FORM 5

QUARTERLY LISTING STATEMENT

Name of CNQ Issuer: **SILVER PHOENIX RESOURCES INC**.__(the "Issuer").

Trading Symbol: **SP**____

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNQ Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNQ.ca website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the CNQ Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows: A**ttached are the Interim Financial Statements for the period ended March 31, 2010.**

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

See the attached Interim Financial Statements and MD&A for the period ended March 31, 2010.

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

There were no securities issued during the period.

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(b) summary of options granted during the period, **There were no Options granted during the period.**

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
Nil	Nil	Nil	Nil	Nil	Nil	Nil

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Shares Authorized	Issued & Outstanding	Options	Warrants/Convertible Securities	Escrow Securities
Common Shares, Unlimited number of shares	6,830,520. common shares issued and outstanding; the recorded value for shares issued and outstanding is $989,029.	680,000.	680,000. Options exercisable at a price of $0.25 per share until July 7, 2013	1,411,200 shares

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

William James Murray	**CEO, President, Director & Promoter**
Leland Voll	**Director & Promoter**
James McFaull	**Director**
Wesley Pomeroy	**Director**
Leslie Kjosness	**Director**
David Lajack	**Director**
Roxann Eddy	**CFO & Secretary**

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNQ that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNQ Requirements (as defined in CNQ Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated May 31, 2010.

William James Murray
Name of Director or Senior Officer

"William J. Murray"
Signature

CEO & President
Official Capacity

Issuer Details Name of Issuer SILVER PHOENIX RESOURCES INC	For Quarter Ended Mar. 31, 2010	Date of Report YY/MM/D 2010-05-31
Issuer Address 4631 – 75TH AVENUE NE PO BOX 134		
City/Province/Postal Code CANOE BC V0E 1K0	Issuer Fax No. (250)832-0338	Issuer Telephone No. (250)832-0336
Contact Name WILLIAM JAMES MURRAY	Contact Position CEO & PRESIDENT	Contact Telephone No. 250-832-0336
Contact Email Address bmurray@sunwave.net	Web Site Address	

SILVER PHOENIX RESOURCES INC.

(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS

FOR THE PERIODS ENDED

MARCH 31, 2010 and 2009

(EXPRESSED IN CANADIAN DOLLARS)

(Unaudited – Prepared by Management)

Reader's Note:

These interim financial statements for the three months ended March 31, 2010 and 2009 of Silver Phoenix Resources Inc. ("Silver Phoenix" or the "Company") have been prepared by management and have not been subject to review by the Company's auditors.

SILVER PHOENIX RESOURCES INC.
(An Exploration Stage Company)
INTERIM BALANCE SHEETS
Canadian Dollars

		March 31, 2010		December 31, 2009 (audited)
ASSETS				
CURRENT ASSETS				
Cash	**$**	**204,763**	$	262,546
Amounts receivable		**75,000**		11,126
GST recoverable		**7,552**		5,998
Prepaid expenses		**750**		1,000
		288,065		280,670
Marketable securities (Note 4)		**26,000**		19,250
Mineral properties (Note 5)		**152,704**		152,704
Equipment (Note 6)		**5,521**		4,458
	$	**472,290**	$	457,082
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	**$**	**134,148**	$	146,324
		134,148		146,324
SHAREHOLDERS' EQUITY				
Share capital (Note 7(a))		**989,029**		989,029
Contributed surplus (Note 7(b))		**106,124**		106,124
		1,095,153		1,095,153
Accumulated other comprehensive loss (Note 9)		**(20,500)**		(12,250)
Deficit		**(736,511)**		(772,145)
		338,142		310,758
	$	**472,290**	$	457,082

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS (Note 10)

Approved on behalf of the Board:

"William Murray" Director
William Murray

"Leland Voll" Director
Leland Voll

(The accompanying notes are an integral part of these interim financial statements.)

SILVER PHOENIX RESOURCES INC.

(An Exploration Stage Company)

INTERIM STATEMENTS OF OPERATIONS AND DEFICIT

Unaudited – Prepared by Management
Canadian Dollars

		Three Months Ended March 31, 2010		Three Months Ended March 31, 2009
Expenses				
Amortization	**$**	**329**	$	190
Auto and travel		**3,521**		875
Bank charges		**43**		46
Filing fees		**900**		6,550
Management fees		**28,500**		28,500
Office and miscellaneous		**523**		974
Professional fees		**17,338**		14,020
Promotion		**1,539**		4,471
Telephone and utilities		**635**		736
Transfer agent		**684**		1,347
Loss before other items		**(54,012)**		(57,709)
Other items				
Gain on option of mineral property (Note 5)		**90,000**		-
Mineral property costs written off		**(781)**		
Interest income		**427**		1,754
Net gain (loss) for the period		**35,634**		(55,955)
Deficit, beginning of period		**(772,145)**		(604,352)
Deficit, end of period	**$**	**(736,511)**	$	(660,307)
Net gain (loss) per share – basic and diluted	**$**	**0.01**	$	(0.01)
Weighted average number of common shares		**6,830,520**		6,830,520

SILVER PHOENIX RESOURCES INC.

(An Exploration Stage Company)

INTERIM STATEMENTS OF COMPREHENSIVE LOSS AND GAIN

Unaudited – Prepared by Management
Canadian Dollars

		Three Months Ended March 31, 2010		Three Months Ended March 31, 2009
Net (loss) gain for the period	**$**	**35,634**	$	(55,955)
Other comprehensive loss:				
Unrealized loss on available for sale marketable securities (Note 9)		**(20,500)**		3,500
Comprehensive (loss) gain for the period	**$**	**15,134**	$	(52,455)

(The accompanying notes are an integral part of these interim financial statements.)

SILVER PHOENIX RESOURCES INC.

