject to all of the risks inherent in the mining industry, including industrial accidents, labor disputes, unusual or unexpected geologic formations, cave-ins, surface subsidence, flooding, power disruptions and periodic interruptions due to inclement weather. These risks could result in damage to or destruction of its mineral properties and production facilities, personal injury, environmental damage, delays, monetary losses and legal liability. We do not maintain insurance covering environmental or other catastrophic liabilities, and we do not expect to procure such insurance unless and until it is economically feasible to do so. Insurance against environmental risks (including pollution or other hazards resulting from the disposal of waste products generated from exploration and production activities) is generally not available. In addition, we are subject to competition for new minerals properties, management and skilled miners from other mining companies, many of which have significantly greater resources than we do. We also have no control over changes in governmental regulation of mining activities, the speculative nature of mineral exploration and development, operating hazards, fluctuating metals prices, and inflation and other economic conditions.

Copper and silver prices fluctuate markedly. The viability of our operations are significantly influenced by the price of copper and silver. Copper and silver prices fluctuate widely and are affected by numerous factors that are beyond our control, such as inflation, the strength of the United States dollar relative to foreign currencies, global and regional demand, commodity funds and speculators and the political and economic conditions of major producing countries throughout the world. Since 1990, world average annual copper prices fluctuated from a low of $0.71 per pound in 2002 to a high of $3.23 per pound in 2007, and world average annual silver prices fluctuated from a low of $3.95 per ounce in 1992 to a high of $13.38 per ounce in 2007.

Currency fluctuations will affect our competitiveness. The price of copper and silver are denominated in U.S. dollars even though most production originates in countries whose currencies are independently valued. Fluctuations in the value of the U.S. dollar relative to the values of these host country currencies could affect the competitiveness of our operations.

Recently Adopted Accounting Standards

On January 1, 2008, the Company adopted The Canadian Institute of Chartered Accountants ("CICA") section 1535- "*Capital Disclosures*". This section establishes standards for disclosure concerning a company's objectives, policies and processes for managing capital. The required disclosure is contained in note 7 (a) to the financial statements.

On January 1, 2008, the Company adopted CICA section 3862- *Financial Instruments-Disclosures* and section 3863 *Financial Instruments- Presentation,* which together comprise a complete set of disclosure and presentation requirements that revise and enhance current disclosure obligations. Section 3862 requires disclosure of additional detail by financial asset and liability categories. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. The standard deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and liabilities are offset. The required disclosure is in note 10 to the financial statements.

On January 1, 2008, the Company adopted CICA section 3031- *Inventories,* which provides guidance on the measurement, presentation and disclosure requirements for inventories. This pronouncement requires inventories to be measured at the lower of cost and net realizable value and provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. In certain circumstances this section also requires that previous write downs be reversed. Previously, the Company valued materials and supplies inventory at the lower of cost or replacement cost and a write up of inventory was not permitted This section has been applied retroactively without restatement of prior periods but the adoption of this section did not result in any adjustments to opening deficit. The required disclosure is in note 3 to the financial statements.

Recently Issued Accounting Pronouncements

In June 2008, the EITF reached a conclusion that an equity-linked financial instrument would not be considered indexed to the Company's own stock if the strike price is denominated in a currency other than the issuer's functional currency. The determination of whether an equity-linked financial instrument is indexed to an entities own stock is not affected by the currency or currencies in which the underlying shares trade. This guidance is effective beginning for financial statements beginning on January 1, 2009. The Company is presently evaluating the effect this guidance will have on its financial statements.

Financial Instruments, Hedging Activities and Other Instruments

The Company fair values its forward sales contracts and the amount of silver and copper in concentrate for which final settlement has not occurred. At each month end, the Company adjusts its revenue to account for expected future prices and the corresponding expected future revenue and cash flow. In order to do this, the Company must make estimates of the future prices expected to prevail when final settlement occurs. The Company uses future contract prices at each month end to estimate these expected prices. At June 30, 2008, the Company had 3.8 million pounds of copper and 392,365 ounces of silver with prices not yet fixed. The fair value revenue adjustment was a liability of $0.4 million. Considerable judgment is required to interpret market data and to develop the estimates of fair value for future periods. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company will realize in such future periods.

