GUYANA PRECIOUS METALS INC.

(FORMERLY KNOWN AS CORONATION MINERALS INC.)

(AN EXPLORATION STAGE COMPANY)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

DECEMBER 31, 2010

Dated: March 25, 2011

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Guyana Precious Metals Inc. (formerly known as Coronation Minerals Inc.) (an exploration stage company) (the "Company" or "Guyana") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2010. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2010 and December 31, 2009, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The audited annual consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Information contained herein is presented as of March 25, 2011, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Guyana common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

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

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's goal of creating shareholder value by concentrating on the acquisition of properties prospective for precious metals; its ability to meet its operating costs for fiscal 2011; the plans, costs, timing and capital for future exploration and development of the Company's current and future property interests, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; sensitivity analysis on financial instruments that may vary from amounts disclosed; prices and price volatility for precious metals; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, price volatility for precious metals, changes in equity markets, timing and availability of external financing

on acceptable terms, the uncertainties involved in interpreting geological data, the possibility that future exploration results will not be consistent with the Company's expectations, increases in costs, environmental compliance and changes in environmental legislation and regulation, exchange rate fluctuations, changes in economic and political conditions and other risks involved in the mining industry, as well as those risk factors listed in the "Risk Factors" section below. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for the Company's exploration and development activities; operating and exploration and development costs; its ability to retain and attract skilled staff and consultants; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statement, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

Description of Business

The Company is a Canadian-based mineral exploration company primarily focused on the acquisition, exploration and development of mineral properties in Canada and Guyana. As of the date of this MD&A, the Company holds: (i) a 100% interest in the right, title and interest in mining lease number 2797 (the "Coppermine River Project"), located in the Coronation Gulf area, west of the Coppermine River, approximately 60-75 km southwest of Kugluktuk, Nunavut, Canada; (ii) a 100% interest in the Rory Group (as defined herein), consisting of 265 staked claims located in the Yukon Territory, Canada; (iii) securities in Prophecy Resource Corp. ("Prophecy"); and (iv) a 100% interest in the RC Group consisting of 30 staked claims located in Nunavut.

The Company is a reporting issuer in British Columbia, Alberta, and Ontario and trades on the TSX Venture Exchange under the symbol "GPM".

Guyana's goal is to deliver superior returns to shareholders by concentrating on the acquisition of properties prospective for precious metals. The Company plans to do this by focusing on certain properties, as set out below under "Mineral Exploration Properties".

Overall Performance

The Company's focus has been on acquiring key properties in the country of Guyana, South America. Company personnel have evaluated a number of new business opportunities, including both exploration and development properties with potential for hosting commercial deposits containing precious metals. The search for additional projects continues.

The Company's long-term goal is to develop properties and achieve production on the new acquisitions in Guyana.

While general economic conditions continue to improve and stability appears to be returning to financial and commodity markets, significant uncertainty concerning the short and medium term global economic outlook persists. The Board of Directors and management of Guyana will continue to monitor these developments and their effect on Guyana's business.

On June 15, 2010, Prophecy agreed to purchase Northern Platinum Ltd. ("Northern"). Prophecy offered 0.5 common shares and 0.1 warrants ("Arrangement Warrants") for each common share of Northern. Each whole Arrangement Warrant will entitle the holder to acquire one additional common share of Prophecy at an exercise price of $0.80 that will expire 18 months following the transaction closing date (September 23, 2010). Consequently, 500,000 common shares and 100,000 Arrangement Warrants were allocated to Guyana. The 100,000 Arrangement Warrants were assigned a value of $52,700, using the Black-Scholes valuation model with the following assumptions: a 1.23 year term, 111.08% volatility, risk-free interest rate of 1.66% and a dividend rate of 0%.

On December 10, 2010, the Company closed a non-brokered placement (the "Placement") of 70,000,000 units ("Units") at a price of $0.10 per Unit for gross proceeds of $7,000,000. Each unit is comprised of one common share of Guyana and one common share purchase warrant, each such share purchase warrant entitling the holder thereof to acquire one additional common share for a period of 24 months at an exercise price of $0.13 per share. Insiders of Guyana, and their affiliates, subscribed for an aggregate of 20,800,000 Units in the Placement.

As at December 31, 2010, the Company had assets of $10,190,474 and a net equity position of $9,536,753. This compares with assets of $3,142,810 and a net equity position of $2,694,819 at December 31, 2009. The Company has $653,721 of liabilities and no debt. The Company spent $nil during the year ended December 31, 2010, on exploration activities on its mineral resource properties. At December 31, 2010, the Company had mineral resource properties of $3, compared to $3 at December 31, 2009. See "Mineral Exploration Properties" below.

At December 31, 2010, the Company had working capital of $9,507,303, compared to $2,652,750 at December 31, 2009, an increase of $6,854,553, or approximately 260%. The Company had cash, guaranteed investment certificates ("GIC's") and short-term investments of $10,102,784 at December 31, 2010, compared to $3,032,044 at December 31, 2009, an increase of $7,070,740, or approximately 230%. The Company's strong working capital and cash position will continue until such time as it acquires a property in Guyana. At that time, the Company's budget requirements will be determined. The Company anticipates that this focused strategy will enable it to meet the near-term challenges presented by the capital markets as well as to capitalize on knowledge of Guyana held by key personnel in the Company. The Company has sufficient cash resources to fund its operations at current operating levels for the twelve-month period ending December 31, 2011. See "Liquidity and Financial Position" below.

Trends

The Company is a mineral exploration and development entity, focused on the selection, acquisition, and exploration of mineral properties. Its current focus is to acquire new properties in Guyana prospective for mineralization. The Company's financial success will be dependent upon the extent to which it can make discoveries and on the economic viability of any such discoveries. The development of such assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. The Company lacks mineral resources and mineral 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.