(An Exploration Stage Company)

INTERIM STATEMENTS OF CASH FLOWS

Unaudited – Prepared by Management
Canadian Dollars

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Operating Activities		
Net (loss) gain for the period	**$ 35,634**	$ (55,955)
Items not involving cash:		
Amortization	**329**	190
Gain on option of mineral property	**(90,000)**	-
	(54,037)	(55,765)
Changes in non-cash working capital items:		
GST recoverable	**(1,554)**	8,202
Accounts receivable	**11,126**	-
Accounts payable and accrued liabilities	**(12,176)**	11,330
Prepaid expenses	**250**	-
Mineral properties	**781**	-
	(55,610)	(36,233)
Investing Activities		
Equipment purchase	**(1,392)**	-
Amount received on option of mineral property	**-**	75,000
Mineral property acquisitions exploration expenditures	**-**	(113)
Mineral property written off	**(781)**	-
	(2,173)	74,887
Financing Activities		
Warrant issuance costs	**-**	(72)
	-	(72)
Change in cash	**(57,783)**	38,582
Cash, beginning of period	**262,546**	391,465
Cash, end of period	**$ 204,763**	$ 430,047
Supplemental cash flow information:		
Cash paid for:		
Interest	**$ -**	$ -
Income taxes	**$ -**	$ -
Non-cash investing activities		
Shares received in option of mineral property	**$ 15,000**	$ -

(The accompanying notes are an integral part of these interim financial statements.)

1. NATURE OF OPERATIONS AND GOING CONCERN

Silver Phoenix Resources Inc. (the "Company") was incorporated on February 14, 2003 under the Company Act (British Columbia).

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

The Company has incurred recurring losses since its inception, and had an accumulated deficit of $736,511 as at March 31, 2010 which has been funded primarily by issuance of shares. The Company has no source of operating cash flows and expects to incur further losses in the exploration and development of its mineral properties. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with accounting principles generally accepted in Canada and follow the same accounting policies and methods consistent with those used in the preparation of the most recent annual audited financial statements except as noted below. These interim financial statements do not include all information and note disclosures required by Canadian GAAP for annual financial statements, and therefore should be read in conjunction with the Company's audited financial statements as at December 31, 2009.

3. NEW ACCOUNTING STANDARDS

a) Adoption of new accounting standards

In January 2009, the Accounting Standards Board ("AcSB") issued CICA Handbook Section 1582, "Business Combinations", which replaces Section 1581, "Business Combinations". The AcSB also issued Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests", which replace Section 1600, "Consolidated Financial Statements". These new sections are based on the International Accounting Standards Board's ("IASB") International Financial Reporting Standard 3, "Business Combinations". These new standards replace the existing guidance on business combinations and consolidated financial statements. These new standards require that most assets acquired and liabilities assumed, including contingent liabilities, to be measured at fair value and all acquisition costs to be expensed. These new standards also require non-controlling interests to be recognized as a separate component of equity and net earnings to be calculated without a deduction for non-controlling interests.
The objective of these new standards is to harmonize Canadian accounting for business combinations with the international and U.S. accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted.

3. NEW ACCOUNTING STANDARDS (continued)

a) Adoption of new accounting standards (continued)

Assets and liabilities that arose from business combinations whose acquisition dates preceded the application of the new standards will not be adjusted upon application of these new standards. The Non-Controlling Interests standard should be applied retrospectively except for certain items. The Company has elected to early adopt this standard effective on January 1, 2010. The adoption of this standard did not have any impact on the Company's financial statements.

b) Recent accounting pronouncements

In February 2008, the AcSB adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. In July 2008 AcSB announced that early adoption will be allowed in 2009 subject to seeking exemptive relief. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

The Company has appointed a project manager to lead the conversion to IFRS. The project manager is working with other members of the finance group to develop and execute an implementation plan. An initial diagnostic review of significant IFRS differences is currently underway to identify the key areas which are likely to be impacted by accounting policy changes. After which, the Company will perform a more detailed review of the impact of IFRS on the Company's financial statements and other areas of the Company. Any changes required to systems and controls will be identified as the project progresses.

4. MARKETABLE SECURITIES

Marketable securities consist of:

At March 31, 2010 the Company held 325,000 shares of Armadillo Resources Ltd. (December 31, 2009 – 175,000 shares).

As at March 31, 2010, the fair value of the Armadillo Resources Ltd. shares decreased by $8,250. The fair value and the cost are as follows:

		March 31, 2010		December 31, 2009
Fair value	**$**	**26,000**	$	19,250
Cost		**46,500**		31,500
Accumulated unrealized loss (Note 9)	**$**	**(20,500)**	$	(12,250)

5. MINERAL PROPERTIES

March 31, 2010	Big Showing	Waverly Tangier	River Jordan	**Total**
Acquisition costs:				
Balance, beginning of period	$ 1	$ 1	$ 3,001	**$ 3,003**
Addition during the period	-	-	-	**-**
Balance, end of period	1	1	3,001	**3,003**
Deferred exploration expenditures:				
Balance, beginning of period	51,324	-	98,377	**149,701**
Expenditures during the year				
Geologist fees and assays	-	-	-	**-**
Tenure and restaking	-	-	-	**-**
Other costs	-	-	-	**-**
Balance, end of period	51,324	-	98,377	**149,701**
Shares received (Note 4)	-	(15,000)	-	**(15,000)**
Option payment receivable	-	(75,000)	-	**(75,000)**
Option payments in excess of exploration costs	-	90,000	-	**90,000**
	$ 51,325	$ 1	$ 101,378	**$ 152,704**

December 31, 2009	Big Showing	Waverly Tangier	River Jordan	Total
Acquisition costs:				
Balance, beginning of year	$ 1	$ 1	$ 1	**$** 3
Addition during the year	-	-	3,000	3,000
Balance, end of year	1	1	3,001	3,003
Deferred exploration expenditures:				
Balance, beginning of year	36,609	89,351	106,579	232,539
Expenditures during the year				
Geologist fees and assays	18,950	-	12,913	31,863
Tenure and restaking	1,671	10	-	1,681
Other costs (recovery)	-	(887)	-	(887)
Mining exploration tax credits	(5,906)	(11,897)	(21,115)	(38,918)
Balance, end of year	51,324	76,577	98,377	226,278
Option payment received	-	(75,000)	-	(75,000)
Shares received (Note 4)	-	(31,500)	-	(31,500)
Option payments received in excess of exploration costs	-	29,923	-	29,923
	$ 51,325	$ 1	$ 101,378	**$** 152,704

5. MINERAL PROPERTIES (continued)

The Company's mineral properties are described as follows:

Big Showing Property, British Columbia

On February 14, 2003, the Company entered into an agreement to acquire a 100% interest in the Big Showing property for mineral claims for a total area of 1,000 hectares in the Revelstoke Mining Division of British Columbia. The Company acquired 90% of the property from the President and director of the Company and 10% from an individual who became a director of the Company November 1, 2006.