At June 30, 2008 and as at the date of this report, the Company had the following forward sales contracts outstanding. For October, November and December 2008 settlement periods the Company had sold 110, 231 pounds in each month at an average price of $3.73 per pound, LME basis. The fair value of these hedges at June 30, 2008 was a liability of $0.04 million which was recorded in accounts payable.

Forward Looking Statements

Cautionary "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995. With the exception of historical matters, the matters discussed in this report are forward- looking statements that involve risk and uncertainties that could cause actual results to differ materially from projections or estimates contained herein. The words "believe", "estimate", "anticipate', "expect", and "project" and similar expressions are included to identify forward-looking statements. Such forward looking-statements include statements regarding future production levels and operating costs at the Troy mine, future levels of capital expenditures at both Troy and Rock Creek, the reserve and resource estimates at both Troy and Rock Creek, the adequacy of the financial resources and funds to cover operating and exploration costs at Troy and the cost of exploration at Rock Creek, the timing of certain litigation activities which have delayed exploration activities at Rock Creek, the adequacy of third part financing to complete certain corporate development activities, and the expectation that the Troy mine will be able to generate positive cash flow in future periods. Factors that could cause actual results to differ materially from these forward looking statements include, among others;

- changes in copper and silver prices;
- the operating performance of the Troy mine;
- geological conditions at the Troy mine;
- the need for copper concentrate by copper smelters and the costs associated with selling such concentrate to the smelters;
- the ability of the Company to complete exploration activities at the Rock Creek project;
- activities of certain environmental groups opposed to the Company's activities in the United States;
- changes in the planned Rock Creek project parameters;
- changes in estimates of the reserves and resources at all the properties owned or controlled by the Company;
- economic and market conditions;
- future financial needs and the Company's ability to secure such financing under reasonable terms and conditions;
- changes in federal or state legislation and regulations governing our operations and projects;
- risks of future unknown lawsuits respecting future planned activities on our projects or past activities by the Company.

as well as other factors described in our annual Form 10-K and the various regulatory filings done with United States and Canadian and provincial regulatory bodies which are available in Canada at www.sedar.com or in the United States on EDGAR. Future events and actual results could differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. Most of these factors are beyond our ability to predict or control. Future events and actual results could differ materially from those set forth in, contemplated by, or underlying the forward looking statements. We disclaim any obligation to update any forward-looking statement made here-in. Readers are cautioned not to put undue reliance on forward looking statements.

Quantitative and Qualitative Disclosures About Market Risk

Our earnings and cash flow are significantly affected by changes in the market price of copper and silver. The prices of both metals can fluctuate widely and are influenced by numerous factors such as demand, production levels, the economic policies of central banks, producer and fund hedging, world political and economic events and the strength of the US dollar relative to other currencies. During the past eighteen years the average annual price of copper has ranged from a low of $0.71 per pound to a high of $3.23 per pound. Average annual silver prices over this same period have ranged from a low of $3.95 per ounce to a high of $13.38. Currently the prices for both metals are at or near their highs for this time period. Should the price of copper or silver decline substantially, the value of Troy and Rock Creek could fall dramatically and the future operation of Troy and the future exploration and development at Rock Creek could both be at risk.

During the three months ended June 30, 2008, the company delivered and sold 2.4 million pounds of payable copper and 244,630 payable ounces of silver. Based upon these metals sales level, a

$0.50 change in the price of each metal would have changed revenue by approximately $1.3 million.