Although economic conditions in Canada and elsewhere have improved, the Company remains cautious in case the economic factors that impact the mining industry deteriorate. These factors include uncertainty regarding the prices of precious metals, and the availability of equity financing for the purposes of mineral exploration and development. The price of precious metals have been volatile in recent periods and financial markets remain difficult for companies, particularly junior exploration companies, to raise new capital, even though there are signs the situation is improving. The Company's future performance is largely tied to the development of its current mineral property interests in Canada, the acquisition of properties in Guyana and the overall financial markets. Financial markets are likely to be volatile for calendar 2011, reflecting ongoing concerns about the global economy. 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 its current shareholders. With continued market volatility expected, the Company's current strategy is to seek out properties in Guyana in the hope of finding mineralization to create shareholder value. The Company believes that this focused strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining momentum on key initiatives. These trends may limit the Company's ability to develop and/or further explore its Canadian properties, and/or other property interests that could be acquired in the future in Guyana. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in short-term operating and longer-term strategic decisions.

Apart from these and the risk factors noted under the heading "Risk Factors" below, 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

The principal mineral assets of the Company at the date of this MD&A consist of (i) a 100% interest in the Coppermine River project; (ii) a 100% interest in the Rory Group; and (iii) a 100% interest in the RC Group, all as further described below.

The Company's exploration activities are at an early stage, and it has not yet been determined whether its properties contain an economic mineral reserve. There are no known deposits of minerals on any of the Company's mineral exploration properties and any activities of the Company thereon will constitute exploratory searches for minerals. See "Risk Factors" below.

(a) Coppermine River Project, Kugluktuk, Nunavut

Ownership interest description

Effective August 12, 2002, the Company and Coppercorp Inc., a wholly owned subsidiary of Guyana Goldfields Inc. ("GGI"), entered into a definitive option agreement. Under the terms of the option agreement, the Company may earn a 50% interest in Coppercorp's right, title and interest in mining lease number 2797 located in the Coronation Gulf area, west of the Coppermine River (Coppermine River property), approximately 60-75 km southwest of Kugluktuk, Nunavut, Canada, in consideration for the following:

- payment of $100,000 in cash (paid) and the issue of 3,000,000 common shares (issued) in the capital of the Company in 2002;

- delivery of 3,000,000 common shares (issued) in the capital of the Company on September 12, 2003, subject to receipt of regulatory and shareholders' approval;
- cash payments of $100,000 on September 12, 2003, (paid) and $100,000 on August 12, 2004, (paid); and
- incurring $1,500,000 in exploration expenditures (incurred) over three years.

On April 29, 2005, the Company and Coppercorp entered into an agreement that allows for the Company to acquire the remaining 50% of the Coppermine River project. Terms of the agreement call for the Company to issue to Coppercorp 6,000,000 common shares. Coppercorp will retain a 1.5% net smelter royalty.

On June 26, 2008, Guyana and GGI announced that they had entered into an amended agreement that allows for Guyana to acquire the remaining 50% interest of the Coppermine River project (the "Coppermine agreement"). Guyana had acquired its initial 50% in the Coppermine River project in 2002. Terms of the Coppermine agreement call for Guyana to issue 5,000,000 common shares to Coppercorp. Coppercorp will retain a 1.5% net smelter royalty over the unpatented claims only, and a right of first refusal to participate in future financing of Guyana.

On November 6, 2008, Guyana acquired the remaining 50% interest in the Coppermine River project. Guyana issued 5,000,000 common shares to Coppercorp; the shares were subject to a four-month hold period that expired on March 6, 2009.

As at December 31, 2008, the Company wrote off a total of $7,113,467 recorded as mineral properties and deferred exploration costs. Management decided to write-off the project because there was significant deterioration in the economic environment. The Company did not possess any external valuation appraisal to support the value of the project. The Company intends to retain its ownership rights in the project by making any required payments to retain the property on a care and maintenance basis. These costs amounted to $14,588 in 2010 (2009 - $4,252). In addition, the Company accrued advance royalty fees on the project of $100,000 in 2010 (2009 - $100,000).

Exploration Program and Results

Guyana did not carry out any significant further work on the Coppermine River project during the year ended December 31, 2010.

(b) Rory Group, Yukon Territory

Ownership interest description

The Company has a 100% interest in the Rory Group consisting of 265 staked claims located in the Yukon Territory, Canada. The Company has decided that this property was not appropriate for further exploration. The accumulated costs on the property of $218,659 have been written off during fiscal 2009.

The Rory Group claims are in good standing until 2013.

Exploration Program and Results

Guyana did not carry out any significant further work on the Rory Group during the year ended December 31, 2010.

(c) RC Group, Nunavut

The Company has a 100% interest in the RC Group consisting of 30 staked claims located in Nunavut, Canada.

The RC Group claims are in good standing until 2013.

Exploration Program and Results

Guyana did not carry out any significant further work on the RC Group during the year ended December 31, 2010.

(d) Guyana, South America, Update

GGI has agreed to provide established logistical and geological support to Guyana. GGI is a significant shareholder of Guyana and four directors act on both the boards of Guyana and GGI. In addition, the Chief Executive Officer ("CEO") is common to both companies. GGI and Guyana have signed an "area of influence" agreement, which restricts Guyana from participating in property acquisition and development within a defined area of GGI's exploration and development activities in Guyana. In addition, GGI will have a right of first opportunity to acquire advanced stage properties in which there is a defined resource.

Management is looking for and evaluating properties of merit outside the "area of influence" at the date of this MD&A.

Technical Disclosure

The technical disclosure under the heading "Mineral Exploration Properties" has been prepared under the supervision of Alexander Po, P.Geo., and a "qualified person" within the meaning of National Instrument 43-101. Alexander Po is a director of the Company.

