



ANNUAL INFORMATION FORM

For the Year Ended December 31, 2010

March 25, 2011

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CURRENCY

All dollar amounts referred to in this Annual Information Form are Canadian dollars unless otherwise indicated. The Company's accounts are maintained in Canadian dollars. The Company's business activities in Colombia are conducted in both United States dollars and in Colombian Pesos. Unless otherwise indicated, Canadian dollar amounts have been converted in this annual information form at the rate of exchange for converting Colombian pesos into Canadian dollars in effect at December 31, 2010, being (C\$1.00 = COP\$1,931).

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Annual Information Form constitute forward looking statements. Forward looking statements include, but are not limited to, statements with respect to the future price of gold and silver, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, anticipated costs of production, estimated capital expenditures, estimated internal rates of return, success of exploration activities, currency fluctuations, requirements for additional capital, government regulation of mining operations and environmental risks or claims. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others, risks relating to the Company's ability to commence production and generate material revenues or obtain adequate financing for its planned exploration and development activities; actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and silver, possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; risks related to fluctuations in the currency market, risks related to the business being subject to environmental laws and regulations which may increase costs of doing business and restrict the Company's operations; risks relating to all the Company's properties being located in Colombia, including political, economic and regulatory instability, accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" below. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management as of the date the statements are made, including, without limitation, the assumed long term price of gold, that the Company can access financing, all required permits and approvals for development of its mineral properties will be received and that the political environment in Colombia will continue to support the development and operation of mining projects, and the Company does not assume any obligation to update any forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, readers should not place undue reliance on forward looking statements.

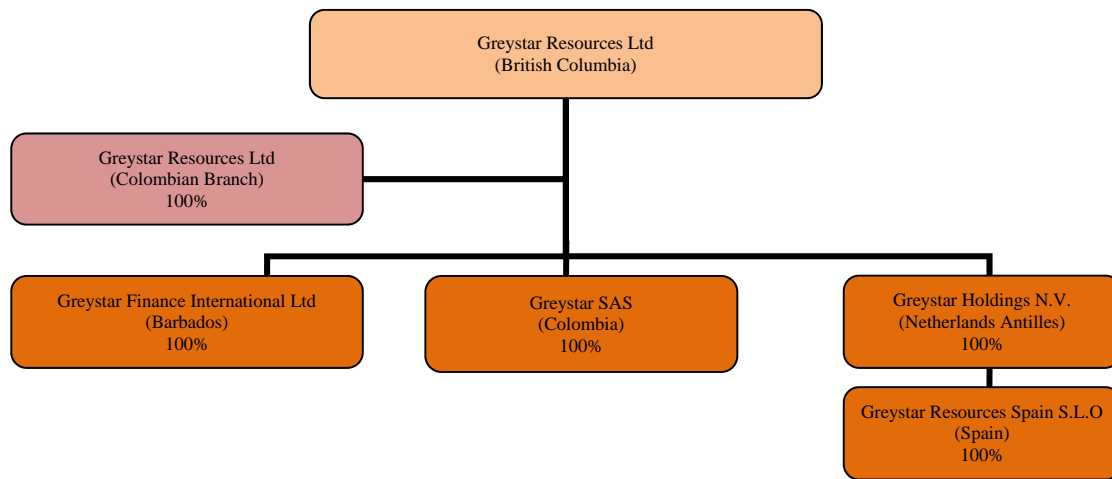
CORPORATE STRUCTURE

Name and Incorporation

Greystar Resources Ltd. (“Greystar” or the “Company”) was formed by the amalgamation of Greystar Resources Ltd. and Churchill Resources Ltd. under the *Company Act* (British Columbia) on August 15, 1997. Greystar was transitioned under the *Business Corporations Act* (British Columbia) on April 6, 2005.

Intercorporate Relationships

Greystar carries on business in Colombia under a branch that was registered in Colombia on December 7, 1995. A significant portion of the Company’s business is carried on through its Colombian branch. The following chart illustrates, as at December 31, 2010, the Company’s subsidiaries, including their respective jurisdictions of incorporation and the percentage of voting securities in each that are held by the Company either directly or indirectly:



Offices

The registered office of Greystar is located at 3000 Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3R3. The head office and principal office of the Company is located at Suite 1430, 333 Seymour Street, Vancouver, British Columbia, Canada, V6B 5A6. The Company’s Colombian branch is located at Carrera 27 No. 36 – 14 Oficina 601, Bucaramanga, Santander, Colombia.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

For the past three years, the Company’s principal project has been its wholly-owned, Angostura Gold-Silver Project (the “Angostura Project”) in north-eastern Colombia.

Fiscal 2008 Developments

On August 18, 2008, Greystar reported that a prefeasibility study for the Angostura Project was underway.

On December 8, 2008, the Company announced an increase in the measured and indicated resource estimate for the Angostura deposit. The Angostura deposit was estimated to contain measured and indicated resources of 11.55 million ounces of gold and 61 million ounces of silver. The average gold grade was 1.09 g/t in the measured plus indicated category and 1.19 g/t in the inferred category. A report dated December 8, 2008 prepared by Greystar under the supervision of Metalica Consultores S.A. with respect to the estimate is available at www.sedar.com.

Fiscal 2009 Developments

On March 20, 2009 the Company completed a private placement with the International Finance Corporation (“IFC”), a member of the World Bank Group focused on private sector investments, for 6,579,161 units at a price of \$1.83 per unit for gross proceeds of \$12,039,864. Each unit consisted of one common share and three-quarters of a transferable common share purchase warrant. A total of 6,579,161 common shares and 4,934,371 warrants were issued to IFC at closing. Each whole warrant entitled the holder to purchase one common share at a price of \$2.47 per share for a period of five years expiring on March 20, 2014. Upon certain conditions being met, the Company had the right to accelerate the expiry date of up to 2,467,185 warrants to 60 days following the date of such notice. The Company gave notice of acceleration in December 2009 and in February 2010, the Company received proceeds of \$6,093,946 from the exercise of 2,467,185 warrants.

On May 7, 2009, the Company filed a National Instrument 43-101 compliant technical report entitled “Angostura Gold Project, Preliminary Feasibility Study” completed by GRD Minproc Limited and GRD Minproc Ingeniería y Construcción Ltda (collectively, “Minproc”) on SEDAR (www.sedar.com).

In July 2009, the Company purchased surface rights of a major piece of land required for the envisioned mine development of its Angostura Project. This surface rights acquisition comprised 1,034 hectares of land that covers the proposed location of one of the two major heap leach pads and most of the waste rock storage site. The transaction involved numerous local families. In addition the Company has had discussions with the local authorities for the utilization of a parcel of land required for the Angostura leach pad currently owned by the Company.

On September 29, 2009, the Company closed a public offering of 18,071,429 units of the Company at a price of \$3.50 per unit for gross proceeds of \$63,250,001.50. Each unit consisted of one common share of the Company and one-half of one transferable common share purchase warrant. Each whole warrant entitled the holder to purchase one common share on or before September 29, 2010 at a price of \$4.30 per share. Upon certain conditions being met, the Company had the right to accelerate the expiry date of the warrants to 20 business days following the date of such notice. In addition, the Company issued 903,571 agents’ warrants as compensation to agents assisting with the offering. Each agents’ warrant entitled the holder to acquire one unit at a price of C\$3.50 per unit on or before September 29, 2010 with each unit comprising one common share and one-half of one transferable share purchase warrant and having the same terms and the units issued as part of the public offering. The Company gave notice of acceleration of expiry of the public offering and agents’ warrants in December 2009 and during 2009 and January 2010, the Company received proceeds of \$43.7 million from exercise of the warrants.

