



**Spider Resources Inc.
Management's Discussion and Analysis
Three and Nine Months Ended
September 30, 2009**

INTRODUCTION

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Spider Resources Inc. ("Spider" or "the Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2009. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited interim financial statements of the Company for the three and nine months ended September 30, 2009, together with the notes thereto and the audited annual financial statements for the years ended December 31, 2008 and 2007, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. Information contained herein is presented as at November 17, 2009, unless otherwise indicated.

Further information about the Company and its operations can be obtained from the offices of the Company or from www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future prices of metals; success of exploration activities; cost and timing of future exploration and development; requirements for additional capital; and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology 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". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to, risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company's expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; future prices of metals; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in metals exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, 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 information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

The Company is a reporting issuer under applicable securities legislation in the provinces of Alberta, British Columbia, Ontario and Quebec and its outstanding shares are listed on the TSX Venture Exchange under the symbol "SPQ".

DESCRIPTION OF BUSINESS

The Company is an exploration enterprise and carries on business in one segment, being the exploration for valuable minerals, exclusively in Canada.

Spider's near term goal is to deliver superior returns to shareholders by concentrating on the acquisition of exploration properties that have the potential to contain valuable mineral deposits. The Company plans to focus on certain of its properties, as set out below under "Mineral Exploration Properties".

OVERALL PERFORMANCE

The Canadian economy has shown encouraging signs of an impending recovery from the severe recession. This recovery, though not guaranteed, is expected to be slow and muted.

The Company is taking firm measures in response to the global financial and commodity price crisis, which has created volatility in the marketplace. Management is strongly committed to ensuring that the Company survives the current market turmoil and has implemented a strategy to ensure this goal will be achieved by reducing expenditures where possible and focusing on and developing the "Big Daddy" chromite deposit. The Company's long-term goal is to develop the deposit and achieve production or to sell its interest at a favourable price once an independent valuation has been determined to ensure fairness in the event of a sale of this strategic asset.

On September 14, 2009, Spider announced that it had amended and restated the December 2005 option agreement with respect to Freewest Resources Canada Inc.'s ("Freewest") McFaulds property located in Ontario. Each of Spider and KWG Resources Inc. ("KWG") has to date earned a 25% interest in the Big Daddy property, which is made up of four 16-unit claims, one 12-unit claim and two additional one-unit claims (1,248 hectare property), pursuant to an option agreement first entered into with Freewest in December 2005.

During the negotiations, the delivery of a bankable feasibility study by the optionees was removed as a requirement of the earn-in, and consequently the optionees (Spider and KWG) can only vest with 30% each once they fulfill the conditions of the new option agreement.

Under the amended option agreement, Freewest has granted additional options to KWG and Spider under which each can earn an additional 5% undivided interest (10% in the aggregate) in the McFaulds joint venture property by incurring an additional \$7.5 million in expenditures (\$15 million in the aggregate) by March 31, 2012. Each of KWG and Spider can acquire: (i) an additional 1.5% interest in the McFaulds joint venture property by incurring \$2.5 million in expenditures by March 31, 2010, which KWG and Spider have committed to spend; (ii) an additional 1.5% interest in the property by incurring an additional \$2.5 million in expenditures by March 31, 2011; and (iii) an additional 2% interest in the property by incurring an additional \$2.5 million in expenditures by March 31, 2012. If either KWG or Spider elects not to exercise any portion of its option under the amended option agreement, the other has the right to exercise the option in its place.

Alternatively, if one or more of the optionees incurs at least \$5 million in expenditures and delivers a positive feasibility study to the two other parties on or before March 31, 2012, such optionee or optionees, as the case may be, will be deemed to have earned the aggregate 10% interest in the McFaulds joint venture property, notwithstanding that less than \$15 million of expenditures were incurred prior to that date. Any decision to undertake a positive feasibility study must be made by the operator of the McFaulds joint venture project, which must notify Freewest of any such decision on or before March 31, 2011.

The amended option agreement further provides that Spider and KWG will alternate as operator of the McFaulds joint venture project for one-year terms, until March 31, 2012, with Spider acting as initial operator until March 31, 2010. The three parties will decide on the operator for the period after March 31, 2012, by way of majority vote.

The amended option agreement also provides that upon the earlier of the termination of the option period or Spider and KWG acquiring an aggregate 60% interest in the McFaulds joint venture property, a joint venture agreement among the three parties will automatically enter into effect. The joint venture agreement would be a schedule to the amended option agreement.

As at September 30, 2009, the Company had assets of \$23,567,913 and a net equity position of \$20,407,338. This compares with assets of \$22,417,191 and a net equity position of \$19,413,635 at December 31, 2008. The Company has \$237,550 of liabilities and no debt. The Company spent \$1,063,392 during the nine months ended September 30, 2009, on exploration activities on its mining interests. At September 30, 2009, the Company had mining interests of \$19,896,789, compared to \$18,833,397 at December 31, 2008. The majority of expenditures during the nine months ended September 30, 2009, were incurred on the Big Daddy chromite deposit.

At September 30, 2009, the Company had working capital of \$3,433,574, compared to \$3,417,713 at December 31, 2008. The Company had cash of \$3,238,880 at September 30, 2009, compared to \$3,205,855 at December 31, 2008, an increase of about 1%. The nominal change in cash during the nine months ended September 30, 2009, is primarily due to cash expenditures for the Company's exploration activities discussed above, which was offset by the first and second tranche of a private placement that closed on July 24, 2009, and August 7, 2009, for total gross proceeds of \$2,200,000. Refer to "Liquidity And Capital Resources", below.

The Company plans to use the private placement to finance its discretionary exploration programs on its key projects by way of eligible flow-through expenditures. Proceeds raised through this private placement will be used to finance an expanded exploration program on Spider's projects in the McFaulds Lake area. In particular, KWG and Spider have committed to undertake an exploration program on the Big Daddy chromite deposit under which an aggregate of at least \$5 million (Spider's share - \$2.5 million and KWG's share - \$2.5 million) will be spent by March 31, 2010.

The Company has sufficient cash on hand to fund its operating costs for fiscal 2009 and its Big Daddy exploration program at current operating levels. Refer to "Liquidity And Capital Resources" below.

See "Mineral Exploration Properties" below.

TRENDS

The Company is a mineral exploration company, focused on the exploration for viable mineral deposits, more specifically copper, chromite, zinc and diamonds, in Ontario, Canada, and the acquisition of other

mineral exploration properties should such acquisition be consistent with the objectives and acquisition criteria of the Company. The Company's financial success will be dependent upon the extent to which it can discover mineralization and the economic viability of developing its properties. Such development may take years to complete and the resulting income, if any, is difficult to determine with any certainty. The Company lacks mineral resources and reserves and to date has not produced any revenues. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the commodities produced.

There are significant uncertainties regarding the value of viable mineral deposits and the availability of equity financing for mineral exploration and development. The prices of metals have been volatile in recent periods and financial markets have deteriorated to the point where it has become extremely difficult for companies to raise new capital. The Company's future performance is largely tied to the development of its current mineral property interest and the overall financial markets. Current financial markets are likely to be volatile in Canada for the remainder of the calendar year and into 2010, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects. As well, concern about global growth has led to sustained drops in the commodity markets. Unprecedented uncertainty in the credit markets has also led to increased difficulties in borrowing/raising funds. Companies worldwide have been affected negatively by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting the interests of current shareholders of the Company. With continued market volatility and slower worldwide economic growth, the Company's strategy is to continue exploring the Big Daddy chromite deposit and seeking out other prospective resource properties to acquire until such time as the capital markets stabilize. The Company believes this focused strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining the momentum on key initiatives. These trends may limit the Company's ability to develop and/or further explore the Big Daddy chromite deposit and/or other property interests acquired in the future.

Apart from these and the risk factors noted under the heading "Risks And Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

MINERAL EXPLORATION PROPERTIES

Over the span of 14 years in the Province of Ontario, Spider has been exploring in a vast region of Northern Ontario, stretching from the coast of James Bay to the western reaches of the James Bay Lowlands (now referred to as the "Ring of Fire exploration area", and also to the northeast of Lake Superior near the town of Wawa, Ontario. The Company is involved in three project areas in Ontario, known as "Spider #1", "Spider #3" and "Wawa". Of these areas, Spider's focus remains on the Spider #3 area, which includes the property optioned by Spider and KWG from Freewest where the Company can earn up to a 30% interest, the Diagnos property, where the Company has a 50% interest, the McFaulds Lake property, currently under option to UC Resources Inc. ("UC"), which can earn up to a 55% interest in this property, leaving the Company with 30% interest, and the Kyle property, optioned to Renforth Resources Ltd. ("Renforth"), which can earn up to a 55% interest in the property, leaving the Company with 30% interest.