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.

Overall Objective

The Company is a junior mineral exploration company with an experienced management team engaged in the acquisition, exploration and development of properties for the mining of precious metals. Guyana is in the process of exploring its mineral properties and has not yet determined whether these properties contain any economically recoverable mineral reserves. The recoverability of the amounts shown for mineral property interests is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete exploration and development of its properties, the selling prices of minerals at the time, if ever, that the Company commences production from its properties, government policies and regulations and future profitable production or proceeds from the disposition of such properties.

Guyana has not discovered economically recoverable mineral reserves. 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 may also seek to acquire additional mineral resource properties or companies holding such properties. The Company notes that mineral exploration in general is uncertain and the probability of finding economically recoverable mineral reserves on any one of its early stage prospects is low. However, the probability that one of the many prospects acquired will host economically recoverable mineral reserves is higher. As a result, the Company believes it is able to reduce overall exploration risk by acquiring additional mineral properties. 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, their location, 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 economically recoverable mineral reserves, the fact that expenditures made by the Company may not result in discoveries of economically recoverable mineral reserves, 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 "Risk Factors" below.

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. The Company continues to evaluate properties and corporate entities that it may acquire in the future.

Selected Annual Information

	Year Ended December 31, 2010 ($)	Year Ended December 31, 2009 ($)	Year Ended December 31, 2008 ($)
Net loss for the year	(173,486)	(41,871)	(13,796,107)
Basic and diluted loss per share	(0.00)	(0.00)	(0.17)
Total assets	10,190,474	3,142,810	3,747,852

- The net loss for the year ended December 31, 2010, consisted primarily of (i) mineral exploration property – holding costs and royalties of $114,588; (ii) stock-based compensation of $72,856; and (iii) other working capital expenditures incurred to maintain the operations of the Company. These

amounts were offset by (i) interest of $24,594; and (ii) unrealized gain on short-term investments of $392,700.

- The net loss for the year ended December 31, 2009, consisted primarily of (i) write-off of mineral properties of $218,659; (ii) stock-based compensation of $254,994; (iii) unrealized loss on short-term investment of $55,000; (iv) mineral exploration property – holding costs and royalties of $104,252; and (v) other working capital expenditures incurred to maintain the operations of the Company. These amounts were offset by (i) interest of $60,229; (ii) recovery of mineral property costs previously written off of $95,057 and (iii) future income tax recovery of $787,490.

- The net loss for the year ended December 31, 2008, consisted primarily of (i) write-off of mineral properties of $12,265,795; (ii) stock-based compensation of $898,570; (iii) unrealized loss on short-term investment of $485,000; and (iv) other working capital expenditures incurred to maintain the operations of the Company. These amounts were offset by (i) interest income of $86,772; and (ii) future income tax recovery of $326,048.

- As Guyana has no revenue, the Company's ability to fund its operations is dependent upon its ability to secure financing through equity issues or the sale of assets. The value of any resource property assets is dependent upon the existence of economically recoverable mineral reserves, the ability to obtain the necessary financing to complete exploration and development, and the future profitable production or proceeds from disposition of such properties. See "Trends" above and "Risk Factors" below.

Selected Quarterly Information

Three Months Ended	Net Revenues $	Net Income (Loss)	
		Total $	Per Share $
December 31, 2010	-	137,935 [1]	0.00
September 30, 2010	-	(72,481) [2]	(0.00)
June 30, 2010	-	(81,470) [3]	(0.00)
March 31, 2010	-	(157,470) [4]	(0.00)
December 31, 2009	-	529,263 [5]	0.00
September 30, 2009	-	(116,856) [6]	(0.00)
June 30, 2009	-	(432,460) [7]	(0.00)
March 31, 2009	-	(21,818) [8]	(0.00)

Notes:

(1) Net income of $137,935 includes an unrealized gain on short term investments of $304,700 and interest income of $7,050. These amounts were offset by office expenses of $73,765, management fees of $36,000, royalties of $25,000, professional fees of $25,140, stock-based compensation of $4,555, shareholder communications of $2,761, foreign exchange loss of $3,376 and amortization of $3,155.

(2) Net loss of $72,481 includes stock-based compensation of $13,659, management fees of $36,000, property care and maintenance costs of $25,000, professional fees of $12,943, office expenses of $25,216 and unrealized gain of $23,000 from the Company's investment in Prophecy. Prophecy acquired Northern on September 23, 2010.

(3) Net loss of $81,470 includes stock-based compensation of $20,490, management fees of $36,000, property care and maintenance costs of $39,588 for the Coppermine River project, professional fees of $33,211, office expenses of $13,288 and unrealized gain of $80,000 on short-term investments from a mark to market adjustment using the bid price of Northern on June 30, 2010.

(4) Net loss of $157,470 includes stock-based compensation of $34,152, management fees of $36,000, property care and maintenance costs of $25,000 for the Coppermine River project, professional fees of $14,046, office expenses of $13,507 and unrealized loss of $15,000 on short-term investments from a mark to market adjustment using the bid price of Northern on March 31, 2010.

(5) Net income of $529,263 includes stock-based compensation of $47,811, property care and maintenance costs of $25,001 for the Coppermine River project, an unrealized loss of $110,000 from a mark to market adjustment using the bid price of Northern on December 31, 2009, and operating expenses related to general working capital purposes. These expenses were offset by interest of $6,121 and a future income tax recovery of $787,490.

(6) Net loss of $116,856 includes stock-based compensation of $75,132, professional fees of $27,176, property care and maintenance costs of $25,000 for the Coppermine River project and operating expenses related to general working capital purposes. These expenses were offset by interest and other income of $4,816 and an unrealized gain of $65,000 from a mark to market adjustment using the bid price of Northern on September 30, 2009.

