HuldraSilver INC.

HULDRA SILVER INC.

June 28, 2011

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Three Months Ended March 31, 2011

Website Information: http://www.huldrasilver.com

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(Prepared by Management)

Information as of June 28, 2011

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about current mineral property interests, the global economic environment, the market price and demand for silver and other minerals and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand for or price of silver and other minerals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors/Trends" below.

1. DESCRIPTION OF BUSINESS

Huldra Silver Inc. ("Huldra" or the "Company") is a publicly traded junior exploration company engaged in the business of acquiring, exploring and evaluating mineral and natural resource properties. The Company trades on the TSX Venture Exchange (the "TSX-V") under the symbol "HDA".

The Company's Management's Discussion and Analysis ("MD&A") for the period ended March 31, 2011 was prepared as of June 28, 2011. Additional information and filings are available for review under the Company's profile on the SEDAR website located at www.sedar.com.

Overall Performance

During the period ended March 31, 2011, the Company incurred a loss of $375,280, compared with a loss of $27,052 for the comparable period of 2010. The loss for the period reflected the Company's expensing share-based compensation of $155,624 (March 31, 2010 – $NIL), professional fees of $29,679 (March

31, 2010 - $11,477), regulatory fees of $7,739 (March 31, 2010 - $5,000), consulting fees of $31,000 (March 31, 2010 - $4,000), and management fees of $23,000 (March 31 -2010 – $3,000).

Risk Factors/Trends

The Company's area of business is the identification, acquisition, evaluation and exploration of mineral properties. An investment in natural resource companies involves a significant degree of risk. The degree of risk increases substantially where the Company's properties are in the exploration as opposed to the development stage. Investment in the securities of the Company should be considered as highly speculative due to the nature of the Company's business. The following are some of the risk factors that should be given consideration.

Exploration and Development Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks associated with exploration, development and production.

Insurance

The Company's involvement in the exploration for natural resources may result in the Company becoming subject to liability for pollution, property damage, personal injury or other hazards and any insurance the Company may have may not be sufficient to cover the full extent of such liabilities.

Prices, Markets and Marketing of Silver and Metal Prices

World prices for commodities fluctuate and are affected by numerous factors including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of commodities, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Liquidity and Capital Requirements

Management anticipates that subject to financing it will make substantial capital expenditures towards developing its Treasure Mountain Property. However, there is no assurance that the Company will operate profitably or will generate positive cash flow in the future. The Company may require additional financing in order to proceed with the exploration and development of the Treasure Mountain Property and to sustain its business operations if it is not successful in earning revenues. The Company may also need further financing if it decides to obtain additional mineral properties. The Company's future may be dependent upon its ability to obtain financing. If the Company does not obtain such financing if required, its business could fail and investors could lose their entire investment.

Environmental Risks

All phases of the mineral exploration and development businesses present environmental risks and hazards and are subject to environmental regulations. Compliance with such legislation/regulations can require significant expenditures and a breach could result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner which may lead to stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. No assurance can be given that the application of environmental laws to the business and operations of the Company will not result in a curtailment of exploration or production, a material increase in the costs of production, development or exploration activities, or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Government Regulation

The natural resource exploration industry is subject to controls and regulations imposed by various levels of government. It is not expected that any of these controls or regulations will affect the operations of the Company in a manner materially different than they would affect other natural resource exploration companies of similar size. The current legislation is a matter of public record and the Company is unable to predict what additional legislation or amendments may be enacted. Additional permitting is required for the Company to achieve commercial production from its Treasure Mountain Property and this is subject to approval from various stakeholders' including government ministries and may include First Nations claims.

2. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

This review of the results of operations should be read in conjunction with the interim financial statements of the Company for the three months ended March 31, 2011 and the audited financial statements of the Company for the year ended December 31, 2010.

During the period ended March 31, 2011, the Company incurred a loss of $375,280, compared with a loss of $27,052 for the comparable period of 2010.

Revenue/interest from cash and cash equivalents amounted to $5,656 (March 31, 2010 - $NIL) for the period ended March 31, 2011.