In November 2009, the Company entered into a binding purchase option agreement with Sociedad Minera La Plata Ltda., a private Colombian company, for an exclusive option to acquire a 100% working interest

in the La Plata property ("La Plata"). La Plata comprises 78 hectares of mineral rights situated to the southwest and along strike of Ventana's La Mascota discovery and Galway Resources El Dorado and Machuca targets located in the California mining district of Colombia. The corresponding payments have been made and therefore, the Company has fully acquired the 100% working interest in La Plata.

Fiscal 2010 Developments

The following events occurred during the year ended December 2010:

Change in Management

In February 2010, the Company announced the appointment of Mr. Steve Kesler to the position of President and CEO following receipt of a Canadian work permit. Mr. Kesler assumed the role of President and Chief Executive Officer in May 2010 following the retirement of Mr. David Rovig who was appointed as non-executive Chair of the Board. In April 2010, Tim Lallas resigned as Vice-President Finance, Administration and Chief Financial Officer. Rick Low, the Company's Director Finance, acted as interim Chief Financial Officer until the appointment of David Newbold as Chief Financial Officer in August 2010. In June 2010, Geoff Chater stepped down as Vice President Corporate Development, but continued to provide investor relations consulting services until October 2010. In September 2010, the Company announced the appointment of Victoria Vargas as Vice President Investor Relations and Corporate Communications. David Heugh was appointed to the position of Chief Operating Officer in March 2011.

Environmental Impact Assessment

In December 2009, the Company filed its Environmental Impact Assessment ("EIA") with the Colombian Ministry of Environment, Housing and Territorial Development ("MAVDT") in respect to the development of an open pit gold-silver mine at the Company's Angostura Project in Colombia. On April 20, 2010, MAVDT requested a new EIA that conforms to new regulation Law 1382 of 2010 (Modified Mining Code) which requires that mining and exploration activity must be excluded from the "Paramo" ecosystem. On April 29, 2010, the Company filed an appeal of the notification from MAVDT regarding the EIA. On May 28, 2010, the Company received a letter from MAVDT that reinstated its review of the Company's EIA as originally filed. On July 15, 2010, MAVDT issued a notice to the Company that, at the request of third parties, information meetings for local communities planned by the Company needed be incorporated into a public hearing process. The Company held two Informational Hearings on November 3 and 4, 2010, and the Public Hearing on November 21, 2010, to hear the views and opinions of certain interested parties on the environmental impact of the Angostura Project. These Information and Public hearings are steps in the process relating to the decision from MAVDT on issuing an environmental permit for the Angostura Project.

In December 2010, MAVDT notified the Company of a requirement of another Information Meeting and Public Hearing for the environmental permitting process to be held in the city of Bucaramanga. This decision was based on the fact that certain participants opposing the project, who had registered to address the general public during the first hearing process, were in the petitioner's view, unable to participate on account of alleged restrictions in the road heading to California, Santander, the location of the first hearing. This exceptional request was intended to better allow inhabitants of Bucaramanga to express their views on the project and for MAVDT to obtain public testimony or comments on the Angostura Project's EIA. The Information Meeting was held on February 17, 2011, and the Public Hearing held on March 4, 2011. Unfortunately, confrontations during the public hearing resulted in the representatives of MAVDT cancelling the Public Hearing after 28 of the inscribed 470 statements had been heard.

On March 18, 2011, the Company made an announcement clarifying certain comments made by the Ministry of Mines and Energy of Colombia, which could be incorrectly interpreted to mean that the Company is fully withdrawing from the Angostura Project. The Company confirmed that it does not intend to withdraw from the Angostura Project and it intends simply to desist from ongoing environmental licensing to allow for future re-filing on terms that reflects concerns. On the March 23, 2011, the Company filed a request to “desist” (which in this context, means to cease the Company’s intention of further pursuing a formal petition or request for the administrative procedure for an environmental license at this time with a Colombian governmental entity, but without prejudice of the right and opportunity to file a new petition or request for administrative procedure for a mining project environmental license in the future) from the administrative procedure of the environmental licensing before MAVDT. The Company is committed to developing the Angostura Project, but recognizes that there is a need to reconfigure it. As a result, the Company has decided it will not proceed with finalization of the feasibility study on the open pit project at this time. The Company intends to continue with studies into the feasibility of alternatives, including an underground option, whilst the uncertainty surrounding the definition of Paramo and the exclusion of mining from Paramo affects the permitting of its open pit/heap leach part of the project. The Company also will continue to proceed with evaluating the entire project while working jointly with the MAVDT as well as with the Ministry of Mines and Energy of Colombia in resolving any outstanding issues, including how the open pit project can be modified to meet concerns and to proceed with an underground project. The Company has completed a Preliminary Economic Evaluation of an underground operation at the project that targets the high grade resource at Angostura. The Company proposes to work rapidly to advance the next phase of study and drilling with an objective to increase and improve the categorization of high grade underground resources, and investigating the potential to extend the resource at length and depth.

The Company will complete all necessary steps to ensure that the Angostura Project will not affect the water supply or its quality to the city of Bucaramanga, the surrounding metropolitan area, or the North Soto Province. The Company will continue to inform citizens fully about its proposed Angostura Project and to encourage an understanding that responsible mining can bring considerable economic and social benefits, not only to the region, but to Colombia as a whole.

DESCRIPTION OF THE COMPANY’S BUSINESS

Summary

The Company is a natural resource exploration and development company engaged in the business of acquisition and development of mineral properties. Greystar’s current efforts are focused on the Angostura Project, where it directly and indirectly holds interests in certain concessions exploration licenses and exploitation permit areas covering approximately 1,100 hectares in the Departments of Santander, Colombia. The company has concessions, exploration licenses and exploitation permit areas covering approximately 30,050 hectares in the Departments of Santander, and Norte de Santander, Colombia. A positive prefeasibility study was completed on the Angostura Project in May, 2009. The objective of the Company is to acquire and develop mineral properties with substantial exploration potential. To date, the Company has limited its exploration to targets with the potential to produce gold and silver, but other metals may be considered in the future.

Specialized Skill and Knowledge

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, mining, metallurgy, environment permitting issues, social issues and accounting.

Competitive Conditions

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims, leases and other interests, as well as for the recruitment and retention of qualified employees. The ability of the Company to acquire precious metal properties will depend not only on its ability to raise the necessary funding but also on its ability to select and acquire suitable prospects for precious metal development or metal exploration. See "Risk Factors – Exploration and Mining Risks, Financing Risks and Competition".

Environmental Protection

The Company believes it is currently in compliance with material environmental regulations applicable to its exploration and development activities. The financial and operational effects of environmental protection requirements on capital expenditures, earnings and expenditures during the fiscal year ended December 31, 2010 were not material. However, the Company has accrued \$1.2 million in asset retirement obligation as of December 31, 2010. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays, the extent of which cannot be currently predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. See "Mineral Projects – Angostura Gold-Silver Project, Colombia - Permitting" for information regarding the environmental permitting process for the Angostura Project. There is no assurance that all required approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

Employees

As at December 31, 2010, the Company, its branch and subsidiaries had 230 employees.