(7) Net loss of $432,460 includes stock-based compensation of $132,051, an unrealized loss of $85,000 from a mark to market adjustment using the bid price of Northern on June 30, 2009, professional fees of $50,038, property care and maintenance costs of $29,251 for the Coppermine River project, the write-off of the Rory Group Yukon property of $218,659 and operating expenses related to general working capital purposes. These expenses were offset by interest of $22,619 and other income of $95,057, consisting of a write-off of accounts payable as a result of an agreement made with an arm's length vendor.

(8) Net loss of $21,818 principally relates to mineral property care and maintenance costs of $25,000 for the Coppermine River project and operating expenses related to general working capital purposes. These expenses were offset by an unrealized gain of $75,000 from a mark to market adjustment using the bid price of Northern on March 31, 2009, and interest income of $26,673.

Results of Operations

Twelve months ended December 31, 2010, compared with twelve months ended December 31, 2009

Guyana's net loss totaled $173,486 for the twelve months ended December 31, 2010, with basic and diluted loss per share of $0.00. This compares with a net loss of $41,871 with basic and diluted loss per share of $0.00 for the twelve months ended December 31, 2009. The increase in net loss of $131,615 was principally because:

- Professional fees decreased to $85,340 for the year ended December 31, 2010 (year ended December 31, 2009 - $93,962). Professional fees decreased by $8,622 because the Company required more outside legal counsel assistance in 2009 compared to 2010.

- Office expense increased to $125,776 for the year ended December 31, 2010 (year ended December 31, 2009 - $66,089). Office expense increased by $59,687 due to variances in occupancy costs and administrative costs.

- Management fees have not changed for the year ended December 31, 2010, compared to the year ended December 31, 2009. Management fees of $120,000 were paid to the CEO (2009 -

$120,000) and $24,000 to the Chief Financial Officer ("CFO") (2009 - $24,000) to maintain the day to day operations of the Company. Refer to "Transactions with Related Parties", below.

- During the year ended December 31, 2010, there were no additional stock options granted. However, the expense of $72,856 is due to 3,950,000 options issued in May 2009 and their vesting terms. The following are the terms for the stock options issued in May 2009:

Number of Stock Options Issued	Exercise Price ($)	Expiry date
3,950,000 [(1)]	0.10	May 11, 2012

(1) A value of $327,850 was estimated for the 3,950,000 stock options on the date of grant using the Black-Scholes option pricing model with the following assumptions: a three year expected term, 158% volatility, risk-free interest rate of 1.53% per annum; and a dividend rate of 0%. The fair value assigned to these options will be expensed to the statement of operations and comprehensive loss, with the corresponding amount allocated to contributed surplus as the options vest. For the year ended December 31, 2010, the impact on expenses was $72,856 (2009 - $254,994).

(2) Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- The expected term: the Company used the expected term of three years, which is the maximum term ascribed to these stock options, for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
- Volatility: the Company used historical information on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate varies depending on the date of the grant of the stock options and their expected term.
- Dividend yield: the Company has not paid dividends in the past because it is in the development stage and has not yet earned any significant income. Also, the Company does not expect to pay dividends in the foreseeable future because it does not expect to bring its mineral properties into production and earn significant revenue any time soon. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

- Interest decreased by $35,635 during the year ended December 31, 2010, compared to the year ended December 31, 2009. This decrease is due to the low interest-rate environment.

- Unrealized gain on short-term investments during the year ended December 31, 2010, was $392,700. During the year ended December 31, 2009, there was an unrealized loss of $55,000 on short-term investments. The difference of $447,700 is due to the estimated fair market value of Prophecy. Gains or losses vary depending on the date the estimated fair market value is determined.

- Mineral exploration expense (holding costs and royalties) for the year ended December 31, 2010, were $114,588 (year ended December 31, 2009 – $104,252). These expenses relate to accrued advance royalty payments of $100,000 (2009 - $100,000) and holding costs of $14,588 (2009 - $4,252) for the Coppermine River project.

- In June 2009, the Company decided that the Rory Group Yukon property was not appropriate for exploration and decided instead to concentrate on exploration activities in Guyana. The Rory Group Yukon property was placed under care and maintenance. Mineral properties and deferred exploration costs related to the Rory Group in the amount of $218,659 were written-off.

- All other expenses related to general working capital.

Three months ended December 31, 2010, compared with three months ended December 31, 2009

Guyana's net income totaled $137,935 for the three months ended December 31, 2010, with basic and diluted loss per share of $0.00. This compares with net income of $529,263 for the three months ended December 31, 2009, with basic and diluted loss per share of $0.00. The decrease in net income of $391,328 was principally because:

- Professional fees increased to $25,140 for the three months ended December 31, 2010 (three months ended December 31, 2009 – recovery of $10,646). Professional fees increased by $35,786 because the Company recorded a recovery of legal fees from the Company's previous legal counsel in Q4 2009. The recovery did not exist in Q4 2010. In addition, the Company required more outside legal counsel assistance in Q4 2010 compared to Q4 2009.

- Stock based compensation decreased to $4,555 for the three months ended December 31, 2010 (three months ended December 31, 2009 - $47,811). The expense for Q4 2010 decreased by $43,256 compared to the same period in 2009 because of the vesting terms of the 3,950,000 options issued in May 2009.

- Unrealized gain/loss on short-term investments increased to a gain of $304,700 for the three months ended December 31, 2010. During the three months ended December 31, 2009, there was an unrealized loss of $110,000. The difference of $414,700 is due to the estimated fair market value of Prophecy. Gains or losses vary depending on the date the estimated fair market value is determined.