Expenses for the period ended March 31, 2011 increased from $27,052, for the three months ended March 31, 2010, to $380,936. The increase in expenses was largely a result of share-based compensation in the amount of $155,624 (March 31, 2010 - $NIL), the increase in professional fees from $11,477 to $29,679, consulting fees from $4,000 to $31,000, salaries and benefits from $NIL to $11,065, travel from $NIL to $9,362, and rent expense from $NIL to $7,500. Exploration costs increased from $2,196 to $85,989.

The loss for the period ended March 31, 2011 included expenditures of $33,085 (March 31, 2010 - $8,860) for transfer agent fees, regulatory, and management fees. In addition, expenses for the period ended March 31, 2011 included office and general of $14,699 (March 31, 2010 - $469), and vehicle expenses of $1,384 (March 31, 2010 – $NIL).

For the period ended March 31, 2011, general and administrative costs were $294,947 as compared to $24,856 for the period ended March 31, 2010. The increase in general and administrative costs was largely a result of share-based compensation in the amount of $155,624 (March 31, 2010 - $NIL), the increase in professional fees from $11,477 to $29,679, and the increase in consulting fees from $4,000 to $31,000.

3. SELECTED QUARTERLY RESULTS

The following table sets forth a comparison of income and expenses for the previous eight quarters ending with March 31, 2011. The comparative quarterly results have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") up until the quarter ended December 31, 2009 and in accordance with International Financial Reporting Standards ("IFRS") for the five quarters ending March 31, 2011. No material differences have resulted from the change in accounting principles.

	Mar 31 2011 $	**Dec 31 2010 $**	**Sep 30 2010 $**	**Jun 30 2010 $**	**Mar 31 2010 $**	**Dec 31 2009 $**	**Sep 30 2009 $**	**Jun 30 2009 $**
Interest and other income	5,656	8,729	-	-	-	-	-	-
Administrative expenses	294,947	317,277	34,105	43,182	24,856	38,447	17,116	12,378
Exploration costs	85,989	(231,214)	306,639	6,897	2,196	1,630	47,788	7,056
Net loss	(375,280)	(77,344)	(340,744)	(50,079)	(27,052)	(40,077)	(64,904)	(19,434)

4. EXPLORATION HISTORY – A REVIEW

Since its incorporation in March 1980, the Company has been engaged in the exploration and development of its wholly owned group of mineral tenures located at Treasure Mountain in the Similkameen Mining Division, British Columbia. After discovering a silver rich vein on the claims in 1985, exposing this vein for a length of 250 meters and testing it by shallow drilling in the summer of 1986, the Company went public in 1987, attaining a listing on the TSX-V in August of that year.

Between 1987 and 1989, the Company explored the vein zone on four underground levels with 9,000 feet of crosscuts, drifts and raises, complemented by 5,500 feet of underground and 10,000 feet of surface drilling. Preceding the underground work, a bulk sample of 407 tons of select high-grade material from the surface vein showings was shipped to Cominco and Asarco smelters for testing. The smelters found the shipments compatible with their regimes and paid a total of $344,265 for the shipments.

Since 1989, work at the Treasure Mountain Property has included four small drill programs, several geo chemical soil surveys, a legal mineral tenure survey by McElhanney and various technical studies by AMEC Earth & Environmental, Entech Consultants and others with respect to environmental and operational issues of a conceptual 24,000 tonnes per year mine/gravity concentration operation. In 2007, Erik Ostensoe, P.Geo., undertook a program of sampling to supplement historic, pre National Instrument 43-101 data.

5. CURRENT STATUS OF THE TREASURE MOUNTAIN PROPERTY

On July 15, 2009, the Company received a technical report titled "Technical Report, Resource Estimation, Mining and Reclamation Plan and Economic Evaluation, Treasure Mountain Mine, Tulameen River Area, British Columbia" dated June 15, 2009, revised July 2, 2009, prepared by independent consultants and Qualified Persons, Erik Ostensoe, P. Geo., G. H. Giroux, P. Eng., and A. J. Beaton, P. Eng. (Mining). This report includes a disclosure of Indicated and Inferred Resources and a current resource estimation and economic evaluation but is neither a pre-feasibility study nor a feasibility study.