Foreign Operations

The Company's key mineral resource property is located in Colombia and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability that may result in the impairment or loss of mining title or other mineral rights. Mineral exploration and mining activities may also be affected in varying degrees by political stability and governmental regulations relating to the mining industry. See "Risk Factors – Foreign Country and Political Issues".

Social or Environmental Policies

Greystar has built relationships with the communities in which it operates, and has adopted a formal social policy that is fundamental to its operations. One of the principal elements of this policy is to contribute to the economic development, support health and educational programs, and provide good governance skills training in the communities. One important aspect of this is the policy of the Company to source goods and services from local suppliers.

In addition, Greystar seeks to cooperate with regional and local development programs, combining efforts with private organizations, NGO's, local administrations and the community itself in strengthening communication between these organizations, and promoting good relations with its neighbours, and offering constructive support and self-management models.

As required by the environmental regulations applicable at the time the Company developed an Environmental Impact Management Plan for the exploration phase and produced an Environmental Management Plan, which was approved by the CDMB. The management plan adequately addresses the impacts identified, through a series of management programs that cover environmental, safety and social issues for this stage of the project.

Greystar has committed to a Health, Safety, Environment and Community Policy (HSEC) document and an Action Plan to cover all HSEC aspects related to exploration activities, feasibility work and potential future mine development. Greystar has agreed to contract a consultant to help them develop an HSEC Management System to adequately manage, plan and document the environmental and social issues relating to their activities in Colombia.

With IFC as a shareholder and as a party actively interested in the area of social and environmental responsibility, Greystar has made additional efforts to conform its policies and strategies to IFC standards.

See "Mineral Projects-Angostura Gold-Silver Project- Environmental and Social Considerations" for information regarding the environmental and social base line study conducted with respect to the Angostura Project.

RISK FACTORS

In addition to the usual risks associated with an investment in a mineral exploration and development company, the Directors believe that, in particular, the following risk factors should be considered. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

Dependence on One Principal Exploration Stage Property

The Company's current efforts are focused primarily on the Angostura Project, which is in the exploration stage. The Angostura Project may not develop into a commercially viable ore body, which would have a materially adverse affect on the Company's potential mineral resource production, profitability, financial performance and results of operations.

Environmental and Other Regulatory Requirements

The activities of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of

compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The exploration and development activities of the Company require permits from various governmental authorities and such operations are and will be governed by laws and regulations governing exploration, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety, mine permitting and other matters. Companies engaged in exploration and development activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for exploration and development will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project that the Company may undertake. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities and that it does not currently have any material environmental obligations. However, there may be unforeseen environmental liabilities resulting from exploration, development and/or mining activities and these may be costly to remedy.

Other than the environmental mining insurance policies required by law for mining title, the Company does not maintain insurance against environmental risks. As a result, any claims against the Company may result in liabilities which could have a significant adverse effect on the operations and financial condition of the Company.

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 exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties.

Foreign Country and Political Risk

The Company's only mineral project is located in Colombia. The Company is subject to certain risks, including currency fluctuations, possible political or economic instability which may result in the impairment or loss of mineral concessions or other mineral rights, opposition from environmental or other non-governmental organization and mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. Exploration and development may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine and/or site safety.

Colombia remains a developing country. Notwithstanding the progress achieved in restructuring Colombian political institutions and revitalizing its economy, the present administration, or any successor government, may not be able to sustain progress achieved. While the Colombian economy has experienced growth in recent years, if the economy of Colombia fails to continue growth or suffer

recession, it may have an adverse effect on the Company's operations in that country. The Company does not carry political risk insurance.

Colombia has in the past experienced a difficult security environment. In particular, various illegal groups involved in terrorism, extortion and kidnapping have been active in the regions in which the Company's Angostura Project is located. There have been significant improvements in the security since 2002 and in the area where Greystar is active, the situation has been stable. If the security improvements are not maintained, it could have an adverse effect on the Company's continued operations in the area.

Exploration and Mining Risks

The business of exploring for minerals and mining involves a high degree of risk. Only a small proportion of the properties that are explored may ultimately developed into producing mines. The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including fires, power outages, labor disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor and other risks involved in the operation of mines and the conduct of exploration programs. The Company has relied, and may continue to rely, upon consultants and others for operating expertise. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations or funds required for development can be obtained on a timely basis. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in reserves or resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. Depending on the price of gold or other minerals produced, which have fluctuated widely in the past, the Company may determine that it is impractical to commence or continue commercial production.

Financing Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration or for further development of the Angostura Project. Further exploration and development will be dependent upon the Company's ability to obtain financing through joint venturing, equity or debt financing or other means. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties

Limited Experience with Development-Stage Mining Operations

The Company has limited previous experience in placing mineral properties into production and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no

assurance that the Company will have available to it the necessary expertise when and if it places its resource property into production.

Areas Excluded from Mining Activities

The 2001 Colombian Mining Code, as well as its amendments enacted on February 9, 2010 (the “Mining Code Amendments”), provide for areas to be excluded from mining activities. This could materially affect development of the infrastructure for the Angostura Project as envisioned by the PFS. In the way Greystar submitted its EIA to the Colombian authorities, the Company believes that it should not be subject to these provisions relating to excluded areas. However, there is no assurance that development of the Angostura Project as currently proposed by the Company will be permitted. Should modifications to the project be required as a result of the exclusion of the area from mining activities, it may result in additional costs and/or delays which could materially affect the commercial viability and profitability of future operations. The current Mining Code Amendments are under evaluation by the Constitutional Court in order to determine their compliance with the Constitution and other law enactment formalities. Therefore, the Mining Code Amendments could be subject to a declaration of unconstitutionality.

Estimates of Mineral Resources and Reserves and Production Risks

The mineral resource and reserve estimates included in this Annual Information Form are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified reserve or resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. The estimated resources and reserves described in this Annual Information Form should not be interpreted as assurances of commercial viability or potential or of the profitability of any future operations.

Mineral Prices

The mineral exploration and development industry in general is intensely competitive and there is no assurance that, even if commercial quantities of proven and probable reserves are discovered, a profitable market may exist for the sale of the same. Factors beyond the control of the Company may affect the marketability of any substances discovered. Mineral prices have fluctuated widely, particularly in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Company, including government regulations relating to price, royalties, allowable production and importing and exporting of minerals, the effect of which cannot accurately be predicted.

Uninsured Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fire, flooding and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs, have a material adverse effect on the Company’s results and a decline in the value of the securities of the Company.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition of mineral concessions other than the ones now held by the Company as well as for the recruitment and retention of qualified employees.

Title Matters

The acquisition of title to mineral concessions in Colombia is a detailed and time consuming process. While the Company has diligently investigated title to all mineral concessions and, to the best of its knowledge, title to all of its properties is in good standing, this should not be construed as a guarantee of title. Title to the properties may be affected by undisclosed and undetected defects. In every case in which the Company has detected a defect, a risk assessment has been performed, and none of them have been classified as high risk. In addition all corrective measures are being implemented on detected defects.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Dependence On Key Personnel

The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company. The Company does not have key person insurance on these individuals.

Share Price Fluctuations

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development stage companies such as the Company, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

Currency Fluctuations

The Company's operations in Colombia make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company reports its financial results in Canadian dollars with the majority of transactions denominated in U.S. dollars, Canadian dollars and Colombian pesos. As the exchange rates between the Colombian peso and U.S. dollar fluctuate against the Canadian dollar, the Company will experience foreign exchange gains or losses.