- Mineral exploration expense (holding costs and royalties) for the three months ended December 31, 2010, was $25,000 (three months ended December 31, 2009 - $25,000). These expenses relate to accrued advance royalty payments for the Coppermine River project.

- Management fees have remained consistent for the three months ended December 31, 2010, compared to the same period in 2009.

- Office expense increased to $73,765 for the three months ended December 31, 2010 (three months ended December 31, 2009 - $19,257), compared to the same period in 2009. Office expense increased by $54,508 due to variances in occupancy costs and administrative costs.

- All other expenses related to general working capital.

Liquidity and Financial Position

The activities of the Company, principally the acquisition and exploration of properties prospective for precious metals, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. For the year ended December 31, 2010, the Company closed a Placement of 70,000,000 Units at a price of $0.10 per Unit for gross proceeds of $7,000,000. See "Overall Performance" above. 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 it, if at all. See "Risk Factors" below.

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 operating activities. As of December 31, 2010, the Company had 174,295,690 common shares issued and outstanding, 98,662,665 warrants outstanding that would raise $17,698,800 and 8,220,000 options outstanding that would raise $1,436,200 if exercised in full. This is not anticipated in the immediate future. See "Trends" above.

Accounts payable and accrued liabilities increased to $653,721 at December 31, 2010, compared to $447,991 at December 31, 2009, primarily due to additional accounts payable for costs associated with the Placement. The Company's cash and cash equivalents as at December 31, 2010, were more than sufficient to satisfy these liabilities.

Cash used in operating activities was $264,524 for the year ended December 31, 2010. Operating activities were affected by the net change in non-cash working capital balances of $216,186 because of an increase in prepaid expenses and other receivables of $10,876, a decrease in HST receivable of $21,333 and an increase in accounts payable and accrued liabilities of $205,729. The Company also recorded stock-based compensation of $72,856 and amortization of $12,620. In addition, the Company had an unrealized gain of $392,700 from Prophecy during the year ended December 31, 2010.

Cash used for investing activities was $nil for the year ended December 31, 2010.

Cash provided by financing activities was $6,942,564 for the year ended December 31, 2010. To date, the cash resources of Guyana are held with reputable Canadian and Barbadian chartered banks. 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 from financial instruments is minimal as excess cash is invested in investment grade short-term deposit certificates. As of December 31, 2010, excess cash was invested in GIC's that amounted to $7,293,362.

The estimated fair market value of the Company's short-term investment as of December 31, 2010, was $552,700. The Company can sell the short-term investment to access funds to settle its obligations as they arise. However, management intends to maintain the Company's short-term investment until it becomes advantageous to sell these shares or liquidity concerns necessitate such sale.

The Company's use of cash is currently and is expected to continue to be focused on two principal areas, namely the funding of its general and administrative expenditures and the funding of its investment activities. Investing activities include the cash components of the cost of acquiring and exploring the Company's mineral claims. For the twelve month period ending December 31, 2011, corporate head office costs are estimated to average less than $100,000 per quarter. The $100,000 covers professional fees, costs arising from being a reporting issuer, management fees, shareholder communication expenses and general and administrative costs. In addition, the Company plans to search for properties of merit in Guyana, South America. There is no assigned budget for this search. There are currently no plans for its Canadian properties. The Company's cash at December 31, 2010, is sufficient to fund its operating expenses for the twelve month period ending December 31, 2011.

Transactions with Related Parties

The Company had the following related party transactions:

	Year ended December 31, 2010 $	Year ended December 31, 2009 $
Management fees accrued/paid	144,000 (1)	144,000 (1)
Office expenses paid to GGI	14,825 (2)	25,787 (2)
Professional fees paid/accrued	32,697 (3)	61,948 (4)
Corporate Secretarial Services to DSA	6,630 (5)	6,346 (5)
Total	**198,152**	**238,081**

(1) $120,000 pertains to CEO fees (J. Patrick Sheridan), and $24,000 to CFO fees paid to Marrelli CFO Outsource Syndicate Inc. ("Marrelli"). Carmelo Marrelli, the CFO of Guyana, is the president of Marrelli. Included in accounts payable and accrued liabilities is $30,000 (December 31, 2009 - $nil) due to the CEO. The balance is non interest bearing and is payable on demand;

(2) Recovery of administrative costs from GGI, a related company. Included in accounts payable and accrued liabilities is $3,939 (December 31, 2009 - $1,916) payable to GGI with which four directors act on both the Boards of Guyana and GGI. In addition, the President and CEO are common to both companies as of December 31, 2010. The balance pertains to office expenses paid on behalf of Guyana by GGI.

(3) $9,208 pertains to Bruce Rosenberg for legal services provided. Bruce Rosenberg is a director of the Company. $4,146 pertains to Alexander Po, a director of the Company, for geological services provided and $19,343 pertains to accounting services provided by Marrelli Support Services Inc. ("Marrelli Support") to Guyana. Carmelo Marrelli, the CFO of Guyana, is the president of Marrelli Support. Included in accounts payable and accrued liabilities is $7,243 (December 31, 2009 - $7,697) payable to Marrelli Support. The balance is non interest bearing and is payable on demand;

(4) $29,434 pertains to Bruce Rosenberg for legal services provided. Bruce Rosenberg is a director of the Company. $4,400 pertains to Alexander Po, a director of the Company, for geological

services provided, and $28,114 pertains to Marrelli Support, for accounting services provided; and

(5) The CFO of Guyana is the secretary of DSA Corporate Services Inc. ("DSA"), a firm providing corporate secretarial services to the Company. Included in accounts payable and accrued liabilities is $622 (December 31, 2009 - $580) payable to DSA. The balance is non interest bearing and is payable on demand.

As at December 31, 2010, accounts payable and accrued liabilities include $221,301 (2009 - $221,301) payable to a former officer of the Company for services provided. This amount is unsecured, non-interest bearing and has no specific terms of repayment.