For payment on the property, the Company agreed to issue 750,000 common shares of the Company on the date of the agreement (issued), to pay $35,000 in cash by April 30, 2007 (paid), to issue 1,000,000 common shares of the Company within 30 business days of the date on which the Company receives a technical report disclosing an indicated mineral resource of 5,000,000 ounces of contained silver equivalent on the claims, and to issue a further 1,583,333 common shares within 30 business days of the date on which the Company receives a positive pre-feasibility study on the claims.

The transaction was considered a related party transaction and consequently 750,000 common shares issued as initial payment were recorded at the nominal carrying amount of the property of the related party vendors. The cash payment of $35,000 was charged to deficit in 2007.

Waverly Tangier Property, British Columbia

On March 15, 2004, the Company entered into an agreement to acquire a 100% interest in the Waverly Tangier Property for mineral claims for a total area of 5,675 hectares in the Revelstoke Mining Division of British Columbia. The Company acquired 90% of the property from the President and director of the Company and 10% from an individual who became a director of the Company on November 1, 2006.

The Company agreed to issue 750,000 common shares of the Company on the date of the agreement (issued), to pay $35,000 in cash (paid in August 2007), to issue 1,000,000 common shares of the Company within 30 business days of the date on which the Company receives a technical report disclosing an indicated mineral resource of 5,000,000 ounces of contained silver equivalent on the claims, and to issue a further 1,583,333 common shares within 30 business days of the date on which the Company receives a positive pre-feasibility study on the claims.

The transaction was considered a related party transaction and consequently 750,000 common shares issued as initial payment were recorded at the nominal carrying amount of the property of the related party vendors. The cash payment of $35,000 was charged to deficit in 2007.

5. MINERAL PROPERTIES (continued)

Waverly Tangier Property, British Columbia (continued)

Armadillo Option

Pursuant to the amended and restated option and royalty agreement dated February 25, 2009 with Armadillo Resources Ltd. ("Armadillo"), the Company granted Armadillo a 60% interest (the "First Option") in the Waverley-Tangier property (the "Property") located in the Revelstoke Mining Division of British Columbia (see Note 4). Armadillo agreed to pay to the Company $350,000 in cash, to incur $3,000,000 in exploration expenditures and to issue 625,000 common shares of Armadillo to the Company as follows:

	Cash	Exploration Expenditures	Shares
Before March 31, 2009 (received)	$ 75,000	$ –	175,000
Before March 30, 2010 (shares received)	75,000	200,000	150,000
Before March 30, 2011	100,000	300,000	150,000
Before March 30, 2012	100,000	1,000,000	150,000
Before March 30, 2013	–	1,500,000	–
	$ 350,000	$ 3,000,000	625,000

On March 23, 2010, the Company received 150,000 Armadillo shares (Note 4). As of March 31, 2010 the option payment of $75,000 had not been received and was recorded as a receivable.

As part of the requirement for exercising the First Option, Armadillo agreed to pay for and deliver to the Company a Feasibility Study, as defined in National Instrument 43-101, no later than December 31, 2015. Armadillo is to deliver to the Company the exercise notice within 30 days from the delivery of the Feasibility Study.

Armadillo is also entitled to earn an additional 10% interest (the "Second Option") in the Property by:

a) lending the Company, at the most attractive interest rate available and in no case greater than the London Interbank Offered Rate ("LIBOR") plus ½%, all of the amounts that will be payable by the Company under the joint operations of the Property (the "Joint Venture"); and

b) causing the Joint Venture to put the Property into commercial production.

The Property is subject to a 3% net smelter return ("NSR") royalty and the Joint Venture will pay annual advance royalty payments of $150,000 commencing on January 1, 2015 to the Company until the Property is put into commercial production. The advance royalty payments will be deducted from the NSR payments otherwise needed to be made.

5. MINERAL PROPERTIES (continued)

River Jordan Property, British Columbia

On March 16, 2006, the Company entered into an agreement to acquire a 100% interest in the River Jordan Property for mineral claims for a total area of 649 hectares in the Revelstoke Mining Division of British Columbia. The Company acquired 90% of the property from the President and director of the Company and 10% from an individual who became a director of the Company on November 1, 2006.

The Company agreed to pay $35,000 in cash by April 30, 2007 (paid), to issue 750,000 common shares (issued in June 2007) of the Company, to issue 1,000,000 common shares of the Company within 30 business days of the date on which the Company receives a technical report disclosing an indicated mineral resource of 5,000,000 ounces of contained silver equivalent on the claims, and to issue a further 1,583,333 common shares within 30 business days of the date on which the Company receives a positive pre-feasibility study on the claims.

The transaction was considered a related party transaction and consequently 750,000 common shares issued as initial payment were recorded at the nominal carrying amount of the property of the related party vendors. The cash payment of $35,000 was charged to deficit in 2007.