A substantial portion of the Company's cash and short term investments are invested in certificates of deposit or high quality government and corporate fixed income securities, all of which are denominated in US dollars. With the uncertainty in the financial markets the value of these fixed income securities could change materially. Approximately $3.7 million of the Company's short term investments are in savings deposits or in the form of certificates of deposit issued by the a major Canadian chartered bank and are denominated in Canadian dollars which exposes the Company to some foreign exchange risk.

Controls and Procedures

Management of the Company is responsible for adopting an internal control system that gives it and the board of directors reasonable assurance that the Company's financial statements present fairly its financial position and activities. Management is also responsible for establishing and maintaining disclosure controls and procedures that provide reasonable assurance the material information concerning the Company and its consolidated subsidiaries is appropriately disclosed.

Disclosure Controls and Procedures. The Company's disclosure controls and procedures are designed to ensure that information the Company is required to disclose in its periodic reports and other information filed under the Securities Exchange Act, as amended ("the Exchange Act") is recorded, processed, summarized and accurately reported within the time periods prescribed by the Securities and Exchange Commission's rules. They include, without limitation, controls and procedures designed to ensure that such information is accumulated and promptly communicated to the Company's management, including its chief executive office, its chief financial officer and other principal accounting officers, so such persons can make timely decisions regarding disclosure.

The Company evaluated the effectiveness of the design and operation of its disclosure controls and procedures as required by Exchange Act Rules 13 (a) - 15 (e) and 15 (d) – 15 (e). This evaluation was performed under the supervision and with the participation of its management, including the chief executive officer and its chief financial officer. Based upon this evaluation, the chief executive officer and the chief financial officer concluded that the design and operation of the Company's disclosure controls and procedures are effective as at June 30, 2008 to ensure that information required to be disclosed by us in reports that we file under the Exchange Act, is gathered, reported, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to management of Revett Minerals, including the CEO and CFO, to allow timely decisions regarding required disclosure as specified under U.S. and Canadian securities laws.

***Internal Controls over Financial Reporting*.** Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of our financial reporting and preparation of our financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that: pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of our assets are being made only in accordance with the authorizations of management and directors; and provided reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of assets that could have a material effect on our financial statements. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions or that degree of compliance with the policies and procedures may deteriorate.

As permitted by the transitional period established by the Securities and Exchange Commission (Item 308T), the Company has not yet completed, in its entirety, its evaluation as to whether internal controls over financial reporting are effective. Our evaluation has been on-going since mid 2007 and we expect to complete it in 2008.

Changes in Internal Controls. During the first six months of 2008, there were no changes in internal controls from the prior year.

Legal proceedings

The Company and certain of its subsidiaries are parties to several pending legal actions in the federal and state courts in Montana as of the date of this report, all of which are predicated on alleged violations of various federal and state environmental laws and regulations at Troy and Rock Creek.

Troy-Related Actions.

Cabinet Resource Group, Inc. v. Montana Department of Environmental Quality, Revett Minerals Inc. and Genesis Inc., Montana Nineteenth Judicial District Court in and for Lincoln County (Case No. DV-07-118). This action was brought in 2007. The plaintiff, a regional environmental organization, alleges that Genesis, Inc. is operating Troy in violation of the Metal Mine Reclamation Act ("MMRA") because of deficiencies in its reclamation plan, and that all of the defendants have violated the Montana constitution and various state statutes and regulations by allowing such operations to continue. The plaintiff seeks a declaration that the Troy operating permit and reclamation plan are void and invalid; alternatively, it seeks a writ of mandamus from the court requiring DEQ to enforce the MMRA and presumably suspend or revoke the operating permit, declare a forfeiture of the Company's performance bond, and enjoin the Company from further operations at Troy pending approval of a reclamation plan. The plaintiff also alleges that DEQ has failed to maintain a clean and healthful environment, in violation of the Montana constitution.