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 consolidated financial statements requires management to make certain estimates that affect the amounts reported in the consolidated financial statements. The accounting estimates considered significant are the valuation of the Company's mineral properties and deferred exploration costs, warrants 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 mineral properties is dependent entirely upon the discovery of economic mineral deposits.

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

Other items requiring estimates for the consolidated financial statements are prepaid expenses and other receivables, accounts payable and accrued liabilities and future income taxes. Changes in the accounting estimates in these items may have a material impact on the financial position of the Company.

Future accounting changes

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, including the Company, effective for fiscal years beginning on or after January 1, 2011.

Accordingly, the Company will apply accounting standards consistent with IFRS beginning with its interim financial statements for the quarter ended March 31, 2011. The Company's 2011 interim and annual consolidated financial statements will include comparative 2010 financial statements, adjusted to reflect any changes in accounting policies resulting from the adoption of IFRS.

IFRS Transition Plan

The Company has established a comprehensive IFRS transition plan and engaged third-party advisers to assist with the planning and implementation of its transition to IFRS. The following summarizes the Company's progress and expectations with respect to its IFRS transition plan:

Initial scoping and analysis of key areas for which accounting policies may be impacted by the transition to IFRS.	Complete
Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS 1 First-time Adoption of International Financial Reporting Standards.	Complete
Final determination of accounting policies and the quantitative impact of adopting IFRS on key line items in the Company's financial statements.	In progress, to be completed in conjunction with the Q1 2011 IFRS financial statements
Resolution of the accounting policy change implications on information technology, business processes and contractual arrangements.	In progress, to be completed in conjunction with the Q1 2011 IFRS financial statements

We anticipate engaging our auditors, subject to cost constraints, to review our determination of accounting policies under IFRS, the quantitative impact of adopting IFRS on our financial statements and our first interim IFRS financial statements (Q1 2011).

Impact of Adopting IFRS on the Company's Business

As part of its analysis of expected changes to significant accounting policies, the Company is assessing what changes may be required to its accounting systems and business processes. The Company believes that the changes identified to date are minimal and the systems and processes can accommodate the necessary changes.

To date, the Company has not identified any contractual arrangements that may be affected by potential changes to significant accounting policies.

The Company's staff and advisers involved in the preparation of the consolidated financial statements are being trained on the relevant aspects of IFRS and the anticipated changes to accounting policies.

Employees of the Company who will be affected by a change to business processes as a result of the conversion to IFRS will also be trained as necessary.

The Board of Directors and the Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and made aware of the evaluation to date of the key aspects of IFRS affecting the Company.

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS, effective at the end of the entity's first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has identified the following optional exemptions that it expects to apply in its preparation of an opening IFRS statement of financial position as at January 1, 2010, the Company's transition date:

- To apply IFRS 2 Share-based Payments only to equity instruments issued after November 7, 2002, that had not vested by the transition date.
- To apply IFRS 3 Business Combinations prospectively from the transition date, therefore not restating business combinations that took place prior to the transition date.
- To apply the transitional provisions of IFRIC 4 Determining whether an Arrangement Contains a Lease, therefore determining if arrangements existing at the transition date contain a lease based on the circumstances existing at that date.
- To apply IAS 23 Borrowing Costs prospectively from the transition date. IAS 23 requires the capitalization of borrowing costs directly attributable to the acquisition, production or construction of certain assets.

Prior to reporting interim financial statements in accordance with IFRS for the quarter ended March 31, 2011, the Company may decide to apply other optional exemptions contained in IFRS 1.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS will result in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements.

The following provides a summary of the Company's evaluation of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas that we have identified as having the most potential for a change in its significant accounting policies. The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to the Company's accounting policies on adoption of IFRS. At the present time however, we are not aware of any significant expected changes that would affect the summary provided below.

1) *Exploration and Evaluation Expenditures*

Subject to certain conditions, IFRS currently allows an entity to determine an accounting policy that specifies the treatment of costs related to the exploration for and evaluation of mineral properties.

The Company expects to establish an accounting policy to expense, as incurred, all costs relating to exploration and evaluation until such time as it has been determined that a property has economically recoverable reserves.

The application of this policy on the adoption of IFRS will have an impact on the Company's financial statements. On adoption of IFRS, the carrying value of the mineral property interests will be reduced to zero (at the transition date), with a corresponding adjustment to accumulated deficit. All subsequent exploration and evaluation costs will be expensed as incurred until such time as it has been determined that a property has economically recoverable reserves.

2) *Impairment of (Non-financial) Assets*

IFRS requires a write-down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write-down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets will be changed to reflect these differences. However, the Company does not expect that this change will have an immediate impact on the carrying value of its assets. The Company will perform impairment assessments in accordance with IFRS at the transition date.

3) *Share-based Payments*

In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current Canadian GAAP.

The Company does not expect any changes to its accounting policies related to share-based payments that would result in a significant change to line items within its financial statements.

4) *Asset Retirement Obligations (Decommissioning Liabilities)*

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities will be changed to reflect these differences. However, the Company does not expect this change will have an immediate impact on the carrying value of its assets.

5) *Property and Equipment*

IFRS contains different guidance related to recognition and measurement of property and equipment than current Canadian GAAP.

The Company does not expect any changes to its accounting policies related to property and equipment that would result in a significant change to line items within its financial statements.

6) *Income Taxes*

In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes.

The Company does not expect any changes to its accounting policies related to income taxes that would result in a significant change to line items within its financial statements.

7) *Foreign Currency*

IFRS requires that the functional currency of Guyana and its subsidiaries be determined separately, and the factors considered to determine functional currency are somewhat different than current Canadian GAAP.