The following table outlines Spider's projects and level of involvement:

Property	Claims	Hectares	JV details (potential interest)	Commodity sought
Freewest Option	7	1,280	JV with KWG and Freewest (Spider operator) Spider to earn 30%	Chrome, nickel, PGMs
Diagnos Initiative	22	3,696	JV with KWG (Spider operator) Spider to maintain 50%	Diamonds, base and precious metals
McFaulds Project (W)	51	11,200	UC to earn in from Spider/KWG (UC operator) Spider to reduce to 30%	Copper, zinc
McFaulds Project (E)	73	17,088	UC to earn in on project Spider to reduce to 30%	Copper, zinc
McFaulds Project (N)	13	2,688	UC to earn in on project Spider to reduce to 30%	Copper, zinc
Kyle Project	8	2,048	Renforth to earn in 55% from Spider/KWG (Renforth operator) Spider to reduce to 30%	Diamonds
Renforth claims	15	3,616	Renforth option to reduce to 55% Spider to earn up to 30%	Diamonds, base metals
Wawa Project	45	4,500	JV with KWG (Spider operator) Spider to earn 66 2/3%	Diamonds
MacFadyen Project	5	672	JV with KWG (KWG operator) Spider to reduce to 33 1/3 %	Diamonds

Spider #3 Project Area (includes McFaulds, Freewest and Diagnos properties)

The Spider #3 project area is geographically located immediately west of the Spider #1 project area. The project area includes several identified properties, the McFaulds Lake (East and West) VMS (volcanogenic massive sulphide) properties, the Freewest Option property and the Diagnos Initiative property.

Freewest Option Property

This property, located approximately 15 kms southwest of the McFaulds Lake VMS property, includes four 16-unit claims, one 12-unit claim and two additional one-unit mineral claims constituting 78 claim units (1,248 hectare property).

Under the terms of the original agreement with Freewest (see press release December 19, 2005), Spider and KWG agreed to spend an aggregate of \$3 million on exploration over a four-year period to earn an initial joint 50% interest in the Freewest Option property. Under this agreement Spider and KWG could earn a cumulative joint 60% interest in the property by delivering a bankable feasibility study on any mineralization identified, and subsequently a cumulative joint 65% interest by arranging financing on behalf of Freewest to put the property into commercial production. At present, Spider and KWG have earned an initial 50% interest in the property by jointly expending a total of \$3 million, as announced on January 16, 2009.

On March 27, 2009, the Company negotiated an amendment to the Freewest Option agreement whereby the option earn-in calls for a \$15 million, three-year commitment. As a result of this amendment, the Company no longer is required to prepare a bankable feasibility study within 18 months, as had been called for in the 2005 agreement, upon successful completion of documentation evidencing such amendment and the receipt of all required approvals. Under the amendment, Spider would have a \$7.5 million commitment over the next three years, of which \$2.5 million would be required to be spent before March 31, 2010. Spider announced on September 14, 2009, that it has amended and restated the December 2005 option agreement.

During 2006, Spider announced that it had completed a winter drilling program on the property with KWG and Freewest, and had discovered a chrome-platinum-palladium bearing peridotite in Hole FW-06-03. Later that year, it was announced that the two high-grade chromitite layers were confirmed yielding assays of 23.4% chrome (34.5% Cr₂O₃), 0.19 g/t platinum, 0.21 g/t palladium, 0.32 g/t ruthenium, 0.05 g/t rhodium and 0.12% nickel over 1.03 metres followed by 18.6% chrome (28.9% Cr₂O₃), 0.23 g/t platinum, 0.48 g/t palladium, 0.30 g/t ruthenium, 0.05 g/t rhodium and 0.13% nickel over 0.85 metres. The assaying completed on the entire mineralized zone in the layered peridotite, including the upper and lower chromitite layers, yielded 4.05% chrome and 0.17% nickel over a core length of 16.85 metres. This new chrome-nickel-platinum group element discovery was the first of its kind in the McFaulds Lake area of the Sachigo Greenstone Belt in northern Ontario.

Exploration results in 2007 by Noront Resources Ltd. ("Noront") on its nearby (3.6 kilometres to the southwest) Eagle One magmatic massive sulphide (MMS) occurrence renewed interest in the nearby Freewest Option property. A similar geologic unit (as described above for the chrome occurrence) is the host for the Eagle One occurrence. However, the Noront occurrence has very significant nickel, copper, platinum, palladium and gold, while the Company's occurrence contains appreciable chrome layers enriched in PGEs (platinum group elements) and nickel, formed in a peridotite magma chamber. Geological models for this type of occurrence suggest a positional relationship between MMS occurrences and the chromite layering observed in the Company's occurrence. Consequently, the Company undertook

an aggressive exploration program that started late in the first quarter of 2008 and continued through the remainder of 2008. The collective project expenditures cost in the order of \$3.4 million to year end 2008, of which the Company expended \$1.7 million (the cost of this program was shared equally with KWG). On December 31, 2008, Spider and KWG received notice from Freewest that a 25% interest had been earned by each of KWG and Spider.

During the fourth quarter of 2008, the Company proceeded with the preparation of a National Instrument 43-101 report on the project that had been dubbed the Big Daddy chrome project. The Company engaged Micon International Ltd. to prepare this report and to review the project. This report was filed in the first quarter of 2009 on Sedar.

It was understood that further drilling would be required to confirm continuity of mineralization to the northeast and southwest with the goal of completing a NI 43-101 compliant mineral resource report for chromite on the property.

During 2008, the Company reported that the main exploration focus of the Spider-KWG joint venture had been on the massive chromite occurrence. This deposit is located approximately 3.6 kilometres northeast of Noront's Eagle One Magmatic Massive Sulphide (nickel, copper and PGM), or five kilometres northeast of Noront's Blackbird One and Two (chromite) discoveries, and four kilometres southwest of Freewest's Black Thor chromite discovery.

As previously announced (December 15, 2008), diamond drilling by the Spider/KWG joint venture on the Freewest Option property identified a northeast trending zone of continuous chromite mineralization that extends from local grid line 9+00 meters NE to 13+00 metres NE along a strike length of 400 metres. The most northeasterly section drilled in 2008, and reported January 15, 2009, included two holes on section 12+00NE, where hole FW-08-22 encountered 42.08% Cr₂O₃ over 34.8 metres, and hole FW-08-23 that undercut hole 22 encountered 34.96% Cr₂O₃ over 42.0 metres. Plotting of the mineralized zone suggests varying dips between 70 degrees to the northwest to vertical dipping. Chromium mineralization consists of varying widths of a variable tenor, in many instances high tenor of chrome, forming a series of stacked beds. Additional drilling will be required to confirm continuity of the beds from section to section and to the northeast.

The deposit remains open to depth as well as along strike in both directions. In addition, near surface drilling of the upward extension to surface has not been completed. A number of faults were noted from the drilling, some of which occur at the contact of the chromite with the surrounding peridotite/dunite. These fault sets are being modeled, as they affect the interpretation and continuity of the mineralization from section to section.

During the first quarter of 2009, the main exploration activity of the Spider-KWG joint venture on the Big Daddy chromite deposit was the completion of gravimetric and magnetic ground geophysical surveys, designed to outline and delineate the geophysically inferred extent of the chromium enriched deposit. The results of the geophysical surveys infer that the 2006 - 2008 drill program, which consisted of 14 drill holes designed to test the Big Daddy chrome deposit, had only tested the extreme southwest portion of the deposit over a strike length of 400 metres (drill section 9+00NE to drill section 13+00NE). The gravimetric survey results, when coupled with the magnetic survey results, infer that the favourable area of mineralization may extend to drill section 20+00NE and beyond (faulting and/or leveling errors may cause some displacement at line 20+00NE and points further northeast). The deposit remains open to depth and is now geophysically inferred to extend to the northeast for a further 700 metres. Drilling commenced in the third quarter and will continue through much of the fourth quarter to further evaluate this project.

In addition to the geophysical program, work included the procurement of samples for metallurgical testing. Samples were selected from various portions of the Big Daddy deposit representing variable tenors of mineralization and were delivered to SGS Lakefield Laboratories in Lakefield, Ontario.

Spider's expenditure on this project for 2009 is estimated at \$2.8 million.