6. EQUIPMENT

	Cost	Accumulated amortization	**March 31, 2010 Net book value**
Computer equipment	$ 6,888	$ 2,365	**$ 4,523**
Equipment	2,477	1,479	**998**
	$ 9,365	$ 3,844	**$ 5,521**

	Cost	Accumulated amortization	December 31, 2009 Net book value
Computer equipment	$ 5,496	$ 2,089	**$** 3,407
Equipment	2,477	1,426	1,051
	$ 7,973	$ 3,515	**$** 4,458

7. SHARE CAPITAL

a) Details of Share Capital:

Authorized: Unlimited common shares without par value
Issued and outstanding:

	Shares		Amount
Balance, December 31, 2008 and 2009	6,830,250	$	989,029
Common shares issued	-		-
Balance, March 31, 2010	6,830,520	$	989,029

b) Contributed Surplus

		March 31, 2010		December 31, 2009
Balance – beginning of period	**$**	**106,124**	$	106,124
Fair value of stock-based compensation		**-**		-
Balance – end of period	**$**	**106,124**	$	106,124

c) Stock Options

On April 18, 2008, the Company approved the adoption of a “rolling” stock option plan whereby a maximum of 10% of the issued common shares of the Company, from time to time, may be reserved for issuance pursuant to the exercise of options. The board of directors may, from time to time, grant options to directors, officers, employees and consultants of the Company. Options granted must be exercised no later than five years (if the Company is listed on the CNQ or a TSX Venture Exchange Tier 2 issuer) or ten years (if the Company is a TSX Venture Exchange Tier 1 issuer). The exercise price of an option cannot be less than the market price of the common share less applicable discounts permitted by the stock exchange on which the common shares are listed. Options begin vesting on the grant date based on a schedule outlined in the stock option plan.

On July 8, 2008, the Company granted to five directors and one officer incentive stock options to purchase up to 680,000 common shares of the Company at a price of $0.25 per share exercisable until July 7, 2013. These options vested on grant and had a fair value of $106,124 which was charged to operations as stock-based compensation and credited to contributed surplus.

7. SHARE CAPITAL (continued)

c) Stock Options (continued)

At March 31, 2010, the options issued by the Company had a weighted average remaining contractual life of 3.3 years and were all exercisable, with details as follows:

Number of Options	Exercise Price	Expiry Date
680,000	$0.25	July 7, 2013

8. RELATED PARTY TRANSACTIONS

During the period ended March 31, 2010, the Company paid management fees of $21,000 (2009 - $21,000) to the President and $7,500 (2009 - $7,500) to the Chief Financial Officer, respectively. The related party transactions were measured at the exchange amount which is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

9. ACCUMULATED OTHER COMPREHENSIVE LOSS

		March 31, 2010		December 31, 2009
Balance – beginning of period	**$**	**(12,250)**	$	-
Unrealized loss on available-for-sale marketable securities		**(8,250)**		(12,250)
Balance – end of period	**$**	**(20,500)**	$	(12,250)

10. COMMITMENTS

a) The Company is committed to a management services agreement with the President and director of the Company. The agreement requires payments of $84,000 per year commencing April 1, 2008. This contract is payable monthly and may be terminated by both parties by giving one month's notice.

b) The Company is committed to a management services agreement with the Chief Financial Officer of the Company. The agreement requires payments of $30,000 per year commencing October 1, 2007. This contract is payable monthly and may be terminated by both parties by giving one month's notice.

c) The Company is obligated to make certain payments and issue shares as described in Note 5 in connection with acquisition of its mineral properties.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises all the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments of high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

12. FINANCIAL INSTRUMENTS AND RISKS

Fair Value

As at March 31, 2010, the Company's financial instruments consisted of cash, amounts receivable, marketable securities and accounts payable. The fair values of cash, amounts receivable and accounts payable approximate their carrying values because of their current nature.

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
Level 3 – Inputs that are not based on observable market date

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Cash	$ 204,763	$ -	$ -	$ 204,763
Marketable securities	26,000	-	-	26,000
	$ 230,763	$ -	$ -	$ 230,763

The Company's financial instruments are exposed to a number of risks that are summarized below:

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution.

12. FINANCIAL INSTRUMENTS AND RISKS (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as described in Note 12.

The Company ensures its holding of cash is sufficient to meet its short-term exploration and administrative expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand, do not bear interest and are subject to normal trade terms. As at March 31, 2010 the Company has no financial assets that are past due or impaired due to credit risk defaults.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are accounted for at estimated fair values and are sensitive to changes in market prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company is not exposed to significant interest rate risk as the Company's has no interest bearing debt. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. All of the Company's financial instruments are denominated in Canadian dollars. In management's opinion there is no significant foreign exchange risk to the Company.

Transaction Costs

Transaction costs attributable to the acquisition or issue of financial assets or financial liabilities, other than those classified as held-for-trading, are added to the initial fair value amount to match the costs with the related transactions. Purchases and sales of securities are accounted for on the settlement date basis.

FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR SILVER PHOENIX RESOURCES LTD.

Our Management's Discussion and Analysis

Introduction

Prepared May 20, 2010, for the three months ended March 31, 2010. The following discussion and analysis of the financial condition and results of operations of Silver Phoenix Resources Ltd. (the "Company" or "Silver Phoenix") should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2009, and the notes thereto. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars.

The Company's results are measured in Canadian dollars using Canadian Generally Accepted Accounting Principles (GAAP). Note 2 of the notes to the audited annual financial statements indicates the accounting principles under which the financial data has been prepared.

Nature of Business

Silver Phoenix is an exploration stage company engaged in acquiring, exploring and developing mineral properties, principally located in British Columbia, Canada. The Company has no mineral producing properties, and thus, has no revenues from any mineral properties.

Current Status

The level of the Company's future operations will be determined by the availability of capital resources, which will be derived from the issuance of special warrants and future financings.

The Company has incurred recurring losses since its inception, and had an accumulated deficit of $736,511 as at March 31, 2010 which has been funded primarily by the issuance of shares. The Company has no source of operating cash flows and expects to incur further losses in the exploration and development of its mineral properties. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

The operations to date have consisted of initial organizational costs and commencement of exploration. Included in these costs were management fees paid to the President and a director of $21,000 for the current period. The Company also incurred management fees for the Chief Financial Officer of $7,500 for the current period.