The historic Treasure Mountain Property, 100% owned by Huldra, is located 28 km northeast of Hope, B.C., has been explored by Huldra since 1980, and comprises more than 2700 metres of underground workings on four levels, six raises and several drill holes. A Resource Estimation by Giroux Consultants Ltd. dated May 29, 2009, was based on a 2007 program of underground chip sampling of parts of Level 1 and Level 2, combined with historic sample data from a development program in 1987 – 1989. Resources were estimated at cut-off grades from 1.0 to 45.0 ounces silver per ton. A Total Vein Indicated Resource, estimated at 11.02 ounces silver per tonne (10.0 oz silver per ton) cut-off grade, was reported as 33,000 tonnes with 26.68 ounces silver per tonne, 4.16% lead and 3.80% zinc, containing 880,000 ounces silver, 3,030,000 lbs. lead and 2,760,000 lbs. zinc. Total Vein Inferred Resources, estimated at the same cut-off grade (11.02 ounces silver per tonne) were reported as 120,000 tonnes with 29.76 ounces silver per tonne, 2.79% lead and 4.36% zinc, containing 3,580,000 ounces silver, 7,370,000 lbs. lead and 11,540,000 lbs. zinc. [Note that Inferred Resources are based on geological evidence, limited sampling and reasonably assumed, but not verified, geological and grade continuity, and must be excluded from estimates forming the basis of feasibility or other economic studies.]

During the reporting quarter

On March 31, 2011 the Company made an application for a permit approving the Company's Small Mine Plan and Reclamation Program pursuant to Section 10 of the British Columbia Mines Act for the development and operation of the Treasure Mountain Mine Project being developed by Huldra. The application allows for up to 75,000 tonnes a year of ore removal, however, the maximum the Company expects to remove is 60,000 tonnes per year.

The Company has no plans to construct a mill at the Treasure Mountain Property for upgrading the ore. The Company acquired a permitted milling and tailings facility outside of Merritt, B.C. on May 5, 2011. On June 21, 2011 the Company announced a Purchase and Service Agreement for a 200 tonne per day mill to be constructed at the Merritt property. Shareholders are cautioned that the Company recognizes added risks, uncertainties and increased potential for failure consequent upon its plan to proceed without completing a feasibility study, establishing mineral reserves (a higher category of confidence) or upgrading the current inferred mineral resources.

Current Mineral Tenure (Claim) Holdings

The Company's claim holdings at Treasure Mountain now consist of 51 mineral tenures, comprising 21 legacy claims, 100 cell units, one crown grant and 5 district lots, for a total of approximately 2,850 hectares (7,000 acres).

6. FINANCING, LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2011, the Company had working capital of $1,506,854 that included cash and cash equivalents of $289,307, as compared to working capital of $2,374,416 and cash and cash equivalents of $1,998,259 as at December 31, 2010.

Cash used in operating activities in the three months ended March 31, 2011 was $158,857 as compared to $8,663 in the three months ended March 31, 2010.

Cash used in investing activities was $1,611,095 in the three months ended March 31, 2011 compared to $NIL in the three months ended March 31, 2010.

Cash provided by financing activities was $61,000 in the three months ended March 31, 2011 compared to $13,360 in the three months ended March 31, 2010.

On June 17, 2011, the Company announced that it had entered into a credit agreement dated June 16, 2011 (the "Credit Agreement") with Waterton Global Value, L.P. ("Waterton") pursuant to which Waterton has agreed to make a $10,000,000 credit facility (the “Credit Facility”) available to the Company. The Credit Facility may be drawn down, at the Company’s option, in up to four advances, with the first advance consisting of $3,000,000, the second advance consisting of $2,000,000 and each of the third and fourth advances consisting of $2,500,000. A closing fee of $100,000 was paid to Waterton upon execution of the Credit Agreement. Provision of any advances under the Credit Facility by Waterton will be subject to the satisfaction or waiver of certain conditions as set out in the Credit Agreement.