Diagnos Initiative Properties

These properties are prospective for kimberlite and are located in the vicinity of the Kyle properties in the James Bay Lowlands area of Northern Ontario. The properties were acquired by staking and by a purchase agreement in 2005. During the first quarter of 2006 the Company completed ground geophysical surveying on the six properties. This exploration work has been compiled and interpreted as required for drill positioning, and the Company has presented the results to its joint venture partner for discussion and planning. The Company intends to continue the review of the geophysical results and make plans for drilling selected anomalies during fiscal 2010. Consequently, discretionary exploration expenses for 2010 have been allocated to this project.

The cost of this program, if undertaken, will be shared equally with KWG Resources. It is anticipated that one target will be drill-tested during 2010 on this project at an estimated cost of \$200,000. Spider is responsible for 50% of the cost of this program.

McFaulds Lake VMS Properties

This project covers three properties, the McFaulds (East) property, the McFaulds (West) property and the McFaulds (North) property (the latter property is located north of McFaulds (East) property). Collectively, these volcanogenic massive sulphide (VMS) properties cover approximately 31,000 hectares and are located in the western portion of the James Bay Lowlands. The VMS potential of this diamond exploration project became apparent in 2002 while the company was exploring in joint venture with De Beers Canada Exploration Limited. As a result of the discovery of VMS-style mineralization, the Company and its joint venture partner, KWG, completed several exploration campaigns, including diamond drilling programs, during the period 2003 to early 2007, outlining several VMS-style occurrences, including two where definition drilling was completed (McFaulds #1 and #3 VMS occurrences).

On March 7, 2007, the Company announced the signing of a letter of intent with UC Resources regarding a four-year exploration program on the McFaulds Lake project. This LOI outlined the terms and conditions upon which UC has an option to earn-in up to a 55% undivided interest in the McFaulds Lake project, leaving 45% to be shared pro rata by the Company and KWG. During 2008, this agreement was reviewed and amended and became subject to execution of definitive documentation, board and regulatory approval. The amendment was signed in early 2009. To date, UC has earned a 25% interest in the project and must incur exploration expenditures of at least an additional \$1.25 million on or before the third anniversary date of the LOI in order to earn an additional 15% vested interest in the property, bringing UC's interest level to 40%. UC has submitted to the Company unaudited records of expenditures incurred totaling in excess of \$1.25 million. These are currently being reviewed in conjunction with the technical reports outlining the program, and once approved UC will be deemed to have earned 40% interest in the project. Upon spending an additional \$1.25 million prior to the fourth anniversary (prior to March 2011), UC can earn the entirety of its 55% interest. Then the option agreement would be fulfilled and a formal joint venture would be entered into, with UC holding 55% interest and the Company and KWG holding the remaining 45% interest. The Company would then start spending during the KWG dilution phase, during which KWG's interest can be reduced to 15%, leaving the Company with 30%, after which all parties contribute pro rata or undergo additional dilution.

During the latter part of 2008, Scott Wilson Roscoe Postle Associates Inc. completed a review of the historical drilling on the McFaulds #1 and #3 occurrences and provided indicated and inferred resource estimates for the two occurrences. The estimates were included in an NI 43-101 report that was independently prepared and filed on Sedar in the third quarter of 2008. The following tables provide details of the resource estimates:

Spider Resources – McFaulds 3 Deposit			
Location	Indicated Resources		
	Tonnes	% Cu	% Zn
Copper-Zinc Domain	802,000	3.75	1.1
Total, Indicated	802,000	3.75	1.1

Notes:

1. CIM definitions were followed for mineral resources.
2. Mineral resources are estimated at cutoff grades of 1.5% Cu
3. Mineral resources are estimated using an average long-term copper price of US\$2.50 per pound.
4. A minimum mining width of 2 metres was used.

Spider Resources – McFaulds 1 Deposit			
Location	Inferred Resources		
	Tonnes	% Cu	% Zn
Copper Domain	279,000	2.13	0.58
Zinc Domain	560,700	0.48	3.27
Total, Inferred	839,700	1.03	2.38

Notes:

1. CIM definitions were followed for mineral resources.
2. Mineral resources are estimated at cutoff grades of 1.5% Cu and 1% Zn
3. Mineral resources are estimated using an average long-term copper price of US\$2.50 per pound.
4. A minimum mining width of 2 metres was used.

At present the McFaulds Lake project area is the focus of attention as a result of some very encouraging news by other explorers in the region; namely Noront and its recent magmatic massive sulphide (“MMS”) occurrence located 27.4 km to the west-southwest of the two main McFaulds Lake VMS occurrences. The MMS style mineralization encountered by Noront contains appreciable copper, nickel, platinum, palladium and gold. The geophysical anomalies associated with this type of occurrence are slightly different than those of VMS style mineralization. The historical geophysics over the McFaulds Lake projects (E and W) were reviewed in late 2007 by UC Resources to ascertain whether there are similar-looking MMS anomalies on the property. Spider’s management assisted in this review and planning process. As a result of the review, UC Resources agreed to participate in a new regional AeroTEM2 airborne survey with others in the area. This survey commenced in late 2007 and was completed in early 2008; results were immediately reviewed. Several anomalous areas were prioritized for ground geophysical follow-up that

included line cutting, magnetic surveying and electromagnetic surveying. Drilling commenced on the western property in October 2008 with UC Resources completing five holes totaling 1,211 metres. The mineralization found in the fourth hole (UC-08-04) was intriguing with three mineralized zones intersected. The upper mineralization was a sulphide zone with massive to semi-massive pyrrhotite that likely gave rise to the magnetic and EM anomalies. This intersection has potential importance as the VMS deposits discovered further east near McFaulds Lake are known to have large thickness of massive barren pyrrhotite, pyrite and magnetite that grades into chalcopyrite-sphalerite-rich sections. The deepest mineralized intersection consisted of erratic thinly banded and disseminated sphalerite over about three metres. This is interpreted as being related to nearby sources of zinc deposited underwater during fumarolic activity that may have created thicker zinc rich deposits elsewhere in the area. It was recommended that this mineralization be followed up with more drilling. Results of the drilling were announced by UC Resources in early 2009, and only anomalous values of copper and zinc were encountered in the holes.

In late 2008, UC Resources commenced line cutting followed by detailed ground geophysics on targets that were too wet to access under summer conditions and that had geophysically postulated chrome potential. Reviews of recent and historical airborne geophysics along a northeast trending magnetic rendered feature continuation of ultramafic sill from the Big Daddy chrome occurrence, passing through Freewest's Black Thor chromite occurrence, inferred prospective chromite targets located in the western portion of the McFaulds East claim block just west of McFaulds #1 and #3 VMS deposits, near the common boundary shared with Noront. Intense magnetic anomalies are interpreted to the southwest towards the new chromite discovery of Freewest, extending into the Freewest option property. The ground geophysical surveys completed included magnetic and gravimetric surveying. Results were reviewed by the joint venture partners and were inconclusive. Additional work is currently being considered.

During the latter part of the second quarter of 2009, UC Resources engaged Geotech Ltd. to complete a ZTEM airborne geophysical survey over selected areas in the East and West Properties. Diamond drilling ensued during early August 2009 by UC Resources as a follow-up on these surveys. Three holes were drilled totaling 623 metres, one on the Western property and two on the Eastern property.

The first hole on the Western property tested a coincident positive magnetic anomaly and a strong EM conductor. The hole cut a gradational lapilli tuff to feldspar porphyry contact, intersecting very weakly disseminated pyrite mineralization between 55.9 metres and 62.5 metres. In addition the hole intersected very anomalous gold mineralization of 2,620 ppb Au between 31.35 and 31.85 metres, followed by 1,470 ppb between 31.85 and 32.9 metres, with quartz injection and weak fine grained pyrite mineralization.

The second and third holes in the summer 2009 drill campaign by UC Resources tested for sulphide mineralization in the vicinity of McFaulds #6 occurrence, located on the Eastern property. The second hole intersected 0.8 metres (148.3 to 149.1 m) of mainly massive magnetite interbedded with 20 cm wide massive pyrrhotite with chalcopyrite and minor pyrite intervals. The 0.8 metre section averaged 2.4% copper, 0.13% Zn and 3.4g/t Ag. The sulphide mineralization was observed at the contact between volcanic lapilli tuff and volcanoclastic sediments containing chert and cherty sediments. The third hole failed to intersect any mineralization of interest.

Because this project is funded by UC Resources, Spider has no financial requirements for this project during fiscal 2009.