No Dividends

Investors cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is likely investors will not receive any return on their investment in the Company's securities other than possible capital gains.

Enforcement of Civil Liabilities

Substantially all of the assets of the Company are located outside of Canada, and certain of the directors and officers of the Company are residents outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company or the directors and officers of the Company residing outside of Canada.

MINERAL PROJECTS

Angostura Gold-Silver Project, Colombia

The following information has been compiled by Greystar from sources that Greystar believes to be reliable.

General Information

Colombia is a democratic republic located in the northwest part of South America, whose capital and principal city is Bogotá, D.C. Foreign investment is subject to the same treatment as domestic investment. Most sectors are open to foreign investment with the exception of defense, national security and some activities related to toxic waste and real estate. Foreign investments must be registered with the Central Bank of Colombia. Profits associated with registered foreign investments can be remitted in convertible currency. There is no limitation on the repatriation of capital or profits.

Colombian source income received by branches of foreign companies is subject to a 33% income tax rate on profits. The tax is payable on non-recurring profits received by foreign branches in Colombia.

Mining Industry

Under Colombian mining law, generally the State is the owner of all minerals whether they are located on the soil or subsoil.

The Colombian mining regime is divided into two principal applicable sub-regimes: i) Decree 2655 of 1988, and ii) Law 685 of 2001, which has been partially amended by Law 1382 enacted on February 9th of 2010. The first one applies to those mining titles issued before 2001 and the second to those issued after 2001.

Foreign individuals and companies may apply for claims and hold mining title on the same basis as local investors. Surface rights are not governed by the Mining Code and must be acquired directly from the surface rights holders, however the Mining Code provides holders of mining titles with rights of easements and expropriation which may be exercised through the competent mining authority.

The 1988 Mining Code establishes four types of mining title: permits, exploration licenses, exploitation licenses and concession contracts. An exploration license grants the holder the exclusive right to perform, in a prescribed area, work directed to identifying commercially exploitable mineral deposits and reserves.

There are three types of exploration licenses: small, medium, and large mining activity licenses. The type of exploration license is determined by the extension of the area to be explored and the anticipated volume or tonnage of materials to be extracted from the mine to be developed on the property. During the term of the exploration license, reports on work performed on the property must be filed with the mining authorities. The Mining Authority subsequently makes a definitive project classification based on the information filed. The Ministry has the right to reclassify the project every five years during the exploration phase. There is a maximum size area for each type of exploration license. The terms of the exploration licenses are determined by area covered as follows:

Original Area	Type	Term	Extension
Up to 100 hectares	Small	1 year	1 year
100 hectares up to 1,000 hectares	Medium	2 years	1 year
1,000 hectares or more	Large	5 years	N/A

On expiry of an exploration license for small mining activity and any extensions thereof, the license can be converted, on compliance with prescribed conditions, into an exploitation license. An exploitation license has a term of ten years. On its expiry, the holder can apply for a ten-year extension or conversion of the license into a concession contract. On expiry of an exploration license for medium and large mining activities and any extensions thereof, the license is required to be converted to a mining concession on compliance with prescribed conditions. There are two types of mining contracts: concession contracts issued by the Ministry of Mines and Energy and those contracts issued by entities to which the Ministry has assigned its rights. A concession contract gives the holder the exclusive right to extract certain minerals and conduct the activities necessary for exploitation, transport and shipment of the same. Concession contracts have a term of 30 years.

In June of 2001, the current Mining Code (Law 685, 2001) was enacted which simplified procedures for concessions. The separation of concessions into three different levels for small, medium and large mining no longer exists. There is now only one title which, once bestowed, has a duration of 30 years and can be extended a further 30 years, and further first rights for subsequent periods of 30 years. Despite these time limits, mining can start any time within this phase.

Pursuant to Law 685 of 2001, the 30-year term is divided into three phases: i) the exploration period with a term of three years, ii) the construction and installation period necessary for the exploitation works with a term of three years and iii) the exploitation period with a term of 24 years, or whichever is left after the extensions of the initial two phases. The transition between the exploration phase and the construction phase requires the approval of the Works and Investments plan (PTO) by the mining authority.

Regarding mining area claims filed under the 1988 Mining Code, the 2001 Mining Code allowed companies to elect to maintain existing claims under the 1988 law or elect to comply with the new law. Greystar elected to be subject to the 2001 Code for all claims owned at that time.

Pursuant to Law 1382 of 2010, which partially amended law 685, 2001, the concessionaire may request up to four extensions of two years each of the exploration phase in order to complete and carry out the studies and works aimed at the establishment of the existence of minerals. The concessionaire may also request an extension of the construction and installation period for a term of up to one year. In this event, the commencement of the exploitation period will be postponed until the expiry of the granted extension.

Extensions must be requested by the concessionaire at least three months prior to the date of termination of the respective stage. If the concessionaire does not receive a response from the mining authority before the termination of the stage, the extension is deemed to be approved. The concessionaire must be in full compliance of all its obligations under the concession agreement in order to be granted the extension.

Law 1382 of 2010 reduced the extension of the exploitation period to 20 years for concession contracts executed after February 9th, 2010. Once the extension of the exploitation period is overdue the concessionaire will have a preferential right to enter into a new agreement over the same area in order to continue with the exploitation works. If the mining authority does not grant the extension of the exploitation period, the concession agreement will terminate. If the mining authority does not approve the extension of the exploration or the construction and installation period, the concessionaire shall proceed with the subsequent stages. The concessionaire has the right to terminate the concession agreement provided it has complied with all its obligations under the concession agreement to the date of termination.

There are various government fees and royalties payable by mining titleholders. Holders of exploration licenses for large mining activities must pay a fee equal to the prescribed minimum daily wage multiplied by the number of hectares covered by the license. The fee is payable annually until the commencement of commercial production from the property. Mining title holder is in the obligation of paying to the Government, on commencement of production, a royalty at a rate of 4% calculated over the 80% of the London Metal Exchange gold price on the ounces produced.

Environmental Policy

With respect to environmental issues, mining companies in Colombia are subject to the authority of the Ministry of Environment. Housing and Territorial Development, the Regional Development Companies and some municipalities and metropolitan districts. An environmental license is required for the exploitation stage.

The National Code of Renewable Natural Resources and Environmental Protection forms the basis of environmental policy in Colombia and there is an interest in preserving natural resources from development activities. Environmental regulations are set forth in Law 99, 1993 which provides the legal basis for the environmental impact study to be presented at the end of the exploration phase if the concession is to proceed to the construction phase, and this must be approved and an environmental license issued before the exploitation phase can begin. Granting of environmental license was formerly governed by Decree 1220, 2005, and is currently governed by Decree 2820, 2010. The use of natural renewable resources for Exploration activities require a permit from the environmental authorities.. The use of natural renewable resources under Exploitation activities is granted under a global environmental license.

Where there is a breach of environmental laws, an affected third party or the government may initiate judicial action against a polluting entity, including actions for protection of a civil rights, civil liability lawsuits, class actions, group actions, executive or police measures and criminal filings. Environmental laws are a matter of public interest and are not subject to settlement. Historically, environmental authorities have taken a relaxed approach in the enforcement of environmental regulations. Recently growing concern with respect to the environmental sustainability of projects, undertakings and industrial activities has resulted in increased enforcement and prosecution. Sanctions included daily penalties, suspension or revocation of the license, concession, permit, or authorization, temporary or final closure of the establishment, work demolition at the cost of the infringer, and confiscation of products or implements used to commit infringement.