The advances may be drawn down by the Company at any time until May 31, 2012 and all amounts outstanding must be repaid by April 30, 2013. Repayment amounts are subject to adjustment based on the spot price of silver as set out in the Credit Agreement.

In connection with each advance, the Company has agreed to pay Waterton a structuring fee in an amount equal to 1% of the principal amount of such advance. The Company has also agreed to issue Waterton up to 2,200,000 share purchase warrants in connection with the first, third, and fourth advances. 900,000 warrants were issued June 17, 2011 in connection with the first tranche and an additional 650,000 will be issued upon each of the third and fourth advances, if drawn down. Each of the 900,000 warrants issued to Waterton on June 17, 2011 is exercisable into one common share of the Company at a price of $1.28 per share until June 16, 2016, subject to certain price adjustments. The exercise price of any additional warrants issued will be tied to the market price of the Company’s common shares on the date prior to such issuance.

Bayfront Capital Partners Ltd. (“Bayfront”) acted as placement agent in connection with the Credit Facility in consideration for a placement fee equal to 1% of the principal amount of any advance drawn down and common shares of the Company having an aggregate value of $200,000, with shares having a market value of $100,000 being issued in connection with the first advance and shares having a market value of $50,000 to be issued with each of the third and fourth advances, if applicable.

On June 22, 2011, the Company announced that it has entered into an agreement with a syndicate of agents (the “Agents”), to undertake a best efforts private placement financing of special warrants (the “Special Warrants”) and flow-through special warrants (the “Flow-Through Special Warrants”) to raise gross proceeds of up to $10,000,000, including up to $3,000,000 in Flow-Through Special Warrants (the “Offering”). The Special Warrants and the Flow-Through Special Warrants will be offered at a price to be determined in the context of the market.

Upon exercise or deemed exercise thereof, each Special Warrant will entitle the holder thereof to receive one unit (a ”Unit”) without payment of any additional consideration. Each Unit will consist of one common share of the Company (a ”Common Share”) and one Common Share purchase warrant of the Company (a “Warrant”). Each Warrant will entitle the holder to acquire one Common Share at a price to be determined in the context of the market for a period of twenty-four months following the date of closing of the Offering, subject to adjustment as described below. Each Flow-Through Special Warrant will entitle the holder thereof to receive one flow-through common share (a “Flow-Through Common Share”) without payment of any additional consideration.

The Special Warrants and Flow-Through Special Warrants will be exercisable by the holders thereof for no additional consideration and all unexercised Special Warrants and Flow-Through Special Warrants will be deemed to be exercised on the earlier of :(a) the date that is four months and a day following the Closing Date, and (b) the third business day after a receipt is issued for a final prospectus by the securities regulatory authorities in each of the Provinces of Canada where the Special Warrants and Flow-Through Warrants are sold qualifying the securities to be issued upon the exercise of the Special Warrants and Flow-Through Special Warrants (the “Prospectus”).

The Company’s consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will continue to realize its assets and discharge its obligations and commitments in the normal course of operations. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company has financed its operations to date through the issuance of equity and, recently, through debt financing. The continued volatility in the financial equity markets may make it difficult to raise funds through the issuance of debt or equity in the future. There is no assurance that the Company will be successful with its financing ventures.

7. RELATED PARTY TRANSACTIONS

During the period ended March 31, 2011, the Company incurred the following expenditures to directors or companies controlled by a director:

Office and general	$ 360
Management fees	$ 23,000
Consulting	$ 3,000
Office Rental	$ 7,500

Transactions with related parties are measured at the exchange amount agreed to by transacting parties.