The Company has answered the complaint and asserted several affirmative defenses to plaintiff's claims. It has also filed a motion seeking to dismiss Revett Minerals on the grounds that it does not do business in Montana. Discovery has been substantially completed, although no trial date has been set. The court has indicated that it will not set a trial date until DEQ has completed its required review of the reclamation plan. The Company is engaged in ongoing discussions with DEQ concerning proposed revisions to the existing reclamation plan and increased performance bond requirements, and therefore believes the claim is without merit.

In re ASARCO, LLC et al., Debtor: ASARCO, LLC, Plaintiff v. Revett Silver Company and Genesis, Inc., United States Bankruptcy Court for the Southern District of Texas, Corpus Christi Division (Bankruptcy Case No. 05-21207). This action seeks to avoid the July 2002 and May

2004 amendments to Revett Silver's purchase agreement with ASARCO. It also seeks a judgment in an amount equal to the value ceded by these amendments. Importantly, the action does not challenge the provisions of the original agreement that resulted in ASARCO's transfer of its interests in the Troy mine and the Rock Creek project to us.

The amendments pertain to the amount we owed ASARCO under the original purchase agreement and the manner in which we were to have paid that amount. Specifically, the amendments resulted in the issuance of additional shares of our common stock to ASARCO in exchange for its cancellation of a production debt obligation and certain share price guaranties in the original purchase agreement. Plaintiff contends that the amendments constitute fraudulent transfers under applicable federal and state law because ASARCO was insolvent at the time and received insufficient or no value under the amendments. Although this action was commenced in 2007, neither Revett Silver nor Genesis, Inc. had been served as of the date of this report.

Rock Creek-Related Actions.

Clark Fork Coalition, Rock Creek Alliance, Inc, Cabinet Resource Group, Inc., Montana Environmental Information Center, Inc. and Trout Unlimited v. Montana Department of Environmental Quality, Montana First Judicial District Court in and for Lewis and Clark County (Cause No. BDV-2002-70). This action was brought in 2002 challenging DEQ's issuance of a Montana Pollution Discharge Elimination System ("MPDES") permit pertaining to prospective wastewater and mine drainage from the proposed Rock Creek project. The plaintiffs contend the permit was arbitrarily issued because DEQ did not perform the required non-degradation review and did not ensure that surface waters designated as Outstanding Water Resources within the Cabinet Mountains Wilderness Area would not be degraded by the proposed project. The plaintiffs also allege that the proposed reclamation plan for Rock Creek fails to provide for the reclamation of lands within the wilderness area that may be damaged by subsidence or other disturbances, all in violation of MMRA and the Montana Water Quality Act, and that the permitted discharges violate the constitutional rights of Montana citizens to a clean and healthy environment.

In February 2005, the parties stipulated to a dismissal of the constitutional, MMRA and Outstanding Water Resources claims, without prejudice. In March 2006, the district court entered summary judgment against the plaintiffs on their claim that the MPDES permit as to Outfall 001 and 004 violated the Montana Water Quality Act and the state's constitution. However, it did find that those portions of the MPDES permit covering Outfall 002 (the area in which a proposed paste facility would be constructed) violated the act and the constitution since it allows an increase in arsenic levels below the outfall, and was therefore void. The court concluded by noting that its decision does not mean Rock Creek could not go forward, only that the MPDES permit needed to be revised in light of its ruling. The Company had commenced the required revision of the MPDES permit before the court's ruling was issued, as part of its statutorily-required five-year review process, and management is confident that the issues with the Outfall 002 can be successfully resolved.

In May 2007, the plaintiffs filed an appeal with the Montana Supreme Court, contending that the district court's March 2006 summary judgment was incorrect in not invalidating the MPDES permit entirely, and asking the court to do so on constitutional grounds. Oral arguments have been heard respecting the plaintiffs appeal, but no decision has been rendered as of the date of this report.