Guyana does not expect any changes to its accounting policies related to foreign currency that would result in a significant change to line items within its financial statements at the transition date.

Subsequent Disclosures

Further disclosures of the IFRS transition process are expected as follows:

- The Company's first financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ending March 31, 2011, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ending March 31, 2011, will also include 2010 financial statements for the comparative period adjusted to comply with IFRS, and the Company's transition date IFRS statement of financial position (at January 1, 2010).

Management of Capital

The Company's objective when managing capital is to maintain adequate levels of funds to support the acquisition, exploration and development of mineral properties.

The Company considers its capital to be equity, which is comprised of share capital, contributed surplus, warrants and deficit, which at December 31, 2010 totalled $9,536,753 (2009 - $2,694,819).

The Company manages its capital structure in a manner that provides sufficient funding for development, exploration and development of mineral properties and operational activities. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurances that the Company will be able to continue raising equity capital in this manner.

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.

The Company invests all capital that is surplus to its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major Canadian financial institutions.

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

There were no changes in the Company's approach to capital management during the year ended December 31, 2010. The Company is not subject to externally imposed capital requirements.

Financial Instruments

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk, foreign currency risk, and commodity and equity 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 cash and cash equivalents and short-term investments. Cash and cash equivalents and short-term investments are held with reputable Canadian and Barbadian chartered banks, from which management believes the risk of loss to be minimal.

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2010, the Company had a cash and cash equivalents balance of $9,550,084 (December 31, 2009 - $2,872,044) to settle current liabilities of $653,721 (December 31, 2009 - $447,991). All of the Company's financial liabilities have contractual maturities of less than 30 days or are repayable on demand and are subject to normal trade terms.

Market risk

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of financial instrument will fluctuate due to changes in market interest rates. 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 banks with which it keeps its bank accounts and short-term investments. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks. The Company regularly monitors its cash management policy.

Foreign currency risk
Foreign exchange risk arises from future commercial transactions and recognised 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 incurs expenditures in Canada and Barbados and its functional and reporting currency is the Canadian dollar. Purchases are transacted in Canadian and US dollars. The

Company maintains a Canadian dollar bank account in Canada and a US dollar bank account in Barbados. The Company does not undertake currency hedging activities.

Equity price risk
The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's investment in common shares of Prophecy is subject to fair value fluctuations arising from changes in the equity market.

Fair value

The Company has, for accounting purposes, designated its cash and cash equivalents and short-term investments as held-for-trading, which are measured at fair value. Other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair market value due to their short term nature. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equals fair market value due to its short term nature.

Fair market 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.

Sensitivity analysis

The sensitivity analysis shown in the notes below may differ materially from actual results.

- Interest rate risk is minimal as cash and cash equivalents include investment-grade short-term deposit certificates with fixed interest rates.

- Financial instruments denominated in US dollars are subject to foreign currency risk. As at December 31, 2010, had the US dollar weakened/strengthened by 10% against the Canadian dollar with all other variables held constant, the Company's loss for the year ended December 31, 2010 would have been approximately $11,000 (2009 - $11,000) higher/lower as a result of foreign exchange losses/gains on translation of US dollar denominated financial instruments. Similarly, as at December 31, 2010, reported shareholders' equity would have been approximately $11,000 (2009 - $11,000) lower/higher, had the US dollar weakened/strengthened by 10% as a result of foreign exchange losses/gains on translation of US dollar denominated financial instruments.

- The Company's investment in the common shares of Prophecy is subject to fair value fluctuations. As at December 31, 2010, if the quoted market price of Prophecy had decreased/increased by 10% with all other variables held constant, net loss for the year ended December 31, 2010 would have been $50,000 (2009 - $16,000) higher/lower. Similarly, as at December 31, 2010, reported shareholders' equity would have been $50,000 (2009 - $16,000) lower/higher as a result of the 10% decrease/increase in the quoted market price of Prophecy. The Company's investment in the share purchase warrants of Prophecy is also subject to fair value fluctuations. As at December 31, 2010, had the quoted market price of Prophecy decreased/increased by 10% with all other variables held constant, net loss for the year ended December 31, 2010 would have been approximately $4,000 higher and approximately $8,000 lower respectively. Similarly, as at December 31, 2010, reported shareholders' equity would have been approximately $4,000 lower and approximately $8,000 higher respectively as a result of the 10% decrease/increase in the quoted market price of Prophecy.

Fair value hierarchy and liquidity risk disclosure

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2010:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
- Cash	$ -	$ 2,256,722	$ -	$ 2,256,722
- Cash equivalents	-	7,293,362	-	7,293,362
Short-term investment	500,000	-	52,700	552,700
	$ 500,000	$ 9,550,084	$ 52,700	$ 10,102,784

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2009:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
- Cash	$ -	$ 352,044	$ -	$ 352,044
- Cash equivalents	-	2,520,000	-	2,520,000
Short-term investment	160,000	-	-	160,000
	$ 160,000	$ 2,872,044	$ -	$ 3,032,044

Outlook

The Company's long-term goal is to develop properties and achieve production on new acquisitions in Guyana, South America.

The Company's Canadian properties are under care and maintenance.

There is no guarantee that the Company will discover a viable mineral deposit.

Subsequent events

On January 28, 2011, an aggregate of 5,750,000 options were granted to management, directors and consultants of the Company. The options are exercisable until January 28, 2016 at an exercise price of $0.18. The options vest as 25% immediately and 25% each after 6, 12 and 18 months from date the grant.

On January 28, 2011, a total of 370,000 stock options were cancelled by the Company because the holders of the options ceased to be service providers of the Company.

Share Capital

As at the date of this MD&A, the Company had 174,295,690 issued and outstanding common shares.