Project Description and Location

The Company directly and indirectly holds interests in several mining title, exploration license, exploitation permit and concession contract areas covering approximately 30,050 hectares, located in northeastern Colombia. However, the area known as Angostura Project comprises only approximately 1,100 hectares. Details are as follows:

(a) Concession Permit 3452:

The Company acquired the original License 3452 covering an area of 250 hectares in the Municipality of California, Santander, Colombia by a purchase agreement dated September 8, 1994. License 3452 was converted to an Integration Mining Concession No. 3452 contract ("Permit 3452") with the Colombian Government on February 14, 2007 and registered in the National Mining Register on August 9, 2007. The new Permit 3452 incorporates other titles previously held by the Company: 110-68, 102-68, 140-68, 302-68, 3452, 13929, 45-68, 47-68, 13356, 300-68, HDB-082, GB3-091 and 370-68. The total Permit 3452 area is 2,449 hectares and provides for gold, silver and other precious metals exploitation. Under the integrated concession, concluded on in 2008, Permit 3452 has a three year period, (extended for two years more), to finish exploration, and start construction before going into production. The new contract expires in 2027 and can be renewed for an additional 30 years. To the extent of the Company's knowledge, material obligations and exploration conditions under the licenses incorporated into the new Permit 3452 have been successfully fulfilled. The underlying vendors of original License 3452 retained a 10% net profits royalty. The underlying vendors of License 47-68 covering an area of approximately 54 hectares hold a 10% net profits royalty. With respect to License 110-68, the original agreement provides for the acquisition by the Company of a two-thirds interest in the license area.

During 2008, the Company purchased one-half of the 10% net profit royalty in the original License 3452 from one of the underlying vendors in consideration for \$850,201 (US\$800,000) and issued 100,000 common share purchase warrants exercisable into common shares at a price of \$6.30 per share until January 10, 2013. Therefore as at December 31, 2010, one underlying vendor of the original License 3452 covering an area of approximately 150 hectares holds a 5% net profits royalty while the second underlying vendor covering an area of approximately 100 hectares retains a 10% net profits royalty. The value of the share purchase warrants was estimated to be \$297,050 using the Black Scholes valuation model with the following assumptions:

Risk free interest rate	3.35%
Expected life	5 years
Volatility	51.5%
Expected dividends	nil

(b) Other Angostura licenses:

The Company holds mineral exploration rights covering approximately 1,833 hectares located adjacent to Integration Mining Concession No. 3452, including exploitation licenses 101-68, 127-68, and 6979 covering an area of 49 hectares. Certain other contracts requiring annual fee payments based on the number of hectares and a Colombian wage factor which fluctuates on an annual basis are as follows:

Contract	Area (Ha)	Expiration date	Annual fee
22346	1,184.1	September 18, 2032	\$ 10,530
343	600.0	February 08, 2037	5,335

(c) Concession contracts:

The Company has the following concession contracts that require annual fee payments based on the number of hectares and a Colombian wage factor which fluctuates on an annual basis:

Contract	Expiration date	Annual fee
3452	August 8, 2027	\$ 139,917
EJI-159	March 8, 2037	7,247
EJI-163	May 15, 2037	224,745
EJI-164	May 23, 2037	12,799
AJ5-142	November 14, 2034	72,226
AJ5-143	June 21, 2037	69,191
AJ5-144	February 11, 2038	77,114

Each of the contracts above is for an initial exploration period of three years from the date of registration, with an option to extend for an additional two years. The total period of these concession contracts is approximately 30 years.

In November 2009, the Company entered into a binding purchase agreement with a private Colombian company for an exclusive option to acquire a 100% working interest in the 78 hectares La Plata property ("La Plata"). The terms of the purchase agreement include staged payments totaling US\$1,900,000 and the issuance of 160,000 share purchase warrants to acquire a 100% working interest in the property. During the year ended December 31, 2010, the Company made \$1,345,959 (US\$1,300,000) (2009 - \$302,636 (US\$300,000)) of the required staged payments and issued the share purchase warrants. Subsequent to year end, the Company made the final \$297,332 (US\$300,000) staged payment and has therefore, fully acquired the 100% working interest. The Company is required to incur minimum annual exploration expenditures aggregating approximately \$745,950 (US\$750,000) and to drill an aggregate of 4,000 meters on the property over a four year period starting in November 2009. In addition, if the Company develops an economically viable ore body at La Plata, the Company will pay a one-time payment of US\$7 per ounce of gold and US\$0.10 per ounce of silver for extractable reserves up to a maximum of 750,000 ounces.

(d) Sovereign interests:

Pursuant to the applicable mining laws of Colombia, the Government of Colombia currently receives royalty taxes on gold production equal to a net of 4% of the 80% of the London Metal Exchange gold price on the total ounces produced. In order to keep the Company's property interests in good standing over the term of the license, permit or concession contract, the Company is required to make surface mineral fee payments as described in subparagraphs (b) and (c) above.

(e) Surface rights:

During 2004, the Company purchased property surface rights located within the main Angostura Property currently being explored for total consideration of \$593,756.

During March 2006, the Company purchased La Armenia property covering 170 hectares, located in California, Santander, Colombia for a price of \$210,924 (US\$186,000).

During April 2006, the Company purchased additional surface rights covering 36 hectares for a payment of \$64,640 (US\$57,000).

During October 2006, the Company entered into a purchase agreement to acquire 35 hectares of land for a purchase price of \$91,765 (200,000,000 Colombian pesos) plus 9,178 share purchase warrants that had an exercise price of \$10.10 per share and a fair value of \$23,120. These warrants expired on October 9, 2009.

During 2007, the Company acquired Los Llanitos property surface rights for US\$45,000 and La Esmeralda property surface rights for US\$28,750.

During 2008, the Company acquired property surface rights at El Cadillal, El Bosque, El Salbial, and El Carbon for total cash consideration of \$952,466 (1,695,000,000 Colombian pesos) and the issuance of 40,000 common share purchase warrants exercisable into common shares at a price of \$7.10 per share until January 11, 2012. The value of the share purchase warrants was estimated to be \$64,630 using the Black-Scholes valuation model.

During 2009, the Company entered into an agreement to acquire the "Los Robles" land parcel with an area of 14.6 hectares. The property was acquired for a cash payment of \$58,794. The Company also issued 30,000 share purchase warrants exercisable into common shares at a price of \$2.05 per share, exercisable until January 22, 2013. The fair value of these share purchase warrants was estimated to be \$59,374 using the Black-Scholes valuation model.

In June 2009, the Company acquired the "Las Puentes" land parcel for \$2,037,318 (COP4,010,000,000). A cash payment of \$1,017,920 (COP 1,860,000,000) was made on the acquisition date, with further payments of approximately \$595,700 (COP1,150,000,000) payable in April 2010 and \$518,000 (COP1,000,000,000) payable in April 2011.

Pursuant to the agreement, the Company was required to make a progress payment of approximately \$595,700 (COP1,150,000,000) in April 2010 for the Las Puentes land parcel. However, certain of the original Las Puentes vendors are currently in a title dispute with another unrelated group, and pursuant to clause 12 of the purchase agreement, the Company retained payment. The Company believes that its title is not at risk.