The Company completed financing totaling $1,145,130 through subscriptions received for common shares at $0.25 per share during 2004 to 2007. In 2007, these share subscriptions were cancelled and the Company issued special warrants as replacement. On November 11, 2008, 4,580,520 common shares of the Company were issued on exercise of the 4,580,520 special warrants at $0.25 per warrant.

Activities on Mineral Projects

The Company has acquired 100% interest in three properties, the Big Showing Property, the Waverly Tangier Property and the River Jordan Property. In consideration for each property, the Company issued 750,000 shares and paid $35,000 for a total of 2,250,000 shares and $105,000.

Big Showing Property

On February 14, 2003, the Company entered into an agreement to acquire a 100% interest in the Big Showing Property for mineral claims for a total area of 1,000 hectares in the Revelstoke Mining Division of British Columbia. The Company acquired 90% of the property from the President and director of the Company and 10% from an individual who became a director of the Company November 1, 2006.

For payment of the property, the Company agreed to issue 750,000 common shares of the Company on the date of the agreement (issued), to pay $35,000 in cash by April 30, 2007 (paid), to issue 1,000,000 common shares of the Company within 30 business days of the date on which the Company receives a technical report disclosing an indicated mineral resource of 5,000,000 ounces of contained silver equivalent on the claims, and to issue a further 1,583,333 common shares within 30 business days of the date on which the Company receives a positive pre-feasibility study on the claims.

The transaction was considered a related party transaction and consequently the 750,000 common shares issued as initial payment were recorded at the nominal carrying amount of the property of the related party vendors. The cash payment of $35,000 was charged to deficit in 2007.

The Big Showing Property covers three separate deposits of sulphide mineralization called 1) Big Showing (formerly the Ruby Silver Showing); 2) Scout Showing and 3) Mammoth Showing. Mineralization consists of disseminations, blebs and aggregate of Pb-Zn-Ag sulphides hosted by silicified, iron-rich carbonate rocks within carbonaceous pelite and meta-volcanic rocks belonging to the Lower Paleozoic Hardeau Group. The deposits are thought to be structurally modified, stratiform in character, possibly SEDEX in origin. During the 2009 fiscal year, the Company completed an airborne survey for the Big Showing project. The cost for the airborne survey was $18,950. The work program planned for 2010 is subject to financing.

As at March 31, 2010, the Company had $51,325 of cumulative acquisition and exploration costs related to the Big Showing project.

Waverley Tangier Property

On March 15, 2004, the Company entered into an agreement to acquire a 100% interest in the Waverly Tangier Property for mineral claims for a total area of 4,449 hectares in the Revelstoke Mining Division of British Columbia. The Company acquired 90% of the property from the President and director of the Company and 10% from an individual who became a director of the Company on November 1, 2006.

The Company agreed to pay $35,000 in cash (paid in August 2007), to issue 750,000 common shares (issued) of the Company, to issue 1,000,000 common shares of the Company within 30 business days of the date on which the Company receives a technical report disclosing an indicated mineral resource of 5,000,000 ounces of contained silver equivalent on the claims, and to issue a further 1,583,333 common shares within 30 business days of the date on which the Company receives a positive pre-feasibility study on the claims.

The transaction was considered a related party transaction and consequently the 750,000 common shares issued as initial payment were recorded at the nominal carrying amount of the property of the related party vendors. The cash payment of $35,000 was charged to deficit in 2007.

The Waverley Tangier Property consists of two principle old mine workings: The Waverley which occur on the Tangier Claim (388305), and the Tangier, which occur on Waverley Claim (388306) and is situated at the head of the Sorcerer Creek, about 1 km below summit flats separating that creek from the head of Tangier Creek. Stratabound mineral occurrences in the project area are two main types: massive sulfide vein and carbonate replacement deposits. The Waverley and Tangier mineralization is similar to Polymetalic Manto-Type Replacement Deposits such as in the Midway of northern BC and Bluebell in southeast BC.

As at March 31, 2010, the Company had $76,578 of cumulative acquisition and exploration costs prior to receiving shares valued at $15,000 on March 23, 2010. The Company received a $75,000 option payment and shares valued at $31,500 during the 2009 fiscal year.

Armadillo Option

Pursuant to the amended and restated option and royalty agreement dated February 25, 2009 with Armadillo Resources Ltd. ("Armadillo"), the Company granted Armadillo a 60% interest (the "First Option") in the Waverley-Tangier property (the "Property") located in the Revelstoke Mining Division of British Columbia (see Note 4). Armadillo agreed to pay to the Company $350,000 in cash, to incur $3,000,000 in exploration expenditures and to issue 625,000 common shares of Armadillo to the Company as follows:

	Cash	Exploration Expenditures	Shares
Before March 31, 2009 (received)	$ 75,000	$ –	175,000
Before March 30, 2010 (shares received)	75,000	200,000	150,000
Before March 30, 2011	100,000	300,000	150,000
Before March 30, 2012	100,000	1,000,000	150,000
Before March 30, 2013	–	1,500,000	–
	$ 350,000	$ 3,000,000	625,000

On March 23, 2010, the Company received 150,000 Armadillo shares. As of March 31, 2010 the option payment of $75,000 had not been received and has been recorded as a receivable.

As part of the requirement for exercising the first option, Armadillo agreed to pay for and deliver to the Company a Feasibility Study, as defined in National Instrument 43-101, no later than December 31, 2015. Armadillo is to deliver to the Company the exercise notice within 30 days from the delivery of the Feasibility Study.

Armadillo is also entitled to earn an additional 10% interest (the "Second Option") in the Property by:

a) lending the Company, at the most attractive interest rate available and in no case greater than the London Interbank Offered Rate ("LIBOR") plus ½%, all of the amounts that will be payable by the Company under the joint operations of the Property (the "Joint Venture"); and

b) causing the Joint Venture to put the Property into commercial production.

The Property is subject to a 3% net smelter return ("NSR") royalty and the Joint Venture will pay annual advance royalty payments of $150,000 commencing on January 1, 2015 to the Company until the Property is put into commercial production. The advance royalty payments will be deducted from the NSR payments otherwise needed to be made.