Spider #1 Project Area (includes Kyle and MacFadyen properties)

The Spider #1 project is a regional reconnaissance project located on the western edge of the James Bay Lowlands in northern Ontario. The project was initiated in the early 1990s to explore diamond bearing kimberlite bodies. The project encompasses numerous identified kimberlite occurrences and two distinct project areas, the Kyle project and the MacFadyen project. The project area (except for the Kyle Lake #1 Kimberlite) is subject to an agreement whereby Ashton Mining of Canada may acquire a 25% interest under certain conditions. The Company maintains an interest in a minimum number of claims that effectively cover the identified kimberlites. The Kyle properties are currently the subject of an option agreement with Renforth Resources Inc., (formerly Wycliffe Resources Inc.), whereby Renforth can earn up to a 55% interest in the Kyle properties.

Kyle Properties

These properties consist of five diamondiferous kimberlites, including Kyle Lake #1 and Kyle #3, both of which have undergone mini-bulk testing in earlier exploration campaigns by the Company. Kyle 2, 4 and 5 properties require additional exploration work, having been the subject of only preliminary drilling in 1994 and 1995 by the Company.

These properties are currently subject to an option agreement with Renforth whereby Renforth can earn up to a 55% interest. In order to earn its interest, Renforth was to make an aggregate of \$6 million in exploration expenditures by June 30, 2009, with annual exploration expenditure requirements of \$2.0 million. The option agreement was amended in 2007 whereby Renforth advised that it failed to complete the minimum expenditure due by June 30, 2007, and requested an amendment whereby it could make payment in lieu of expenditures. Both Spider and KWG agreed to the amendment. Renforth sought and received a one-year extension on the next work commitment that was due on June 30, 2008. In partial payment for these concessions, Renforth agreed to pay Spider and KWG shares valued at \$1.0 million, to be shared in a pro rata manner between Spider and KWG, the levels to be reflective of each party's current interest. At the date of this MD&A, Spider has not received the Renforth shares, although Renforth has advised that it intends to deliver the shares shortly.

In addition, Renforth must contribute all of its existing claim holdings (15 claims covering 3,616 hectares) in the Attawapiskat River area, to be added to the Kyle project area.

Spider/KWG will retain a collective 45% in the Kyle properties once Renforth has earned its 55% interest, and Renforth will transfer a 45% interest in its own properties in the project area to Spider/KWG. No less than 75% of the annual \$2 million expenditure must be dedicated to the Kyle properties in order for Renforth to acquire its 55% interest. Renforth agreed to fund the project in its entirety for the first three years and as such, is the operator during the earn-in option period.

Pursuant to the revision to the Spider/KWG joint venture dated May 12, 2006, KWG agreed to not contribute further to Spider's exploration program on the Kyle kimberlite project and as such appointed Spider as manager. In May 2006, both parties were deemed to have a 50% interest in the Kyle kimberlite project. Once Renforth has earned its 55% interest in the project, the underlying agreement terms will apply to Spider and KWG in determination of their respective interests.

During 2008 Renforth proceeded with the procurement of mini-bulk samples for diamond content that included the testing of each of the remaining Kyle kimberlites, which had not yet undergone a minimum sampling program of three or four tonnes. Kyle Lake #1 and Kyle #3 were tested by the Company and KWG by mini-bulk sampling much earlier with favourable results. Renforth intends on comparing

information from each of the five kimberlites to determine which kimberlite(s) warrant much larger tests. The sampling has been completed, and samples are now awaiting processing for commercial diamond content, as well as micro-diamond content, on eight kilogram samples taken from the feed stream to the commercial size diamond sampling plant.

As a result of this project being funded by Renforth's earn-in agreement, Spider expects to only contribute a minor amount of the spending.

MacFadyen Property

This property includes three diamond-bearing kimberlites (MacFadyen-1, MacFadyen-2 and Good Friday) located eight kilometres north of the Victor Diamond Mine project of De Beers Canada Explorations Inc. that commenced full production in August 2008.

The Company announced in May 2006 that under a revision to the joint venture with KWG, the Company had permitted its interest level to be diluted to one-third, allowing KWG to expend sufficient funds on its own to obtain up to two-thirds. An exploration agreement was negotiated with the Attawapiskat First Nation covering further exploration programs to be undertaken at the property by KWG over the next two years. Upon its signing, KWG commenced a reconnaissance program in September 2006, and made preparations for a winter drilling program to sample each of the five kimberlite pipes that constitute the MacFadyen cluster.

Initial results of the kimberlite processing of a drilling program carried out by KWG were reported on June 21, 2007, when KWG announced that a 0.23 quarter-carat diamond had been recovered from one of its MacFadyen kimberlite samples. Bulk sample processing and diamond sorting and picking were executed at the SGS Lakefield Research Laboratory in Lakefield, Ontario.

Further work on the project was planned by KWG to commence in early 2008; however, this project was curtailed due to the unavailability of sampling equipment at the project site. It is expected that KWG will resume work subject to availability of sampling equipment.

As a result of this project being the focus of KWG until Spider is diluted to a one-third interest, Spider does not expect to expend any funds on this project in the near future.

Project #6 Wawa Diamond Property

This project is located 35 km north of Wawa in central Ontario on the northeast shore of Lake Superior along the Trans-Canada Highway (Hwy 17), encompassing 44.2 square kilometres. On February 20, 2006, Spider and KWG announced that they recovered 1,337 diamonds from an 8-kg sample at the Wawa project.

On March 23, 2006, Spider and KWG received a SGS Lakefield Research Ltd. report on encouraging rock characteristics of the Wawa diamond project. This report described potential beneficiation results based upon physical properties of the xenolith portion of the rock versus the matrix portion of the rock. Additional test work concluded that most of the diamonds in the rock are contained within the xenolith; this was verified by caustic dissolution diamond analysis. Tests were undertaken to better understand the overall recoverability of diamond from rock, and to determine which process(es) can be used to separate the diamond-bearing xenolith from the less diamondiferous matrix. Spider initiated plans to follow up with SGS's recommendations, including diamond drilling the main diamond occurrence. A National Instrument

43-101 compliant report was prepared and filed with Sedar during the first quarter of 2006 containing recommendations for this drilling follow-up.

The Company continued to monitor the exploration activity in this area until the fall of 2008. In the last few days of Q3 2008, a drill rig was mobilized to this project and commenced drilling to test to depth the main diamond showing in Lalibert Township.

In October 2008, Spider/KWG completed a drill program entailing four short, HQ core holes totalling 307 metres. These holes were designed to undercut a lamprophyre dyke that hosts numerous diamond bearing xenoliths. This dyke had been previously exposed in 2004/2005 by mechanical stripping over a strike length in excess of 300 metres. The dyke varies in exposed width from 8 to 22 metres, and dips an estimated 45 degrees towards the northeast. Diamonds had been recovered from all but two of the 39 surface grab or chip-channel samples collected from the length of the dyke. Diamonds had been previously determined to be preferentially located in talc-actinolite xenoliths. The most diamonds recovered were from a 30.11 kilogram sample of talc-actinolite xenoliths (sample # LAL-04-234), which yielded 1,351 diamonds with two dimensions less than 0.5mm, 267 diamonds with two dimensions greater than 0.5mm and less than 1.0mm and 14 diamonds with two dimensions greater than 1.0mm.

The holes were drilled on lines spaced 100 metres apart with an initial inclination of -45 degrees towards the southwest to cut the dyke at approximately 40 metres below surface. Samples were normally 1.0 m in length; each sample weighed approximately 10 kilograms. 42 samples were collected and were submitted to SGS Lakefield for Caustic Dissolution diamond analysis. These samples were processed during Q3 2009.

Subsequent to the end of Q3 2009, the Company received microdiamond results pertaining to the four holes drilled during 2008. Highlights of the caustic dissolution test results included the recovery of a total of 1,095 diamonds from 336 kilograms of xenolith bearing lamprophyre dyke core selected from four diamond drill holes. Of these, eight diamonds were retained on a +0.425 mm sieve, 45 were retained on a +0.300 mm sieve, 140 were retained on a +0.212 mm sieve, 301 were retained on a +0.150 mm sieve and 601 were retained on a +0.106 mm screen. Five of the 8 kilogram samples, in which the number of xenoliths ranged between 6 and 10 in the sample interval, had a group weight for only those diamonds retained on +425 mm screen of 0.01339 carats (equating to 0.33 carats per tonne for 40 kilogram of selected samples). Additional work is being considered to follow up on these encouraging results.