The future obligations have been recorded as amounts payable on mineral property acquisition on the consolidated balance sheet and have been discounted to reflect the non-interest bearing feature of this obligation. The discounted value of the future payments recognized on the date of acquisition was \$1,019,398 and is being accreted to earnings at a rate of 12%. The discounted amount of \$1,099,339 includes accretion at 12% and the effects of exchange rate differences as at December 31, 2010.

During 2009, the Company entered into an agreement to acquire the “Laguna de la Virgen” land parcel comprised of approximately 189 hectares. The Company has made a cash deposit of \$87,520 (COP160,000,000) and has agreed to make further payments of approximately \$202,020 (COP390,000,000) and to issue 60,000 share purchase warrants having an exercise price of \$2.30 per share expiring four years following the closing of the transaction. This transaction had not closed as at December 31, 2010, but is expected to close in 2011.

During 2009, the Company issued 123,500 share purchase warrants relating to the El Bosque, El Carbon and El Salbial land parcel acquisitions that were completed in previous reporting periods. Of the 123,500 share purchase warrants, 3,700 have an exercise price of \$6.75 per share and expire on January 14, 2012, 19,800 have an exercise price of \$5.65 per share and expire on February 18, 2012, and 100,000 have an exercise price of \$4.89 per share and expire on June 29, 2013. The value of the share purchase warrants was estimated to be \$263,390 using the Black-Scholes valuation model.

During 2009, the Company made an additional payment of \$5,841 to acquire the right to purchase the “El Alta” land parcel.

During 2009, the Company entered into an agreement to acquire the “San Julian” land parcel with an area of 18 hectares. The terms of the agreement include a cash deposit paid of \$71,540 with a final payment of approximately \$30,660 due when title transfers, and the issuance of 15,000 share purchase warrants exercisable into common shares at a price of \$6.10 per share until November 27, 2013. The Company used the Black-Scholes option pricing model to estimate the value of the warrants at \$48,000.

In July 2010, the Company entered into an agreement to acquire the “El Jordan” land parcel with an area of 34 hectares. The property was acquired for a cash payment of \$183,810 (330,000,000 Colombian pesos). The Company also issued 35,000 share purchase warrants exercisable into common shares at a price of \$3.65 per share, exercisable until July 29, 2014. The value of the share purchase warrants was estimated to be \$77,766 using the Black-Scholes valuation model.

In August 2010, the Company entered into an agreement to ensure already existent surface rights over the “La Esmeralda and El Alta” land parcels. The transaction closed for cash payments totaling \$98,970 (170,000,000 Colombian pesos). The Company also issued 15,000 common share purchase warrants exercisable into common shares at a price of \$4.16 per share, exercisable until July 28, 2014. The value of the share purchase warrants was estimated to be \$34,956 using the Black-Scholes Valuation model.

In September 2010, the Company entered into an agreement to acquire the “Parajito” land parcel with an area of 143.5 hectares. The property was acquired for a cash payment of \$270,920 (500,000,000 Colombian pesos). The Company also issued 35,000 share purchase warrants exercisable into common shares at a price of \$4.17 per share, exercisable until October 21, 2014.

The value of the share purchase warrants was estimated to be \$103,829 using the Black-Scholes Valuation model.

In October 2010, the Company entered into an agreement to acquire a 25% interest in the “La Rinconada” land parcel with an area of 40 hectares. The property was acquired for a cash payment of \$16,770 (300,000,000 Colombian pesos). The Company also issued 10,000 common share purchase warrants exercisable into common shares at a price of \$4.14 per share, exercisable until October 21, 2014. The value of the share purchase warrants was estimated to be \$29,731 using the Black-Scholes Valuation model.

The valuation of the various share purchase warrants issued in relation to the above land acquisitions were estimated using the Black-Scholes valuation model applying risk free rates ranging from 1.79% to 2.42%, expected lives based on the full term of the warrants, expected dividends of nil, and volatility rates ranging from 74.8% to 83.7%.

Project Update

Historical information on the Angostura Project follows the current and latest developments, which are discussed immediately below.

Current Developments

The Company’s permitting process for the Angostura Project is fully described under “Permitting” below. This process involved the filing of an EIA in 2009 and a series of informational and public hearings in 2010 and 2011.

On March 18, 2011, the Company made an announcement clarifying certain comments made by the Ministry of Mines and Energy of Colombia, which could be incorrectly interpreted to mean that the Company is fully withdrawing from the Angostura Project. The Company confirmed that it does not intend to withdraw from the Angostura Project and it intends simply to desist from ongoing environmental licensing to allow for future re-filing on terms that reflects concerns. On the March 23, 2011, the Company filed a request to desist from the administrative procedure of the environmental licensing before MAVDT. The Company is committed to developing the Angostura Project, but recognizes that there is a need to reconfigure it. As a result, the Company has decided it will not proceed with finalization of the feasibility study on the open pit project at this time. The Company intends to continue with studies into the feasibility of alternatives, including an underground option, whilst the uncertainty surrounding the definition of Paramo and the exclusion of mining from Paramo affects the permitting of its open pit/heap leach part of the project. The Company also will continue to proceed with evaluating the entire project while working jointly with the MAVDT as well as with the Ministry of Mines and Energy of Colombia in resolving any outstanding issues, including how the open pit project can be modified to meet concerns and to proceed with an underground project. The Company has completed a Preliminary Economic Evaluation (“PEE”) of an underground operation at the project that targets the high grade resource at Angostura. The Company proposes to work rapidly to advance the next phase of study and drilling with an objective to increase and improve the categorization of high grade underground resources, and investigating the potential to extend the resource at length and depth.

The Company is committed to the reclamation of all areas affected by the Angostura Project and to develop a biodiversity offset program. The Company believes that the oxide resource can be developed with open pit mining whilst preserving biodiversity and water quality. The Company wants to ensure that the future re-filing reflects the many concerns that have been presented and that this will allow it to have a

social license to operate sustainably. The Company will complete all necessary steps to ensure that the Angostura Project will not affect the water supply or its quality to the city of Bucaramanga, the surrounding metropolitan area, or the North Soto Province. The Company will continue to inform citizens fully about its proposed Angostura Project and to encourage an understanding that responsible mining can bring considerable economic and social benefits, not only to the region, but to Colombia as a whole.

Historical Development of Resources

On March 18, 2011 the Company announced its commitment to developing the Angostura Project, but recognized that there is a need to reconfigure it. The definition of resources prior to this date is set out below for reference.

On July 15, 2010, Greystar announced an updated resource estimate for the Angostura Project. The resource study was based on updated three dimensional geological and mineral models. It included all of the technical data available as of January 2010, including 179,813 core assays from 938 drill holes representing 302,834 metres, and 1,768 muck samples from the exploration tunnels. The resource study was developed by Greystar under the overall supervision of consulting company NCL Ingeniería y Construcción S.A. (“NCL”) from Santiago, Chile.

Additional drilling carried out in 2008 and the rigorous evaluation of the resource by Greystar’s geological staff working closely with NCL had provided a robust resource model for the FS. Greystar had initiated the evaluation of underground resources that lie beyond the pit boundary but within a proximity to allow exploitation utilizing the pit infrastructure either during or after completing the open pit operation. As the cut-off date for the data employed in this resource study was January 2010, drilling data from the Los Laches, Cristo Rey and Silencio properties received after that date was not included.