Armadillo Resources has completed the multi-sensor airborne geophysical survey over the Waverly-Tangiers. After preliminary review of the data, the Company has increased its mineral claims holdings by 6,895 hectares from 4,449 hectares to 11,344 hectares.

River Jordan Property

On March 16, 2006, the Company entered into an agreement to acquire a 100% interest in the River Jordan Property for mineral claims for a total area of 649 hectares in the Revelstoke Mining Division of British Columbia. The Company acquired 90% of the property from the President and director of the Company and 10% from an individual who became a director of the Company on November 1, 2006.

The Company agreed to pay $35,000 in cash by April 30, 2007 (paid), to issue 750,000 common shares (issued in June 2007) of the Company, to issue 1,000,000 common shares of the Company within 30 business days of the date on which the Company receives a technical report disclosing an indicated mineral resource of 5,000,000 ounces of contained silver equivalent on the claims, and to issue a further

1,583,333 common shares within 30 business days of the date on which the Company receives a positive pre-feasibility study on the claims.

The transaction was considered a related party transaction and consequently the 750,000 common shares issued as initial payment were recorded at the nominal carrying amount of the property of the related party vendors. The cash payment of $35,000 was charged to deficit in 2007.

The River Jordan Property covers a sulphide deposit variously known as the River Jordan/Jordan River and the King Fissue Deposit which is a metamorphic rock – hosted massive sulphide deposit comprising Pb-Zn-Ag +/- Cu that has been variably described as a Broken Hill type and a sedimentary exhalative-type deposit. The deposit consists of a sulphide layer ranging up to 6 meters in thickness within calc-silicate gneiss. The property is located 19 km northwest of Revelstoke and covers Copeland Ridge between Copeland and Hiren Creek. Preliminary exploration was completed between August 8, 2008 and August 24, 2008 including geologic mapping, rock sampling and an orientation magnetometer survey, for an estimated cost of $71,153. The Company evaluated initial results and recommends that further exploration be carried out on the property. The Phase 1 program was estimated to cost $56,650. Management of the Company decided that it was prudent, more cost effective and more informative to do an airborne survey of the River Jordon project.

As at March 31, 2010, the Company had $101,378 of cumulative acquisition and exploration costs related to the River Jordan project.

Results of Operations

Silver Phoenix is a publicly traded Canadian exploration company with no mineral producing properties, and thus, does not have revenues from any mineral properties.

For the Three Months Ended March 31, 2010 as compared to the Three Months March 31, 2009

Net Gain/Loss and Operating Expenses

In the current period, the Company experienced a net gain of $35,634 compared to a net loss of $55,955 for the comparative period in 2009, a decrease of $91,589. The Company experienced a small decrease in its operating expenses and experienced an overall net gain due to the option payment for the Waverley Tangier Project.

Total operating expenses for the current period were $54,012 compared to operating expenses of $57,709 for the same period in 2009. The Company had a gain per share of $0.01 as compared to a loss per share of $0.01 in the same period in 2009.

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of Silver Phoenix and is derived from unaudited quarterly financial statements prepared by management. Silver Phoenix's interim financial statements are prepared in accordance with Canadian GAAP.

Quarter Ended	Revenues	Net (loss) gain	Net (loss) gain per share
March 31, 2010	$Nil	$35,634	$0.01
December 31, 2009	$Nil	($54,191)	($0.01)
September 30, 2009	$Nil	($4,904)	($0.00)
June 30, 2009	$Nil	($52,743)	($0.01)
March 31, 2009	$Nil	($55,955)	($0.01)
December 31, 2008	$Nil	($37,052)	($0.00)

Quarter Ended	Revenues	Net (loss) gain	Net (loss) gain per share
September 30, 2008	$Nil	($161,691)	($0.07)
June 30, 2008	$Nil	($56,640)	($0.03)

Quarterly results will vary in accordance with the Company's exploration and financing activities.

Mineral exploration is typically a seasonal business, and accordingly, the Company's operating expenses and cash requirements will fluctuate depending upon the season and the level of activity. The Company's primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company's activity level normally declines accordingly. As capital markets strengthen and the Company is able to secure equity financing with favorable terms, the Company's activity levels and the size and scope of planned exploration projects will typically increase.

Liquidity

As at March 31, 2010, the Company's net working capital was $153,917 compared to a net working capital of $134,346 as at December 31, 2009. The cash balance at March 31, 2010 was $204,763 compared to $262,546 as at December 31, 2009. As at March 31, 2010 current liabilities were $134,148 compared to $146,324 as at December 31, 2009.

On November 11, 2008, 4,580,520 common shares of the Company were issued on exercise of the 4,580,520 special warrants at $0.25 per warrant.

On May 20, 2010, the Company had 6,830,520 common shares and 680,000 options outstanding. The average exercise price of the share purchase options are $0.25.

Cash provided by investing activities in the three months ended March 31, 2010 totaled $2,173; $1,392 for the purchase of computer equipment and $781 was for the write-off of a mineral property expenses.

Financing activities provided no cash during the three months ended March 31, 2010.

Capital Resources

Since incorporation, the Company's capital resources have been limited. The Company has had to rely upon the sale of equity securities for the cash required for capital acquisitions, exploration and development, and administration.

The Company does not have any commitments for material capital expenditures and none are presently contemplated other than as disclosed above normal operating requirements. The Company may require funds in order to fund exploration programs on the Big Showing Property, the Waverly Tangier Property and the River Jordan Property and as a result, the Company will have to continue to rely on equity and debt financing in the future. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

Risks and Uncertainties

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the

Company has been successful in the past in obtaining financing through the sale of equity securities or joint ventures, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Recent degradation of the market conditions for the financing of equity and/or debt for mineral exploration and development companies has created additional uncertainty for future financing of the acquisition or development of the Company's projects.

Mineral exploration is a speculative venture. There is no certainty that the money spent on exploration and development will result in the discovery of an economic ore body. There is no assurance that the Company's exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be related to the success of its exploration programs, which may be affected by a number of factors that are beyond the control of the Company.

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity.