Warrants outstanding for the Company as at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
21,620,277	June 30, 2011 [1]	$0.30
7,042,388	June 30, 2011 [1]	$0.30
70,000,000	December 10, 2012	$0.13
98,662,665		

[1] The warrants will expire at 5:00 p.m. (Toronto time) on June 30, 2011, provided that if the closing price of the common shares for any 20 consecutive trading days exceeds $0.50, the Company may accelerate the expiry time to a date that is the later of (A) 30 days following the date of mailing of written notice of the accelerated expiry time to the holders, and (B) 30 days following the date a press release is issued by the Company announcing the accelerated expiry time.

Stock options outstanding for the Company as at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
3,800,000	May 11, 2012	$0.10
3,700,000	June 24, 2013	$0.25
350,000	August 26, 2013	$0.18
5,750,000	January 28, 2016	$0.18
13,600,000		

Risk Factors

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations of metal prices, the proximity and capacity of milling facilities, mineral markets and equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environment protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

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 constrained 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 impact the ability of the Company to obtain equity or debt financing in the future on favourable terms 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, 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 securities of the Company is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business and globally.

Exploration and Development Efforts May Be Unsuccessful

There is no certainty that the expenditures to be made by the Company on the exploration of its properties as described herein will result in discoveries of mineralized material in commercial quantities. Most exploration projects do not result in the discovery of commercially mineable ore deposits, and no assurance can be given that any particular level of recovery of ore reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Lack of Cash Flow

None of the Company's properties have advanced to the commercial production stage and the Company has no history of earnings or cash flow from operations. The Company does not expect to generate material revenue from mining operations or to achieve self-sustaining commercial mining operations for several years.

The Company has paid no dividends on its shares since inception and does not anticipate doing so in the foreseeable future. Historically, the only source of funds available to the Company is through the sale of its securities. Future additional equity financing would cause dilution to current shareholders.

No Proven Reserves

The properties in which the Company has an interest or the right to earn an interest are in the exploratory stage only and are without a known body of ore in commercial production.

No Guarantee of Clear Title to Mineral Properties

While the Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties and properties in which it has the right to acquire or earn an interest are in good

standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Uncertainty of Obtaining Additional Funding

Programs planned by the Company may necessitate additional funding, which could cause a dilution of the value of the investment of the shareholders of the Company. The recuperation value of mining properties indicated on the balance sheet depends on the discovery of mineralization that can be profitably exploited and on the Company's capacity to obtain additional funds in order to realize these programs.

The Company's exploration activities could therefore be interrupted at any moment if the Company is incapable of obtaining the necessary funds in order to continue any additional activities that are necessary and that are not described in the exploration programs outlined in the Company's geological report for its properties.

Mineral Prices May Not Support Corporate Profit

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any substances discovered. The price of minerals is volatile over short periods of time, and is affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining techniques.

Competition

The mining industry is intensively competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees.

Environmental Regulations

The current and future operations of the Company, including further exploration, development activities and commencement of production on its properties, require permits from various governmental authorities.

Such operations are subject to various laws governing land use, the protection of the environment, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety and other matters. There can be no assurance, however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violation of applicable laws or regulations.

Uncertainty of Reserves and Mineralization Estimates

There are numerous uncertainties inherent in estimating proven and probable reserves and mineralization, including many factors beyond the control of the Company. The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimates. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated. Assumptions about prices are subject to greater uncertainty and metal prices have fluctuated widely in the past. Declines in the market price of base or precious metals also may render reserves or mineralization containing relatively lower grades of ore uneconomic to exploit. Changes in operating and capital costs and other factors including, but not limited to, short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades, may materially and adversely affect reserves.

Operating Hazards and Risks Associated with the Mining Industry

Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions are involved.

Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. The Company may become subject to liability for cave-ins and other hazards for which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration activities.

The Ability to Manage Growth

Should the Company be successful in its efforts to develop its mineral properties or to raise capital for other mining ventures, it will experience significant growth in operations. If this occurs management anticipates that additional expansion will be required in order to continue development. Any expansion of the Company's business would place further demands on its management, operational capacity and financial resources. The failure to manage growth effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

Lack of a Dividend Policy

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares, or securities convertible into common shares, would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence on Key Personnel

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company may encounter risks that are inherent in doing business in several countries.

Conflict of Interest

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Lack of Trading Volume

The lack of trading volume of the Company's shares reduces the liquidity of an investment in the Company's shares.

Volatility of Share Price

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries and financial results could have a significant effect on the price of the Company's shares.

Contingency

Effective January 1, 2008 the former president of the Company signed a Consulting Agreement ("Agreement") with the Company which provided for a compensation settlement of $8,000 per month for a period of 24 months if there was a change in control of the Company. On March 3, 2008, a Special Meeting of the Shareholders of the Company ("Meeting") was held. During the Meeting, there was a change in the composition of the board of directors which, under the Agreement, constituted a change in control.

The current Board of Directors of the Company disputes the validity of the Agreement and as such has not accrued any liability in these consolidated financial statements.

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 audited consolidated 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 audited consolidated financial statements; and (ii) the audited consolidated 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:

Coppermine River, Nunavut	December 31, 2010	December 31, 2009
Beginning balance	**$1**	**$1**
No activity	-	-
Total costs incurred	**-**	**-**
Ending balance	**$1**	**$1**

Rory Group, Yukon	December 31, 2010	December 31, 2009
Beginning balance	**$1**	**$184,104**
Geologist	-	1,300
Miscellaneous	-	33,256
Total costs incurred	**-**	**34,556**
Write-off of mineral property	**-**	**(218,659)**
Ending balance	**$1**	**$1**

RC Group, Nunavut	December 31, 2010	December 31, 2009
Beginning balance	**$1**	**$1**
No activity	-	-
Ending balance	**$1**	**$1**