Following are plans related to the Company's properties for fiscal 2009. Planned expenditures for fiscal 2009 have been estimated based upon minimum expenditure requirements. Additional expenditures have been revised downwards primarily due to the current weakening global economy. See "Trends".

Project/Property Name	Plans for Project	Planned expenditures for fiscal 2009	Timing for Completion of Planned Activities	Remaining Expenditures for 2009	Remaining Commitment
Freewest Option	Exploration with intent to define resource	\$2,550,502	Q4 '09	\$2,111,794 (spent \$438,708)	\$7,500,000

Diagnos Initiative	Drill test one anomaly	\$0	NA	\$0	\$0
McFaulds Project (W)	UC to continue its earn-in	\$0	NA	\$0	\$0
McFaulds Project (E)	UC to continues its earn-in	\$0	NA	\$0	\$0
McFaulds Project (N)	UC to continue its earn-in	\$0	NA	\$0	\$0
Kyle Project Renforth claims	Renforth to continue its earn-in	\$0	NA	\$0	\$0
Wawa Project	Process samples from project	\$100,000	Q4 '09	\$86,536 (spent \$13,464)	\$0
MacFadyen Project	KWG to continue its earn-in to 66.6%	\$0	NA	\$0	\$0

TECHNICAL DISCLOSURE

Mr. Neil Novak, P.Geo., President, Chief Executive Officer and Director of the Company, is a Qualified Person as defined under National Instrument 43-101. Mr. Novak has reviewed and verified the technical information in this MD&A.

ENVIRONMENTAL LIABILITIES

The Company is not aware of any environmental liabilities or obligations associated with its mining interests. The Company is conducting its operations in a manner that is consistent with governing environmental legislation. Pertaining to the Freewest Option project, AECOM has been retained by the project operator to commence an Environmental Base Line Study, in anticipation of a significant chromite resource being identified over the next few exploration seasons.

OVERALL OBJECTIVE

The Company's business objective is to discover a viable mineral deposit, more specifically copper, chromite and zinc, on a property on which it holds an interest. The Company is in the business of exploring its mining interests and has not yet determined whether these properties contain an economic mineral deposit. The recoverability of the amounts shown for mining interests is dependent upon: the selling price of copper, chromite and zinc at the time the Company intends to mine its properties; the existence of economically recoverable reserves; the ability of the Company to obtain the necessary financing to

complete exploration and development; government policies and regulations; and future profitable production or proceeds from disposition of such properties.

To date, the Company has not discovered an economic deposit. While discovery of ore-bearing structures may result in substantial rewards, it should be noted that few properties that are explored are ultimately developed into producing mines.

The Company notes that although the exploration of its existing projects is positive, mineral exploration in general is uncertain. As a result, the Company believes that by acquiring additional mineral properties, it is able to better minimize overall exploration risk. In conducting its search for additional mineral properties, the Company may consider acquiring properties that it considers prospective based on criteria such as the exploration history of the properties, the location of the properties, or a combination of these and other factors. Risk factors to be considered in connection with the Company's search for and acquisition of additional mineral properties include the significant expenses required to locate and establish mineral reserves; the fact that expenditures made by the Company may not result in discoveries of commercial quantities of minerals; environmental risks; risks associated with land title; the competition faced by the Company; and the potential failure of the Company to generate adequate funding for any such acquisitions. See "Risks And Uncertainties" below.

SUMMARY OF QUARTERLY RESULTS

	Third Quarter September 30, 2009	Second Quarter June 30, 2009	First Quarter March 31, 2009	Fourth Quarter December 31, 2008
Revenue (including interest income)	\$0	\$0	\$0	\$0
Expenses	\$297,863	\$548,549	\$244,598	\$732,804
Gain on sale of marketable securities	\$0	\$0	\$0	\$0
Future income tax (recovery)	\$0	\$0	\$0	(\$460,107)
Net income (loss)	(\$297,863) ⁽¹⁾	(\$548,549) ⁽²⁾	(\$244,598) ⁽³⁾	(\$272,697) ⁽⁴⁾
Net income (loss) per share basic	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Net income (loss) per share diluted	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Cash flows from (used in) operating activities	(\$368,833)	(\$140,005)	(\$344,908)	(\$375,190)
Cash and cash equivalents, end of period	\$3,238,880	\$2,261,080	\$2,631,092	\$3,205,855
Assets	\$23,567,913	\$21,722,068	\$22,087,429	\$22,417,191
Long term liabilities	\$2,923,025	\$2,923,025	\$2,923,025	\$2,837,475

	Third Quarter September 30, 2008	Second Quarter June 30, 2008	First Quarter March 31, 2008	Fourth Quarter December 31, 2007
Revenue (including interest income)	\$0	\$0	\$0	\$0
Expenses	\$163,338	\$157,892	\$122,934	\$200,436
Gain on sale of marketable securities	\$0	\$0	\$0	\$0
Future income tax (recovery)	\$0	\$0	\$0	(\$571,352)
Net income (loss)	(\$163,338) ⁽⁵⁾	(\$157,892) ⁽⁶⁾	(\$122,934) ⁽⁷⁾	\$370,916 ⁽⁸⁾
Net income (loss) per share basic	(\$0.00)	(\$0.00)	(\$0.00)	\$0.00
Net income (loss) per share diluted	(\$0.00)	(\$0.00)	(\$0.00)	\$0.00
Cash flows from (used in) operating activities	\$59,286	(\$370,928)	(\$231,955)	\$100,652
Cash and cash equivalents, end of period	\$4,102,592	\$4,602,542	\$4,653,526	\$4,912,931
Assets	\$22,852,916	\$22,548,038	\$22,136,982	\$22,003,899
Long term liabilities	\$3,392,082	\$3,392,082	\$3,392,082	\$2,688,582

Notes:

(1) The net loss of \$297,863 principally relates to (i) professional fees of \$62,541; (ii) advertising and promotion of \$61,096; and (iii) consulting fees of \$40,500. All other expenses related to general working capital purposes.

(2) The net loss of \$548,549 principally relates to (i) stock-option compensation of \$220,100; (ii) consulting fees of \$95,800; (iii) shareholder relations of \$83,219; and (iv) professional fees of \$54,450. All other expenses related to general working capital purposes.

(3) The net loss of \$244,598 principally relates to (i) advertising and promotion of \$48,838; (ii) professional fees of \$47,870; (iii) consulting fees of \$47,083; and (iv) travel of \$24,247. All other expenses related to general working capital purposes.

(4) The net loss of \$272,697 principally relates to (i) stock based compensation of \$457,800; (ii) future income tax recovery of \$460,107; (iii) professional fees of \$60,000; and (iv) consulting fees of \$47,500. All other expenses related to general working capital purposes.

(5) The net loss of \$163,338 principally relates to (i) accounting and corporate services of \$37,004; (ii) consulting fees of \$32,500; (iii) management fees of \$24,011; and (iv) professional fees of \$15,030. All other expenses related to general working capital purposes.

(6) The net loss of \$157,892 principally relates to (i) shareholder relations expense of \$50,576; (ii) consulting fees of \$25,000; (iii) management fees of \$24,000 and (iv) professional fees of \$16,060. All other expenses related to general working capital purposes.

(7) The net loss of \$122,934 principally relates to (i) shareholder relations expense of \$27,239; (ii) consulting fees of \$17,000; (iii) management fees of \$24,446 and (iv) accounting and corporate services of \$13,418. All other expenses related to general working capital purposes.

(8) The net income of \$370,916 principally relates to (i) future income tax recovery of \$571,352; (ii) transfer agent, listing and filing fees of \$37,896; (iii) professional fees of \$29,810; and (iv) consulting fees of \$26,500. All other expenses related to general working capital purposes.