The market price of precious metals and other minerals is volatile and cannot be controlled.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

The Company's directors and officers serve as directors or officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction.

Off-Balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

Related Party Transactions

During the three months ended March 31, 2010, the Company incurred management fees for the President and director of the Company of $21,000 (2009 - $21,000). The Company also incurred management fees for the Chief Financial Officer of $7,500 (2009 - $7,500). The amounts were measured at the exchange amount, which is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

Commitments

a) The Company is committed to a management services agreement with the President and a director of the Company. The agreement requires payments of $84,000 per year commencing April 1, 2008. This contract is payable monthly and may be terminated by both parties by giving one month's notice.

b) The Company is committed to a management services agreement with the Chief Financial Officer of the Company. The agreement requires payments of $30,000 per year commencing October 1, 2007. This contract is payable monthly and may be terminated by both parties by giving one month's notice.

c) The Company is obligated to make certain payments and issue shares as described in Note 5 of the financial statements in connection with acquisition of its mineral properties.

Proposed Transactions

The Company is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. There are no transactions being contemplated by management or the board at this time that would affect the financial condition, results of operations and cash flows of any asset of the Company.

Critical Accounting Policies and Estimates

The details of Silver Phoenix's accounting policies are presented in Note 2 of the annual audited financial statements. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

New Accounting Standards

In January 2009, the Accounting Standards Board ("AcSB") issued CICA Handbook Section 1582, "Business Combinations", which replaces Section 1581, "Business Combinations". The AcSB also issued Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests", which replace Section 1600, "Consolidated Financial Statements". These new sections are based on the International Accounting Standards Board's ("IASB") International Financial Reporting Standard 3, "Business Combinations". These new standards replace the existing guidance on business combinations and consolidated financial statements. These new standards require that most assets acquired and liabilities assumed, including contingent liabilities, to be measured at fair value and all acquisition costs to be expensed. These new standards also require non-controlling interests to be recognized as a separate component of equity and net earnings to be calculated without a deduction for non-controlling interests.
The objective of these new standards is to harmonize Canadian accounting for business combinations with the international and U.S. accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. Assets and liabilities that arose from business combinations whose acquisition dates preceded the application of the new standards will not be adjusted upon application of these new standards. The Non-Controlling Interests standard should be applied retrospectively except for certain items. The Company has elected to early adopt this standard effective on January 1, 2010. The adoption of this standard did not have any impact on the Company's financial statements.

Amendment to Financial Instruments – Disclosures
CICA Handbook Section 3862, Financial Instruments – Disclosures was amended to require disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

Recent Accounting Pronouncements

In February 2008, the AcSB adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. In July 2008 AcSB announced that early adoption will be allowed in 2009 subject to seeking exemptive relief. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

The Company has appointed a project manager to lead the conversion to IFRS. The project manager is working with other members of the finance group to develop and execute an implementation plan. An initial diagnostic review of significant IFRS differences is currently underway to identify the key areas which are likely to be impacted by accounting policy changes. After which, the Company will perform a more detailed review of the impact of IFRS on the Company's financial statements and other areas of the Company. Any changes required to systems and controls will be identified as the project progresses.

IFRS Changeover Plan Disclosure

The Canadian Accounting Standards Board (AcSB) has announced its decision to replace Canadian Generally Accepted Accounting Principles ("GAAP") with International Financial Reporting Standards (IFRS) for all Canadian Publicly Accountable Enterprises (PAEs). The effective changeover date is January 1, 2011, at which time Canadian GAAP will cease to apply for Silver Phoenix Resources Inc. and will be replaced by IFRS. Following this timeline, the Company will issue its first set of interim financial statements prepared under IFRS in the first quarter of 2011 including comparative IFRS financial results and an opening balance sheet as at January 1, 2010. The first annual IFRS financial statements will be prepared for the year ended December 31, 2011 with restated comparatives for the year ended December 31, 2010.

Management has developed a project plan for the conversion to IFRS based on the current nature of operations. The conversion plan is comprised of three phases: 1) Scoping phase which will assess the overall impact and effort required by the Company in order to transition to IFRS; 2) Planning phase which will include a detailed analysis of the conversion process and implementation plan required for disclosure for the Company's first quarter; 3) Transition phase which will include the preparation of an IFRS compliant opening balance sheet as at January 1, 2010, any necessary conversion adjustments and reconciliations, preparation of fully compliant pro forma financial statements including all note disclosures and disclosures required for the MD&A.

Management has completed phase one, the IFRS Scoping phase, and is now advancing through phase two, the Planning stage. Management prepared a component evaluation of its existing financial statement line items, comparing Canadian GAAP to the corresponding IFRS guidelines, and has identified a number of differences. Many of the differences identified are not expected to have a material impact on the reported results and financial position.

Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as of the date of the first comparative balance sheet presented based on standards applicable at that time.

IFRS 1, "First-Time Adoption of International Financial Reporting Standards", provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS. During the second quarter of 2010, management intends to conduct an IFRS educational session for the Audit Committee and the Board of Directors which will focus on the key issues and transitional choices under IFRS 1 applicable to the Company.

Set out below are the most significant areas, identified to date by management, where changes in accounting policies may have the highest potential impact on the Company's financial statements based on the accounting policy choices approved by the Audit Committee and Board of Directors.

In the period leading up to the changeover in 2011, the AcSB has ongoing projects and intends to issue new accounting standards during the conversion period. As a result, the final impact of IFRS on the Company's financial statements can only be measured once all the IFRS accounting standards at the conversion date are known. Management will continue to review new standards, as well as the impact of the new accounting standards, between now and the conversion date to ensure all relevant changes are addressed.

Asset Impairment

Canadian GAAP generally uses a two-step approach to impairment testing: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with discounted cash flows. International Accounting Standard (IAS) 36, “Impairment of Assets” uses a one-step approach for both testing and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may potentially result in write downs where the carrying value of assets were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis.

Currently the Company has no significant assets for which impairment testing is required. However, as events and circumstances of the Company’s operations change that give rise to impairment testing, IAS 36 will be applied.