Resource Highlights:

This resource statement was made using a gold price of US\$850/oz and a silver price of US\$12/oz. In developing this resource for the FS, a more conservative view was taken on higher grade material, which included grade capping and reduced search area to make the resource more robust and to enhance the overall economic evaluation of the viability of the project. An operational pit was designed by NCL using available mining, metallurgical and geotechnical parameters. Details of the operational pit are provided in the tables below:

Operational Pit Resource

	Category			
	Measured	Indicated	Total (Meas. + Ind.)	Inferred
OXIDES				
Kt	79,160	26,597	105,757	6,306
Au (g/t)	0.39	0.45	0.41	0.44
Ag (g/t)	3	3	3	3
Au (koz)	998	389	1,387	88
Ag (koz)	8,521	2,787	11,308	555
TRANSITION				
Kt	104,003	20,758	124,761	5,523
Au (g/t)	0.61	0.89	0.66	0.84
Ag (g/t)	6	6	6	6
Au (koz)	2,039	594	2,633	149
Ag (koz)	19,373	4,163	23,536	1,111
SULPHIDES				
Kt	94,505	33,540	128,045	14,519
Au (g/t)	1.00	1.75	1.20	1.43
Ag (g/t)	5	8	6	6
Au (koz)	3,036	1,885	4,921	666
Ag (koz)	16,118	8,635	24,753	2,996
TOTAL RESOURCES IN OPERATIONAL PIT				
Kt	277,668	80,895	358,563	26,348
Au (g/t)	0.68	1.10	0.78	1.07
Ag (g/t)	5	6	5	6
Au (koz)	6,074	2,868	8,942	903
Ag (koz)	44,012	15,585	59,597	4,662

Underground Resource

The PEE referred to in the March 18, 2011 update addresses a different resource that would be accessed by underground methods rather than open pit.

The following discusses the smaller underground resource as contained in the July 15, 2010 updated resource estimate for the open pit Angostura Project.

The portions of the block model beneath the operational pits were examined to determine the zones which might support the necessary capital for underground development. The portions that were too isolated from the pit infrastructure or with insufficient grade or tonnage for underground mining were categorized as waste.

	Category			
	Measured	Indicated	Total (Meas. + Ind.)	Inferred
SULPHIDES				
Kt	1,283	4,761	6,044	3,762
Au (g/t)	3.95	4.36	4.28	3.61
Ag (g/t)	17	20	19	16
Au (koz)	163	668	831	437
Ag (koz)	718	3,067	3,785	1,992

On July 15, 2010, Greystar announced an updated metallurgical recovery model (“Recovery Model”) and process flow for the Angostura Project. The updated model replaces the metallurgical model used in the May 2009 Preliminary Feasibility Study (“PFS Recovery Model”).

The results of the metallurgical testing have the following average gold recoveries by ore type.

Process	Ore Type	Average Metallurgical Test Results - PFS ¹⁾	Average Metallurgical Test Results ⁶⁾	
			19 mm ²⁾	38 mm ³⁾
Heap Leach	Oxide	90%	91%	91%
	Transitional	73%	74%	70%
	Low Grade Sulphide	39%	33%	30%
Flotation/BIOX [®] / CIP/Heap Leach FlotationTails	High Grade Sulphide	94% ⁴⁾	86% ⁵⁾	

1. Heap Leach average metallurgical results in the PFS Recovery Model based on 18 Column Leach Test (“CLT”) at 19 mm.

2. Heap Leach average metallurgical results in the Recovery Model based on 77 CLT at 19 mm (includes all the samples tested at 38 mm).
3. Heap Leach average metallurgical results in the Recovery Model based on 11 CLT at 38 mm.
4. High grade ore circuit average metallurgical results in the PFS Recovery Model were based on the sale of concentrates with 90% flotation gold recovery, 98.5% Smelter Recovery, and 54% heap leaching recovery of flotation tails agglomerates.
5. High grade ore circuit average metallurgical results in the Recovery Model based on 91% flotation gold recovery, 90% BIOX[®] /CIP recovery, and 50% heap leaching recovery of flotation tails agglomerates.
6. Heap leach feed size sensitivity (38mm vs. 19mm) employed for the Recovery Model was determined considering only samples tested at both feed sizes, rather than average results as presented in the table shown above.

Updates to the Recovery Model included:

- A coarsening of the planned heap leach feed size to 38mm.
- A new geo-metallurgical model to project heap leach recoveries.
- A revision to the high grade recovery circuit to include stirred tank bio-oxidation and carbon-in-pulp cyanidation of the flotation concentrate.

The metallurgical processing routes for the Angostura ore would have been driven by the Recovery Model with:

- Oxide, transitional and low-grade sulphide ore being processed by conventional cyanide heap leach and agglomerated flotation tailings heap leach, and
- High grade sulphide mineralization being treated by milling, flotation, stirred tank bio-oxidation, carbon in pulp cyanidation of bio-oxidized residue and pulp agglomeration heap leaching of flotation tailings.

Recent Exploration Work

In December 2009, the Company initiated an exploration drill program to investigate the mineral potential of the La Plata mineral property, over which the Company has completed its 100% working interest acquisition, in the La Baja Valley, located southwest of the Angostura deposit. The Company continued with its program of exploring the potential of high grade mineralization at the Angostura gold-silver deposit. Evaluation continued at the near surface oxide gold and deeper sulphide mineralization discovered in 2008 at the Mongora prospect located 3 km south of the main Angostura deposit.

Los Laches Drill Program

The Company announced additional assay results from the targeted drill program at the Los Laches area of the Angostura gold-silver deposit. The new drill results from the Los Laches Area, whose geology is structurally complex, continue to provide positive results showing the potential of high grade mineralization at depth below the envisioned Preliminary Feasibility Study open pit.

Mongora Drill Program

The Mongora prospect is defined by a large, 500 meter by 300 meter gold-in-soil anomaly. The Company started 57 drill holes on the Mongora target, accumulating 19,459 meters to December 2010. Similar to the Angostura deposit, the Mongora prospect hosts higher-grade gold mineralization including 116 grams of gold per tonne over 2.0 meters, 22.2 grams of gold per tonne over 2.0 meters and 12.35 grams of gold per tonne over 1.6 meters within broader zones of lower-grade gold mineralization. The mineralization contained in the oxidized and transitional rock at the Mongora area could be very important for the Angostura Project.

La Plata

La Plata is located in the California mining district of Colombia. La Plata comprises 78 hectares of mineral rights contiguous on the majority of its borders with existing Greystar holdings.

The La Plata property lies within a mineralized belt related to the northeast-southwest trending La Baja Fault, which has given rise to a number of mineralized occurrences where gold and silver mineralization is associated with flexures along the main fault. This mineralization, which has traditionally been mined by local artisanal miners, is now the focus of more modern exploration methods.

Exploration carried out by the Company since 2009 identified vein and stock work mineralization associated with strong alteration hosted in a dacite-porphyry system. Drilling, comprising 17 drill holes (6,651 meters) has intersected anomalous gold and silver grades and additional work is in process to define the geometry of the mineralization. Rock samples from mine tunnels on site returned gold assays ranging from no significant gold up to 9.66 grams per ton gold and silver assays ranging from no significant silver up to 94.3 grams per tonne silver.