Rock Creek Alliance, Clark Fork Coalition, Cabinet Resource Group, Inc., Montana Wilderness Association, Earthworks, and Alliance for the Wild Rockies, Plaintiffs, v. United States Forest Service, U.S. Department of Agriculture, Tom Tidwell, in his official capacity as Regional Forester for the Northern Region, Paul Bradford, in his official capacity as Forest Supervisor of the Kootenai National Forest, and Ed Schaffer, in his official capacity as Secretary of the U.S. Department of Agriculture, Defendants, United States District Court for the District of Montana, Missoula Division, Case No. CV-05-107-M-DWM. This action was originally filed in June 2005 and was superseded by an amended complaint filed in February 2008. Plaintiffs seek injunctive and declaratory relief against the defendants, claiming they unlawfully approved the record of decision, plan of operations, and the final EIS for Rock Creek. In addition, plaintiffs challenge the findings of a determination letter issued by the Forest Service and three supplemental information reports issued by the Kootenai National Forest in December 2007. They allege violations of the ESA, NEPA, the National Forest Management Act, the Clean Water Act, the Forest Service Organic Administration Act of 1897, the Administrative Procedure Act, and various implementing regulations adopted under these statutes. Revett Silver petitioned the court and was granted intervener status in October 2005.

This action has twice been stayed. The first stay was ordered in 2005 pending resolution of a challenge to the USFWS's May 2003 biological opinion in a separate lawsuit in the United States District Court for the District of Montana entitled *Rock Creek Alliance v. U.S. Fish and Wildlife Service*, CV 01-152-M-DWM. That lawsuit has now been concluded and resulted in the issuance of a revised biological opinion in October 2006, which concluded that development of Rock Creek would not likely to jeopardize the continued existence of grizzly bears or bull trout, each of which is listed as a threatened species under the ESA, nor adversely modify critical habitat of these species. The second stay was ordered in November 2006 pending a Forest Service determination as to whether the Company's plan of operations at Rock Creek needed to be modified. The Forest Service's December 2007 supplemental information reports did not mandate any changes to the plan of operations of the final EIS.

All parties to this dispute filed briefs, replies and responses on June 4, 2008 as required by the court and all are awaiting the court's ruling. An adverse ruling could delay or even prevent the Company from proceeding with its proposed activities at Rock Creek.

Rock Creek Alliance, Cabinet Resource Group, Sierra Club, Alliance For The Wild Rockies, Natural Resource Defense Council, Trout Unlimited, Earthworks, Idaho Counsel of Trout Unlimited, Pacific Rivers Counsel and Great Old Broads For Wilderness v United States Fish and Wildlife Service, United States District Court for the District of Montana, Missoula Division, case No. CV-08-28-M-DWM. This lawsuit was filed in February 2008 after the US Fish and Wildlife Service reaffirmed the conclusions reached in its revised October 2006 biological opinion—namely, that Rock Creek would not jeopardize the continued existence of the grizzly bear or bull trout in the vicinity of the proposed mine. The plaintiffs contend that the conclusions reached by the USFWS ignored the best available science and were arbitrary, capricious, and an abuse of discretion in violation of the ESA and the Administrative Procedural Act. The Company has intervened in this matter as a defendant and this case has been consolidated with the above described actions. The court has been fully briefed on the issues pending in this action and the parties are waiting for the court's decision.

Management's Analysis of Actions pertaining to the Record of Decision and Biological Opinion. Management cannot predict with any degree of certainty whether the Company will be successful in defending the pending legal challenges to the Forest Service's record of decision and the Fish and Wildlife Service's revised biological opinion. The issues presented by these challenges are complex and involve agency actions, procedures and determinations that the Company may influence but not control. The February 2008 amendment to the lawsuit petition challenging the USFWS's revised biological opinion is particularly difficult to analyze at this time, since it simply challenges the scientific studies and evidence reached by the responsible agencies. It is also vexing in light of the conclusions that were reached in earlier challenges to the biological opinions, including an agency-approved agreed mitigation plan that addresses concerns about Rock Creek's affect on grizzly bear habitat and migration corridors in the project area.