Share Based Payments

IFRS and Canadian GAAP largely converge on the accounting treatment for share – based transactions with only a few differences.

Canadian GAAP allows either accelerated or straight-line method of amortization for the fair value of stock options under graded vesting.

Under IFRS, the estimate for forfeitures must be made when determining the number of equity instruments expected to vest, while under Canadian GAAP forfeitures can be recognized as they occur. The Company is currently using the estimate of forfeitures when determining the number of equity instruments expected to vest.

Upon adoption of IFRS 2, the Company will change both the method of amortization, which would give rise to an accelerated compensation expense, and the method of forfeiture recognition. The change is not expected to have a material impact on the Company’s financial statements.

Exploration and Evaluation Assets

Under the Company’s current accounting policy, acquisition costs of mineral properties, together with direct exploration and development expenses incurred thereon are capitalized.

Upon adoption of IFRS, the Company has to determine the accounting policy for exploration and evaluation assets. The Company can decide to apply the International Accounting Standards Board (“IASB”) Framework which requires exploration expenditures to be expensed and capitalization of expenditures only after the completion of a feasibility study or choose to and keep the existing Company’s policy, if relevant and reliable.

No difference as Silver Phoenix will continue to capitalize all acquisition, exploration and evaluation costs.

Property, Plant and Equipment

Under IFRS, Property, Plant and Equipment (“PP&E”) can be measured at fair value or at cost while under Canadian GAAP, the Company has to carry PP&E on a cost basis and the revaluation is prohibited.

Upon adoption of IFRS, the Company has to determine whether to elect a cost model or revaluation model. Management has yet to decide on which model to adopt. Currently, the Company only has equipment capitalized as property, plant and equipment and as a result there will be not significant impact on the adoption of either IFRS model on the Company's financial statements.

In accordance with IAS 16 "Property, Plant and Equipment", upon acquisition of significant assets, the Company will need to allocate an amount initially recognized in respect of an asset to its component parts and accounts for each component separately when the components have different useful lives or the components provide benefits to the entity in a different pattern.

Foreign Currency

IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with IAS 21 and the entity's financial results and position should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Currently the functional currency of the primary entity is the Canadian dollar ("CAD") which is also the presentation currency of the Company's financial statements.

As events and conditions relevant to the Company change, it will re-consider the primary and secondary indicators, as described in IAS 21, in determining the functional currency for each entity. Going forward under IFRS, management will assess the appropriate functional currency as events and circumstances with the Company change. The Company will assess these changes and evaluate whether there would be a significant impact on the Company's financial statements prepared under IFRS.

Future Income Taxes

Like Canadian GAAP, deferred income taxes under IFRS are determined using the liability method for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and by generally applying tax rates applicable to the Company to such temporary differences. Deferred income taxes relating to temporary differences that are in equity are recognized in equity and under IFRS subsequent adjustments thereto are backward traced to equity.

IFRS prohibits recognition where deferred income taxes arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable net earnings. The Company expects the impact of implementing IAS 12, Income Taxes will not have a significant impact on the financial statements. However, as events and circumstances of the Company's operations change that give rise to future income taxes, IAS 12 will be applied.

As the Company elects and approves the IFRS accounting policy for each of the areas above, management will determine and disclose the potential impact of the IFRS adoption at the transition date on our financial statements. The International Accounting Standards Board will also continue to issue new accounting standards during the conversion period and, as a result, the final impact of IFRS on the Company's financial statements will only be measured once all the IFRS applicable accounting standards at the conversion date are known.

Based on management's assessment of the information system currently used by the Company, all information required to be reported under IFRS is expected to be available with minimal system changes.

One of the more significant impacts identified to date of adopting IFRS is the expanded presentation and disclosure requirements. Disclosure requirements under IFRS generally contain more breadth and depth than those required under Canadian GAAP and, therefore, will result in more extensive note references. The Company is continuing to assess the level of presentation and disclosures required for its financial statements.

Management of Financial Risks

As at March 31, 2010, the Company's financial instruments consist of cash, amounts receivable, marketable securities and accounts payable. The fair values of cash, amounts receivable and accounts payable approximate their carrying values because of their current nature.

Fair Value

The Company classifies its fair value measurements in accordance with the three levels fair value hierarchy as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market date

The Company's financial instruments fair value measurement under the fair value hierarchy at March 31, 2010 is as follows:

		Level 1		Level 2		Level 3		Total
Cash	$	204,763	$	-	$	-	$	204,763
Marketable securities	$	26,000	$	-	$	-	$	26,000
	$	230,763	$	-	$	-	$	230,763

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as described in Note 11.of the unaudited interim financial statements for the three months ended March 31, 2010.

The Company ensures its holding of cash is sufficient to meet its short-term exploration and administrative expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand, do not bear interest and are subject to normal trade terms. As at March 31, 2010 the Company has no financial assets that are past due or impaired due to credit risk defaults.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are accounted for at estimated fair values and are sensitive to changes in market prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company is not exposed to significant interest rate risk as the Company's has no interest bearing debt. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. All of the Company's financial instruments are denominated in Canadian dollars. In management's opinion there is no significant foreign exchange risk to the Company.

Transaction Costs

Transaction costs attributable to the acquisition or issue of financial assets or financial liabilities, other than those classified as held-for-trading, are added to the initial fair value amount to match the costs with the related transactions. Purchases and sales of securities are accounted for on the settlement date basis.

Capital Management

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises the items included in shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments of high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Silver Phoenix's general and administrative expenses and resource property costs are provided in the Company's Interim Balance Sheets and the Interim Statement of Operations and Deficit contained in its Interim Financial Statements for March 31, 2010. This information is available its SEDAR page site accessed through www.sedar.com

Approval

The Audit Committee of the Company has approved the disclosure contained in this MD&A.

Additional Information

Additional information relating to Silver Phoenix Resources is on SEDAR at www.sedar.com

Forward-Looking Information

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, permitting risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements which are filed and available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.