8. OUTSTANDING SHARE DATA AS AT JUNE 27, 2011

(a) Authorized and issued share capital

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	18,478,173

(b) Summary of options outstanding

Security	Number	Exercise Price	Expiry Date
Options	540,000	$0.25	March 29, 2015
Options	150,000	$0.25	May 5, 2015
Options	290,000	$0.385	June 28, 2015
Options	200,000	$0.66	December 22, 2015
Options	90,000	$0.90	January 28, 2016

(c) Summary of warrants outstanding

Security	Number	Exercise Price	Expiry Date
Warrants	183,320	$0.20	November 4, 2011
Warrants	3,770,000	$0.35	November 4, 2011
Warrants	1,784,800	$0.75	June 22, 2012
Warrants	1,625,000	$0.75	December 22, 2012
Warrants	900,000	$1.28	June 16, 2016

(d) There are no escrowed or pooled shares.

9. OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements which may affect the Company's current or future operations or conditions.

10. SUBSEQUENT EVENTS

The Company announced on April 1, 2011 that it has made an application for a permit approving the Company's Small Mine Plan and Reclamation Program pursuant to Section 10 of the British Columbia Mines Act for the development and operation of the Treasure Mountain Mine Project being developed by Huldra. The application allows for up to 75,000 tonnes a year of ore removal, however, the maximum the Company expects to remove is 60,000 tonnes per year.

Huldra granted 280,000 stock options to directors, consultants and employees of the Company. Each option is exercisable into one Common Share at $1.40 per Common Share for a period of five years. The options are subject to the terms of the Company's stock option plan.

The Company announced on May 5, 2011 that it has closed the definitive strategic acquisition agreement dated March 30, 2011 with Craigmont Holdings Ltd. ("Craigmont") and a wholly-owned subsidiary of the Company whereby the Company acquired 100% of the shares of Craigmont for a cash consideration of $7,500,000 of which $500,000 has been paid, and the issuance of 372,000 common shares of the Company having a value equal to $500,000. At closing, the Company issued to the Craigmont shareholders 372,000 shares at a deemed price of $1.34. On or prior to January 31, 2012, the Company will make a second cash payment of $3,000,000. The balance of $4,000,000 will be payable by the Company on or prior to January 31, 2013.

Effective June 6, 2011, the Company appointed Kathleen Nosek as Corporate Secretary.

On June 17, 2011, the Company announced that it had entered into the Credit Agreement with Waterton pursuant to which Waterton has agreed to make the $10,000,000 Credit Facility available to the Company. For further details about the proposed Offering, see above under the heading "Financing, Liquidity and Capital Resources".

On June 21, 2011, the Company announced that it has entered into a Purchase and Service Agreement with Canadian Royal Mining Corporation of Chilliwack, B.C., to acquire a two hundred (200) ton per day modular silver, lead, zinc process plant. The mill is expected to be delivered to the Company's milling property in Merritt, B.C., in the third quarter of 2011 and will take approximately three months to commission and assemble.

The Company also announced as of June 20, 2011 that David Chong had resigned as a director of the Company.

A 48 man modular camp has been installed in the Treasure Mountain mining camp. All services are expected to be connected before the end of the month. A small crew, situated at a temporary camp, has been working on road maintenance and camp construction. Once the full camp is installed, the Company expects that full exploration and development programs will commence.

On June 22, 2011, the Company announced that it intends to undertake the Offering of Special Warrants and Flow-Through Special Warrants to raise gross proceeds of up to $10,000,000, including up to $3,000,000 in Flow-Through Special Warrants. For further details about the proposed Offering, see above under the heading "Financing, Liquidity and Capital Resources".

11. ACCOUNTING POLICIES AND ESTIMATES

Adoption of International Financial Reporting Standards ("IFRS")

Effective January 1, 2011, Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information, the effective transition date is January 1, 2010. The three months ended March 31, 2011 is the Company's first reporting period under IFRS.

The Company's IFRS accounting policies are provided in Note 3 to the interim financial statements that are being filed concurrently with this MD&A. In addition, Note 12 to the interim financial statements details the Company's application of certain exemptions for the first time under IFRS 1*, First-Time Adoption of International Financial Reporting Standards* as well as reconciliations between the Company's 2010 previous Canadian GAAP results and the 2010 IFRS results. The reconciliations include the Statement of Financial Position as at January 1, 2010, March 31, 2010 and December 31, 2010, and Statement of Operations and Comprehensive Loss, and Statement of Cash Flows for the three months ended March 31, 2010 and for the twelve months ended December 31, 2010.