The validity of the USFWS's various studies and analyses has been a recurrent theme in prior environmental challenges to the Rock Creek biological opinions. Consequently, management of the Company anticipates that, should the petitioners ultimately commence an action challenging the revised opinion, they will again contend that these studies and analyses are flawed or ignore the best available science.

Management's ability to predict the outcome of these challenges is further complicated by the fact that Rock Creek is one of two proposed mining projects in the Cabinet Mountains Wilderness Area, the other being the Montenore project being developed by Mines Management, Inc., a junior mining company based in Spokane, Washington. Although the pending actions are specific to Rock Creek, it is only because development of Rock Creek has proceeded to the point where the jurisdictional agencies have either issued permits or taken other administrative actions that invoke legal challenges. The prospective cumulative effect of two mining projects within the Cabinet Mountains Wilderness Area is an implicit factor in these pending actions, in management's opinion, this despite the fact that the Montenore project faces substantial hurdles and, at this point, may not be developed in the foreseeable future.

Management anticipates that, even if the revised biological opinion is upheld, it will result in some modification of the Forest Service's record of decision, which could in turn affect the Rock Creek plan of operation. Regardless, unless and until they are favorably resolved, these challenges could delay the Company's planned evaluation program at Rock Creek and may make it more difficult to obtain the financing needed to fund commercial development. Even if the Company is ultimately successful in defending these challenges, it still must comply with a number of requirements and conditions as development of Rock Creek progresses, failing which it could be denied the ability to continue.

Other Actions and Proceedings.

<u>Frank D. Duval and Janice E. Duval v. Revett Silver Company (Spokane County, Washington Superior Court)</u>. This action was brought in August 2007 to compel Revett Silver to redeem shares of Revett Silver Class B common stock that the Duvals allegedly tendered for redemption at various times in 2007 and 2008. Frank Duval is a co-founder of Revett Silver and previously served as a director and executive officer of the company. Janice Duval, his spouse, also previously served as an executive officer of Revett Silver. The plaintiffs allege that Revett Silver has a contractual obligation to redeem their shares pursuant to the terms of the amended and restated articles of incorporation, not withstanding the fact that such redemption could cause Revett Minerals to be treated as a U.S. corporation for U.S. tax purposes. (See the section of this report entitled "Risk Factors-Non U.S. persons owning our stock could be subject to U.S. taxes if we are treated as a U.S. company.") We have filed an answer to the complaint, including counterclaims against the Duvals. Discovery in the matter is proceeding.

<u>Federal Mine Safety and Health Act Violations and Related Matters</u>. The federal Mine Safety and Health Administration ("MSHA") issued 53 safety related citations against a subsidiary at various times in August 2007. These citations related to a rock fall which occurred at Troy on July 30, 2007. Three of these citations allege the subsidiary company was negligent with respect to certain operations or activities conducted while mining and two citations allege the subsidiary acted in reckless disregard for the safety of the employees at the mine. In April 2008, the Company was informed by MSHA that fines approximating $0.6 million were being proposed relating to these

and other citations, of which $0.5 million is being contested. The Company disputes the allegations and rational for the determination of the fines put forth by MSHA and is in the process of appealing the findings and fines. The Company will vigorously defend itself in court, if necessary.

Tammy K. Ivins, Individually and as Personal Representative of the Estate of Michael E. Ivins, Deceased, Plaintiffs, vs. Revett Minerals Inc., a Foreign Corporation for Profit; Revett Silver Company, a for Profit Corporation; and Does A-Z, Inclusive, Defendants. This threatened action arises from the isolated rock fall incident and resulting fatality that occurred at Troy on July 30, 2007. The proposed complaint, which was sent to the Company in February 2008 but had not been filed as of the date of this report, alleges causes of action based on negligence, failure to provide a safe work place, strict liability for abnormally dangerous activity, and intentional and malicious acts or omissions. It seeks compensatory damages in the amount of $8,000,000 and punitive damages in the amount of $10,000,000. The Company believes the claim is barred by the Montana workers compensation statute.