RESULTS OF OPERATIONS

Nine months ended September 30, 2009, compared with nine months ended September 30, 2008

The net loss from operations for the nine months ended September 30, 2009, was \$1,091,010 or \$0.00 per share, compared to net loss of \$444,164 or \$0.00 for the comparative period in 2008. The \$646,846 increase in the loss from operations is driven by several variables, including:

- Stock-option compensation during the nine months ended September 30, 2009, was \$220,100 (nine months ended September 30, 2008 - \$nil). The increase of \$220,100 is attributable to the issue of 7,100,000 stock options during the nine months ended September 30, 2009 (nine months ended September 30, 2008 – nil). Users of the financial statements should be cautious of the valuation of stock-option compensation since its calculation is subjective and can impact net income (loss) significantly.
- Professional fees during the nine months ended September 30, 2009, were \$164,861 (nine months ended September 30, 2008 - \$39,732). The increase of \$125,129 resulted from an increase in services provided by legal counsel in relation to increased corporate activity during the nine months ended September 30, 2009, compared to the corresponding period in 2008.
- The increase of \$108,883 in consulting fees during the nine months ended September 30, 2009, over the comparative period in 2008 resulted from (i) fees paid to the Chief Financial Officer and a consultant who was not providing services in the comparative period in 2008; and (ii) bonuses paid to consultants are in accordance with agreements and board approval. No bonuses were granted in the comparative period in 2008.
- The \$62,134 increase in general and administration expenses for the nine months ended September 30, 2009, over the comparative period in 2008 is a result of increased administrative services provided by Billiken Management Services Inc. and increased corporate activity.
- Advertising and promotion expense increased by \$93,690 during the nine months ended September 30, 2009, over the comparative period in 2008 as a result of the Company expensing its share of the Air Canada Suite License Fee (the "License") over the expected term of the License, website development and maintenance and increased corporate activity.
- The increase in travel expense of \$36,192 during the nine months ended September 30, 2009, over the comparative period in 2008 is a result of key management personnel being required to attend various meetings during the period.

- Other expense fluctuations can be related to small variances seen in accounting, tax and corporate services, management fees, transfer agent, listing and filing fees, occupancy costs, interest and bank charges and insurance.

Three months ended September 30, 2009, compared with three months ended September 30, 2008

The net loss from operations for the three months ended September 30, 2009, was \$297,863 or \$0.00 per share, compared to net loss of \$163,338 or \$0.00 for the comparative period in 2008. The \$134,525 increase in the loss from operations was driven by several variables, including:

- Professional fees during the three months ended September 30, 2009, were \$62,541 (three months ended September 30, 2008 - \$15,030). The increase of \$47,511 resulted from an increase in services provided by legal counsel in relation to increased corporate activity during the three months ended September 30, 2009, compared to the corresponding period in 2008.
- The increase of \$8,000 in consulting fees during the three months ended September 30, 2009, over the comparative period in 2008 resulted from (i) fees paid to the Chief Financial Officer and a consultant who was not providing services in the comparative period in 2008;
- The \$45,317 increase in general and administration expenses for the three months ended September 30, 2009, over the same comparative period in 2008 is a result of increased administrative services provided by Billiken and increased corporate activity.
- Advertising and promotion expense increased by \$36,937 during the three months ended September 30, 2009, over the comparative period in 2008 as a result of the Company expensing its share of the License over the expected term of the License, website development and maintenance and increased corporate activity.
- Other expense fluctuations can be related to small variances seen in accounting, tax and corporate services, management fees, transfer agent, listing and filing fees, travel, occupancy costs, interest and bank charges and insurance.

LIQUIDITY AND CAPITAL RESOURCES

The activities of the Company, principally the acquisition and exploration of properties that have the potential to contain metals, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. For the nine months ended September 30, 2009, the Company had the following equity transactions:

On July 24, 2009, Spider completed the first tranche of a private placement of 48,333,333 flow-through units at a price of \$0.03 per unit, for gross proceeds of \$1,450,000. The private placement is part of a larger offering of up to 73,333,333 flow-through units. Each unit consists of one common share (issued on a flow-through basis) and one-half of one common share purchase warrant. Each full warrant entitles the holder to acquire one common share (which share will not be issued on a flow-through basis) at a price of \$0.05 for a period of one year from the date of issue and thereafter at a price of \$0.10 for a period of two years from the date of issue.

Spider engaged IBK Capital Corp. to complete the first tranche of the offering on a best-efforts agency basis. Spider paid an aggregate cash commission in the amount of \$102,375 to IBK and its

selling group agents and issued 4,550,000 broker warrants entitling IBK and its selling group agents to purchase up to 4,550,000 common shares in the capital of Spider at a price of \$0.03 for a period of one year from the date of issue and thereafter at a price of \$0.06 for a period of two years from the date of issue. IBK engaged the following sub-agents in connection with the completion of the first tranche of the offering: Brant Securities Limited, Octagon Capital Corp., CIBC Wood Gundy, TD Waterhouse Canada Inc., MGI Securities Inc., and Dundee Securities Corporation.

The securities issued under the private placement are subject to a hold period from the date of issuance until November 25, 2009, in accordance with applicable securities laws and TSX Venture Exchange policies.

On August 7, 2009, Spider completed the second tranche of a private placement with the MineralFields Group of 25,000,000 flow-through units at a price of \$0.03 per unit, for gross proceeds of \$750,000. Each unit consists of one common share (issued on a flow-through basis) and one-half of one common share purchase warrant. Each full warrant entitles the holder to acquire one common share (which share will not be issued on a flow-through basis) at a price of \$0.05 for a period of one year from the date of issue and thereafter at a price of \$0.10 for a period of two years from the date of issue.

Spider engaged Limited Market Dealer Inc. to complete the second tranche of the offering on a best-efforts agency basis. Limited Market Dealer Inc. was paid an aggregate cash commission of \$37,500 and was issued 2,500,000 broker options. Each broker option is exercisable for one unit ("option unit") at a price of \$0.03 for a period of one year from the date of issue and thereafter at a price of \$0.06 for a period of two years from the date of issue. Each option unit consists of one common share and one-half of one non-transferable common share purchase warrant. Each full warrant will be exercisable for one common share at a price of \$0.05 for a period of one year from the date of issue and thereafter at a price of \$0.10 for a period of 24 months from the date of issue.

The securities issued under the private placement are subject to a hold period from the date of issuance until December 8, 2009, in accordance with applicable securities laws and TSX Venture Exchange policies.

There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to the Company, if at all. See "Risks And Uncertainties" below.

The Company is committed to spending approximately \$1,761,000 associated with the first and second tranche of the private placement. The Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the requirements of the Income Tax Act (Canada). It is possible that the Company may institute the look-back rule, which will require the Company to spend the funds by the end of 2010.

At September 30, 2009, the Company had working capital of \$3,433,574, compared to \$3,417,713 at December 31, 2008. The Company had cash of \$3,238,880 at September 30, 2009, compared to \$3,205,855 at December 31, 2008, an increase of about 1%. The nominal change in cash during the nine months ended September 30, 2009, is primarily due to cash expenditures for the Company's exploration activities discussed above, which was offset by the first and second tranche of a private placement that closed on July 24, 2009, and August 7, 2009, for total gross proceeds of \$2,200,000.

The Company has no operating revenues and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants and stock options and other financing transactions to maintain its capacity to meet ongoing discretionary and committed exploration and operating activities.

As of September 30, 2009, the Company had 389,545,100 common shares issued and outstanding, 83,819,994 warrants outstanding which would raise \$5,768,500 if exercised in full, and 29,985,018 options outstanding which would raise \$3,278,502 if exercised in full. This is not anticipated until the financial markets recover. See "Trends" above.

To date, the cash resources of Spider are held with HSBC Bank Canada. The Company has no debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company's liquidity risk with financial instruments is minimal as excess cash is invested in investment grade short-term deposit certificates. As of September 30, 2009, the Company's funds were in two non-interest bearing accounts. The Company did not have any investments as of September 30, 2009.

In addition, sundry receivables are composed of sales tax receivable from government authorities in Canada and deposits held with service providers.

Accounts payable and accrued liabilities increased to \$237,550 at September 30, 2009, compared to \$166,081 at December 31, 2008, primarily due to accruals for exploration expenditures. The Company's cash at September 30, 2009, is sufficient to pay these liabilities.

Due to the current market conditions, the Company has decided to conserve cash; in particular, the Company intends to reduce monthly discretionary expenditures in a prudent manner. The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Those investing activities include the cash components of the cost of acquiring and exploring its mineral claims. Currently, the Company's operating expenses are averaging approximately \$100,000 per month for working capital related expenses. The Company also plans to incur exploration expenditures of \$2,111,794 on the Big Daddy chromite project.

Assuming that management is successful in discovering a viable mineral deposit on one of its mining interest, future plans to develop the property will depend upon the Company's assessment of prior results, the condition of the Company financially and the then prevailing economic climate in general.

Regardless of whether or not the Company discovers a viable mineral deposit, the Company's working capital of \$3,433,574 as at September 30, 2009, is anticipated to be adequate for it to continue its operations at its current level for the present time. However, to meet long term business plans, the exploration of the Big Daddy chromite deposit is an important component of the Company's financial success.