The Company has applied the following exemptions to its opening Statement of Financial Position dated January 1, 2010:

(a) Share-based Payment

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 *Share-based Payment* to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010.

(b) Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of January 1, 2010 are consistent with its GAAP estimates for the same date.

An explanation of how the transition from previous GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following reconciliations:

Reconciliation of Statements of Financial Position

	January 1, 2010			March 31, 2010			December 31, 2010		
	Canadian GAAP	Effect of Transition to IFRS	IFRS	Canadian GAAP	Effect of Transition to IFRS	IFRS	Canadian GAAP	Effect of Transition to IFRS	IFRS
ASSETS									
Current									
Cash and cash equivalents	$ 17,268	-	$ 17,268	$ 21,945	-	$ 21,945	$ 1,998,259	$ -	$ 1,998,259
Short term investments	-	-	-	-	-	-	300,000	-	300,000
Amounts receivable	272	-	272	2,698	-	2,698	108,687	-	108,687
Prepaid expenses and other receivables	1,795	-	1,795	367	-	367	18,857	-	18,857
	19,355	-	19,355	25,010	-	25,010	2,425,803	-	2,425,803
Non- Current									
Property, Plant & Equipment	673	-	673	623	-	623	20,454	-	20,454
Mineral Interests	86,437	-	86,437	86,437	-	86,437	86,437	-	86,437
Restricted Cash	10,000	-	10,000	10,000	-	10,000	60,000	-	60,000
TOTAL ASSETS	$ 116,445	-	$ 116,445	$ 122,070	-	$ 122,070	$ 2,592,694	-	$ 2,592,694

Reconciliation of Statements of Financial Position

		January 1, 2010			March 31, 2010			December 31, 2010		
	Note	Canadian GAAP	Effect of Transition to IFRS	IFRS	Canadian GAAP	Effect of Transition to IFRS	IFRS	Canadian GAAP	Effect of Transition to IFRS	IFRS
LIABILITIES										
Current										
Accounts payable and accrued liabilities		$ 47,182	-	$ 47,182	$ 66,499	-	$ 66,499	$ 51,323	-	$ 51,323
Due to directors		5,362	-	5,362	18,722	-	18,722	64	-	64
		52,544	-	52,544	85,221	-	85,221	51,387	-	51,387
Non-Current										
Site Restoration Liability		25,000	-	25,000	25,000	-	25,000	25,000	-	25,000
TOTAL LIABILITIES		77,544	-	77,544	110,221	-	110,221	76,387	-	76,837
SHAREHOLDERS' EQUITY										
Share Capital		6,531,388	-	6,531,388	6,531,388	-	6,531,388	9,165,723	-	9,165,723
Share-based payments reserve	12a	81,404	-	81,404	81,404	-	81,404	419,684	(77,574)	342,110
Accumulated Deficit		(6,573,891)	-	(6,573,891)	(6,600,943)	-	(6,600,943)	(7,069,100)	77,574	(6,991,526)
TOTAL EQUITY		38,901	-	38,901	11,849	-	11,849	2,516,307	-	2,516,307
TOTAL EQUITY AND LIABILITIES		$ 116,445	-	$ 116,445	$ 122,070	-	$ 122,070	$ 2,592,694	-	$ 2,592,694