A summary of the Company's Big Daddy chromite deposit exploration program is summarized below:

Details	Actual Costs (\$)	Budget (\$)	Over (Under) (\$)
Administration	15,960	35,200	19,240
Planning	55,593	80,739	25,146
Camp operations	91,435	163,483	72,048
Drafting	754	8,800	8,046
Fuel MOB	Nil	113,798	113,798
Line Cutting	32,251	57,714	25,463
Ground Geophysics	5,625	116,161	110,536
Geology	372,293	1,390,338	1,018,045
Drilling	291,131	2,361,537	2,070,406
Survey	Nil	126,908	126,908
Resource Studies	12,374	52,250	39,876
Environmental	Nil	143,409	143,409
Total	877,416	4,650,337	3,772,921
Contingency	Nil	450,667	450,667
Grand Total	877,416	5,101,004	4,223,588
Spider's share	438,708	2,550,502	2,111,794

In mid-September the Company in its capacity as operator of this project commenced drilling on the Big Daddy chromite deposit. It is anticipated that the drill program will include up to 11,000 metres of core drilling and will cost between \$5 million and \$6 million, thus meeting the next level earn-in on the project from Freewest. The cost of the program will be shared equally between the Company and KWG.

OFF-BALANCE-SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

PROPOSED TRANSACTIONS

There are no proposed transactions of a material nature being considered by the Company. However, the Company continues to evaluate properties and corporate entities that it may acquire in the future. See "Overall Objective" above

TRANSACTIONS WITH RELATED PARTIES

For the three and nine months ended September 30, 2009, the Company paid \$24,000 and \$72,000 respectively, (three and nine months ended June 30, 2008 - \$24,000 and \$72,000 respectively) to Nominex Ltd. ("Nominex"), a company controlled by Neil Novak, the President and director of the Company, for

geological and other services. At September 30, 2009, included in accounts payable and accrued liabilities is \$8,400 (December 31, 2008 - \$8,400) owing to Nominex for management services provided.

For the three and nine months ended September 30, 2009, the Company paid Richard Hamelin, the Vice President of the Company, fees totaling \$18,000 and \$54,000 respectively (three and nine months ended September 30, 2008 - \$15,000).

For the three and nine months ended September 30, 2009, legal fees in the amount of \$256,220 and \$343,540 respectively, (three and nine months ended September 30, 2008 - \$15,030 and \$31,132) were paid to a law firm in which the Corporate Secretary, Carmen Diges, is a partner. At September 30, 2009, this law firm was owed \$nil (December 31, 2008 - \$15,000) and this amount was included in accounts payable and accrued liabilities.

For the three and nine months ended September 30, 2009, the Company paid \$7,500 and \$22,500 respectively to Marrelli CFO Outsource Syndicate Inc. ("Marrelli") for the services of Carmelo Marrelli to act as Chief Financial Officer of the Company (three and nine months ended September 30, 2008 - \$7,500 and \$12,500). Carmelo Marrelli is the president of Marrelli. The Chief Financial Officer is also the president of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services to Spider. During the three and nine months ended September 30, 2009, Spider expensed \$7,726 and \$26,327 respectively, (three and nine months ended September 30, 2008 - \$36,288 and \$55,814 respectively) for services rendered by MSSI. In addition, as at September 30, 2009, MSSI was owed \$2,845 (December 31, 2008 - \$2,680) and this amount was included in accounts payable and accrued liabilities.

For the three and nine months ended September 30, 2009, the Company paid consulting fees of \$15,000 and \$40,000 respectively to James G. Burns, an officer of the Company (three and nine months ended September 30, 2008 - \$nil).

For the three and nine months ended September 30, 2009, the Company paid bonuses of \$51,300 to officers of the Company (Neil Novak \$28,800, James G. Burns \$4,500 and Richard Hamelin \$18,000) (three and nine months ended September 30, 2008 - \$nil).

Directors' fees for the three and nine months ended September 30, 2009, amounted to \$11,250 and \$41,250 (three and nine months ended September 30, 2008 - \$nil). As at September 30, 2009, \$11,250 was owing to the directors and was included in accounts payable and accrued liabilities (December 31, 2008 - \$nil).

In addition, for the three and nine months ended September 30, 2009, consulting fees of \$nil (three and nine months ended September 30, 2008 - \$10,000 and \$15,000 respectively) were paid to Rocknest Corp., a company controlled by Bryan Wilson, a director of Spider.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's unaudited interim financial statements requires management to make certain estimates that affect the amounts reported in the financial statements. The accounting estimates considered significant are the valuation of the Company's mining interests and stock-based compensation.

The policy of capitalizing exploration costs to date does not necessarily relate to the future economic value of the exploration properties. The valuation of mining interests is dependent entirely upon the discovery of economic mineral deposits.

The Company uses the Black-Scholes model to determine the fair value of stock options. The main factor affecting the estimates of stock-based compensation is the stock price volatility used. The Company uses historical price data and comparables in the estimate of future volatility.

Changes in the accounting estimates in the items discussed above will not have a material impact on the financial position of the Company.

Other items requiring estimates for the three and nine months ended September 30, 2009, are accounts payable and accrued liabilities and asset retirement obligation. Changes in the accounting estimates in these items will not have a material impact on the financial position of the Company.

CHANGES IN ACCOUNTING POLICIES

During the three and nine months ended September 30, 2009, the Company adopted the following new accounting policies:

Goodwill and Intangible Assets

Effective January 1, 2009, the Company adopted Section 3064 – Goodwill and Intangible Assets, which replaced the Canadian Institute of Chartered Accountants ("CICA") Handbook sections 3062 and 3450, EIC-27 and part of Accounting Guideline 11. Under previous Canadian standards, more items were recognized as assets than under International Financial Reporting Standards ("IFRS"). The objectives of CICA 3064 are to reinforce the principle based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition and to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing asset items that do not meet the definition and recognition criteria is eliminated. The portions in the new standard with respect to goodwill remain unchanged. The provisions relating to the definition and initial recognition of intangible assets intend to reduce the differences with IFRS in the accounting for intangible assets. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The adoption of this standard had no impact on the Company's presentation of its financial position or results of operations as at September 30, 2009.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA approved EIC-173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 20, 2009. The Company is continually evaluating its counterparties and their credit risks.

Mining exploration costs

On March 27, 2009, the Emerging Issues Committee of the CICA approved an abstract EIC-174 Mining Exploration Costs, which provides guidance on capitalization of exploration costs related to mining

properties in particular, and on impairment of long-lived assets in general. The Company has applied this new abstract for the three and nine months ended September 30, 2009, and there was no significant impact on its unaudited interim financial statements as a result of applying this abstract.

Future accounting changes

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling interests". These new standards will be effective for fiscal years beginning on or after January 1, 2011. Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 – Business Combinations. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 - Consolidated and Separate Financial Statements. The Company is in the process of evaluating the requirements of the new standards.

IFRS

The Canadian Accounting Standards Board ("AcSB") has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, including Spider, effective for fiscal years beginning on or after January 1, 2011. The Company will report interim and annual financial statements (with comparatives) in accordance with IFRS beginning with the quarter ended March 31, 2011.

The Company has developed an IFRS implementation plan to prepare for this transition. To date, the Company has engaged third party advisers to assist with the transition and has completed an assessment of the key areas where changes to current accounting policies may be required. Analysis will be required for all current accounting policies; however, the initial key areas of assessment include:

- Exploration and development expenditures;
- Property, plant and equipment (measurement and valuation);
- Provisions, including asset retirement obligations;
- Stock-based compensation;
- Accounting for joint ventures;
- Accounting for income taxes; and
- First-time adoption of International Financial Reporting Standards (IFRS 1).

As the analysis of each of the key areas progresses, other elements of the Company's IFRS implementation plan will also be addressed, including: the implication of changes to accounting policies and processes; financial statement note disclosures on information technology; internal controls; contractual arrangements; and employee training. The table below summarizes the expected timing of activities related to the Company's transition to IFRS.

Initial analysis of key areas for which changes to accounting policies may be required.	Completed during Q1 2009
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Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives.	Throughout 2009
Assessment of first-time adoption (IFRS 1) requirements and alternatives.	Throughout 2009
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives	Q4 2009 – Q1 2010
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements	Q4 2009 – Q2 2010
Management and employee education and training	Throughout the transition process
Quantification of the Financial Statement impact of changes in accounting policies	Throughout 2010

MANAGEMENT OF CAPITAL

The Company defines capital that it manages as its shareholders equity. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. As at September 30, 2009, total shareholders' equity (managed capital) was \$20,407,338 (December 31, 2008 - \$19,413,635).