Reconciliation of Statements of Operations and Comprehensive Loss

	Note	For the three months ended March 31, 2010 Canadian GAAP	Effect of Transition to IFRS	IFRS	Year ended December 31, 2010 Canadian GAAP	Effect of Transition to IFRS	IFRS
Operating Expenses							
Exploration Costs		$ 2,196	-	$ 2,196	$ 84,518	-	$ 84,518
Share-based compensation expense	12b	-	-	-	249,293	3,830	253,123
Professional fees		11,477	-	11,477	70,633	-	70,633
Management fees		3,000	-	3,000	34,000	-	34,000
Consulting fees		4,000	-	4,000	22,000	-	22,000
Office and general		469	-	469	19,775	-	19,775
Regulatory fees		5,000	-	5,000	8,873	-	8,873
Transfer agent fees		860	-	860	6,176	-	6,176
Rent		-	-	-	2,800	-	2,800
Vehicle expenses		-	-	-	2,290	-	2,290
Depreciation		50	-	50	3,580	-	3,580
		27,052	-	27,052	503,938	3,830	507,768
Operating loss before other items		$ (27,052)	-	$ (27,052)	$ (503,938)	$ 3,830	$ (507,768)
Other Income (Expenses)							
Interest Income		-	-	-	8,729	-	8,729
NET LOSS AND COMPREHENSIVE LOSS		$ (27,052)	-	$ (27,052)	$ (495,209)	$ 3,830	$ (499,039)

Reconciliation of Statements of Operations and Comprehensive Loss

		For the three months ended March 31, 2010			Year ended December 31, 2010		
	Note	Canadian GAAP	Effect of Transition to IFRS	IFRS	Canadian GAAP	Effect of Transition to IFRS	IFRS
Operating Expenses							
Exploration Costs		$ 2,196	-	$ 2,196	$ 84,518	-	$ 84,518
Share-based compensation expense	12b	-	-	-	249,293	3,830	253,123
Professional fees		11,477	-	11,477	70,633	-	70,633
Management fees		3,000	-	3,000	34,000	-	34,000
Consulting fees		4,000	-	4,000	22,000	-	22,000
Office and general		469	-	469	19,775	-	19,775
Regulatory fees		5,000	-	5,000	8,873	-	8,873
Transfer agent fees		860	-	860	6,176	-	6,176
Rent		-	-	-	2,800	-	2,800
Vehicle expenses		-	-	-	2,290	-	2,290
Depreciation		50	-	50	3,580	-	3,580
		27,052	-	27,052	503,938	3,830	507,768
Operating loss before other items		$ (27,052)	-	$ (27,052)	$ (503,938)	$ 3,830	$ (507,768)
Other Income (Expenses)							
Interest Income		-	-	-	8,729	-	8,729
NET LOSS AND COMPREHENSIVE LOSS		$ (27,052)	-	$ (27,052)	$ (495,209)	$ 3,830	$ (499,039)

Notes on GAAP – IFRS Reconciliations

IFRS requires an entity to present, for each equity component, a reconciliation between the carrying amount at the beginning and end of the period, separately disclosing each change.

IFRS also permits a transfer of reserves arising from share-based transactions. During the year ended December 31, 2010, 100,000 options outstanding at January 1, 2010 were canceled and therefore a transfer of the fair value attributed to these cancelled options, was made to accumulated deficit, for the three months ended March 31, 2010 (nil) and for the year ended December 31, 2010 ($81,404) so that the balance of "share-based payments reserve" reflected only the fair value of options and warrants outstanding as of that date. Previously under Canadian GAAP, these amounts remained in contributed surplus.

Previously under Canadian GAAP, the Company recognized an expense related to share-based payments on a straight-line basis through the date of full vesting and did not incorporate a forfeiture rate; however, under IFRS 2, for each award tranche maintaining graded vesting features, the Company is required to treat each tranche as a separate grant with a different vesting date and fair value. As a result, share-based payments reserve and share-based compensation expense increased by nil at January 1, 2010 (December 31, 2010 - $3,830). This adjustment did not have an impact on the statement of financial position as at March 31, 2010 and January 1, 2010 and the statement of operations and comprehensive loss for the period ended March 31, 2010 and January 1, 2010.

11. OTHER INFORMATION

The Company's website address is www.huldrasilver.com. Other information relating to the Company may be found on SEDAR at www.sedar.com.

12. BOARD APPROVAL

The board of directors of the Company has approved this MD&A.