The properties in which the Company currently has an interest is in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration program and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts when economic conditions permit it to do so.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital within current economic conditions by:

- (i) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
- (ii) minimizing discretionary disbursements;
- (iii) reducing or eliminating exploration expenditures which are of limited strategic value; and

(iv) exploring alternate sources of liquidity.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the three and nine months ended September 30, 2009. The Company is not subject to externally imposed capital requirements. The Company expects that its current capital resources will be sufficient to discharge its liabilities as at September 30, 2009.

PROPERTY RISK AND FINANCIAL RISK AFFECTING FINANCIAL INSTRUMENTS

(a) Property risk

The Company's mining interests are the only properties that are currently material to the Company. Unless the Company acquires or develops additional material properties, it will be solely dependent upon its current mining interests. If no additional mineral properties are acquired by the Company, any adverse development affecting its mining interests would have a material adverse effect on Spider's financial condition and results of operations.

(b) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to sundry receivables. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in sundry receivables consist of sales tax receivable due from government authorities in Canada and deposits held with service providers. Sundry receivables are in good standing as of September 30, 2009. Management believes that the credit risk concentration with respect to financial instruments is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at September 30, 2009, the Company had a cash balance of \$3,238,880 (December

31, 2008 - \$3,205,855) to settle current liabilities of \$237,550 (December 31, 2008 - \$166,081). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

The Company is also committed to spending approximately \$1,761,000 associated with the first and second tranche of a private placement that was completed on July 24, 2009, and August 7, 2009. The Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the requirements of the Income Tax Act (Canada). It is possible that the Company may institute the look-back rule, which will require the Company to spend the funds by the end of 2010. If the Company does not spend these funds in compliance with the government of Canada flow-through regulations, it may be subject to litigation from various counterparties. The Company intends to fulfill all flow-through commitments within the given time constraints.

Market risk

(i) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

(ii) Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting. The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

(iii) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatility. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Sensitivity analysis

Sundry receivables, which are classified for accounting purposes as loans and receivables, are measured at amortized cost. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost. Due to the short-term nature of these instruments, their carrying value approximates fair value.

Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability depends upon the world market price of valuable minerals. Commodity prices

have fluctuated significantly in recent years. There is no assurance that, even if commercial quantities of valuable minerals can be produced in the future, a profitable market will exist for them. As of September 30, 2009, the Company was not a producer of valuable minerals. Even so, commodity price risk may affect the completion of future equity transactions, such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements; and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The following table sets forth a breakdown of material components of mining interests for the periods ended September 30, 2009, and December 31, 2008.

Mining interests				
	Acquisition costs		Exploration expenditures	
	September 30, 2009 \$	December 31, 2008 \$	September 30, 2009 \$	December 31, 2008 \$
Big Daddy chromite deposit (formerly known as Freewest)	34,000	34,000	2,677,209	1,769,913
Diagnos	39	39	66,194	66,919
McFaulds Lake	nil	nil	6,142,981	5,999,624
Spider #1	1,983,760	1,983,760	7,379,737	7,379,737
Wawa	466,173	466,173	1,146,696	1,133,232
Totals	2,483,972	2,483,972	17,412,817	16,349,425

The following table sets forth a breakdown of material components of administrative expenses of the Company for the three and nine months ended September 30, 2009 and 2008.

Administrative Expenses	Three Months Ended		Nine Months Ended	
	September 30, 2009 \$	September 30, 2008 \$	September 30, 2009 \$	September 30, 2008 \$
Accounting, tax and corporate services	10,573	37,004	40,917	64,820
Shareholder relations	1,559	2,534	87,623	80,349
Professional fees	62,541	15,030	164,861	39,732
Management fees	24,000	24,011	72,000	72,457
Transfer agent, listing and filing fees	16,113	1,337	23,942	22,066
General and administration	54,541	9,224	78,374	16,240
Travel	15,052	7,731	48,340	12,148
Occupancy costs	3,750	5,000	16,298	10,000
Interest and bank charges	578	104	1,417	204
Advertising and promotion	61,096	24,159	131,075	37,385
Consulting fees	40,500	32,500	183,383	74,500
Insurance	7,560	4,600	22,680	13,950
Amortization	-	104	-	313
Totals	297,863	163,338	870,910	444,164

DISCLOSURE OF OUTSTANDING SHARE DATA

On November 17, 2009, Spider had 389,545,100 common shares issued and outstanding.

On November 17, 2009, Spider had the following stock options outstanding:

<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
5,600,000	\$0.15	December 23, 2009
5,385,018	\$0.10	February 8, 2011
1,000,000	\$0.10	July 25, 2011
10,900,000	\$0.10	October 2, 2013
7,100,000	\$0.10	April 21, 2014
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29,985,018		

On November 17, 2009, Spider had the following warrants outstanding:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
30,666,666	\$0.10	October 11, 2010 ⁽⁵⁾
4,700,000	\$0.05 - \$0.10	November 27, 2010
470,000	\$0.05 - \$0.10	November 27, 2010
1,200,000	\$0.05 - \$0.10	December 30, 2010
24,166,661	\$0.05 - \$0.10	July 24, 2011 ⁽²⁾
12,500,000	\$0.05 - \$0.10	August 7, 2011 ⁽⁴⁾
4,550,000	\$0.03 - \$0.06	July 28, 2011 ⁽³⁾
2,500,000	\$0.03 - \$0.06	August 7, 2011 ⁽¹⁾
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80,753,327		

- (1) Each broker option is exercisable for one option unit at a price of \$0.03 for a period of one year from the date of issue (August 7, 2010) and thereafter at a price of \$0.06 for a period of two years from the date of issue (August 7, 2011). Each option unit consists of one common share and one-half of one non-transferable common share purchase warrant. Each full warrant will be exercisable for one common share at a price of \$0.05 for a period of one year (August 7, 2010) from the date of issue and thereafter at a price of \$0.10 for a period of 24 months from the date of issue (August 7, 2011).
- (2) Each full warrant entitles the holder to acquire one common share (which share will not be issued on a flow-through basis) at a price of \$0.05 for a period of one year from the date of issue (July 24, 2010) and thereafter at a price of \$0.10 for a period of two years from the date of issue (July 24, 2011).
- (3) Each broker warrant entitles the holder to acquire one common share (which share will not be issued on a flow-through basis) at a price of \$0.03 for a period of one year from the date of issue (July 28, 2010) and thereafter at a price of \$0.06 for a period of two years from the date of issue (July 28, 2011).
- (4) Each full warrant entitles the holder to acquire one common share (which share will not be issued on a flow-through basis) at a price of \$0.05 for a period of one year from the date of

issue (August 7, 2010) and thereafter at a price of \$0.10 for a period of two years from the date of issue (August 7, 2011).

- (5) The TSX Venture Exchange on October 9, 2009, agreed that Spider could amend the terms of the warrants as follows: (i) extend the term of the warrants by one year until October 11, 2010, and (ii) reduce the exercise price of the warrants from \$0.175 per share to \$0.10 per share.

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below.

Additional Funding Requirements

There is no assurance that sufficient additional financing will be available to the Company on acceptable terms or at all. Failure to obtain such additional financing could result in a delay or the indefinite postponement of the Company's projects.

Mineral Exploration and Exploitation

Mineral exploration and exploitation involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, some outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

Uninsurable Risks

Mineral exploration and exploitation activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or for other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of its common shares. The Company does not maintain insurance against environmental risks.

Environmental Regulation and Liability

The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities themselves but also the possible effects of such activities upon the environment. Environmental legislation may change and make the exploration for mineral resources uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploration activities, such as seepage fuel spills or seepage that could result in environmental pollution. A breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities.

Regulations and Permits

The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process.

There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a material adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Current Global Financial Conditions

Current global financial conditions have been characterized by increased volatility, and several financial institutions have either gone into bankruptcy or have been rescued by governmental authorities. Access to public financing has been made difficult by both the rapid decline in value of sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market.

These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to the Company or at all. In addition, general economic indicators, including employment levels, corporate earnings, economic growth and consumer confidence, have deteriorated. Any or all of these economic factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the Company's operations could be hurt and the trading price of its common shares may be adversely affected.

Securities of mining and mineral exploration companies, including the common shares of the Company, have experienced substantial volatility in the past, and especially during the fourth quarter of 2008 and early 2009, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the Company's securities is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuations and the political environment in the countries in which the Company does business.