Cristo Rey

3,778 meters of core has been drilled at Cristo Rey in 2010 to test higher grade mineralized structures at depth and along strike. The latest results from diamond drilling in the Cristo Rey area, which marks the current northern limit of the Angostura deposit, included 189.5 g/t gold and 701 g/t silver over 1.5 meters in hole CR10-05, 6.89 g/t gold and 85.4 g/t silver over 1.6 meters in hole CR10-04 and 12.45 g/t gold and 96.7 g/t silver over 1 meter in hole CR10-02. These significant intercepts confirm the presence of mineralization along strike and down dip in the northern limit of proposed Angostura pit. Mineralization in the Cristo Rey area is similar in style to the Veta de Barro area immediately to the south where higher grade structures have considerable strike extent and, although relatively narrow, the structures have very interesting high gold grade contents.

New Areas of Exploration outside of the Angostura Project Area

Greystar has applied for mineral property rights over 35,000 hectares in other jurisdictions around Colombia, in the departments of Nariño, Cauca, Tolima, Caldas, Santander, Norte de Santander and Cesar with only one having been granted by Ingeominas to date. Ingeominas is evaluating the other applications to define the free areas to be granted. Prospecting activities are being carried out to identify other mineral potential in Colombia.

Besides the exploration for gold, a study of potential for limestone as a source of lime feed for a lime plant was completed on April 2009 in the Issuer's concessions in the areas of Charta and Vetas. Three potential areas as sources of limestone for a future plant were defined.

The information under the heading "Exploration" has been reviewed and approved by Mr. Frederick Felder, P.Geo., a "qualified person" as that term is defined in National Instrument 43-101 and Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in respect of AIM companies, which outline standards of disclosure for mineral projects.

Resource information under the heading "Historical Development of Resources – Resource Highlights" has been reviewed and approved by Mr. Rodrigo Mello, Senior Geologist with NCL Ingeniería y Construcción S.A., Santiago, Chile a "qualified person" as that term is defined in National Instrument 43-101 and Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in respect of AIM companies, which outline standards of disclosure for mineral projects.

Permitting

Date	Event
October, 2009	The Company submitted an application for a Work and Investment Plan (PTO) based on the preliminary feasibility study ('PFS'). The PTO was submitted to the Ingeominas, a division in the Ministry of Mines and Energy, on October 23, 2009. The PTO is the operating plan for Angostura which must be approved by Ingeominas in a parallel process to the environmental permitting. Both the EIA and the PTO must be approved in order to begin the construction phase of the Mining Concession Contract.
December, 2009	The Company filed the EIA with MAVDT to initiate the environmental permitting process for the development of an open pit gold and silver mine at the Angostura Project in Colombia. The EIA, which is based on the PFS, covers all environmental and social aspects of the proposed mine development including baseline data and end of mine life mitigation plans.
April, 2010	MAVDT requested a new EIA to be filed. MAVDT requested that the new EIA conform to new regulation Law 1382 of 2010 (Modified Mining Code) which requires that mining and exploration activity must be excluded from the "Paramo" ecosystem.
May, 2010	After the Company's appeal in April 2010, the Company received a writ from MAVDT that reversed its April 20th writ and reinstated the December 22, 2009 EIA as filed. MAVDT advised it would move forward with a review of the EIA.

Date	Event
November, 2010	After MAVDT's notice in July 2010, stating that the Information Meetings for local communities that were being planned by the Company are to be incorporated into a public hearing process, the Company held two Informational Hearings on November 3 and 4, 2010 and the Public Hearing on November 21, 2010. The Informational Hearing was held in the towns of California and Vetaz Santander, Colombia and the Public Hearing held only in the town of California.
March, 2011	In December 2010, MAVDT notified the Company of a requirement of another Information Meeting and Public Hearing for the environmental permitting process to be held in the city of Bucaramanga. This decision was based on the fact that certain participants opposing the Angostura Project, who had registered to address the general public during the first hearing process, were in the petitioner's view, unable to participate on account of alleged restrictions in the road heading to California, Santander, the location of the first hearing. This exceptional request was intended to better allow inhabitants of Bucaramanga to express their views on the Angostura Project and for MAVDT to obtain public testimony or comments on the Angostura Project's EIA. These Information and Public Hearings are steps in the process relating to the decision from MAVDT on issuing an environmental permit for the Angostura Project. The Information Meeting was held on February 17, 2011 and the Public Hearing held on March 4, 2011. Unfortunately, confrontations during the Public Hearing resulted in the representatives of MAVDT cancelling the Public Hearing after 28 of the inscribed 470 statements had been heard. On the March 23, 2011, the Company filed a request to desist from the administrative procedure of environmental licensing before MAVDT, as well as the administrative procedure of evaluation and approval of the PTO before Ingeominas.

DIVIDENDS

The Company has not paid any dividends on its common shares since its incorporation. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business. There are no restrictions that could prevent the Company from paying dividends.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Company consists of an unlimited number of common shares without par value of which 84,222,987 common shares are issued and outstanding as of the date hereof.

All shares of the Company, both issued and unissued, are of the same class and rank equally as to dividends, voting rights and participation in assets of the Company in the event of liquidation, dissolution

or winding up. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provisions for redemption or purchase for cancellation, surrender or sinking or purchase funds. Provisions as to the modification, amendment or variation of such rights or provisions are contained in the *Business Corporations Act* (British Columbia) and the Articles of the Company.

MARKET FOR SECURITIES

The Company's common shares are traded on the Toronto Stock Exchange in Canada and on the Alternative Investment Market (AIM) of the London Stock Exchange in the United Kingdom.

Trading Price and Volume

During the Company's last completed financial year, the monthly price range and volume of trading of its common shares on the Toronto Stock Exchange was as follows:

2010	High (\$)	Low (\$)	Volume
Jan	6.25	4.70	304,400
Feb	5.71	4.67	297,300
Mar	6.63	5.00	269,600
Apr	6.75	3.30	794,900
May	5.80	3.11	674,600
Jun	5.74	4.50	282,000
Jul	4.91	3.44	196,100
Aug	4.01	3.48	172,500
Sep	4.54	3.81	285,200
Oct	4.97	4.12	278,800
Nov	5.48	4.36	449,900
Dec	5.23	3.85	376,900

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following are the directors and executive officers of the Company as of December 31, 2010:

Name, Province or State & Country of Residence and Position	Director Since	Principal Occupation for the Past Five Years
BRIAN E. BAYLEY ^{(1) (2) (3)} British Columbia, Canada Director	August 15, 1997	Director and Resource Lending Advisor of Sprott Resource Lending Corp. (formerly Quest Capital Corp.) a resource lending company whose shares trade on the TSX Exchange and NYSE Amex; Previously President and Chief Executive Officer of Sprott from May 2009 to Sept. 2010; President and Director of Ionic Management Corp., a private management company since December 1996.
GERMAN DEL CORRAL ^{(1) (2) (3)} Bogotá, Colombia Director	May 2, 2006	Chemical and metallurgical engineer with over 30 years of mineral experience. Mr. del Corral has done extensive national and international consulting including with the Colombian and Guatemalan governments and private companies. Previously, Cuba Project Director for WMC Ltd., as well as President of Cerro Matosso S.A. (now part of BHP Billiton) in Colombia. Mr. del Corral was also a consultant for the World Bank from 1993 to 1995 regarding private sector restructuring in Romania and Macedonia.
FREDERICK FELDER British Columbia, Canada Executive Vice-President	N/A	Executive Vice-President of the Company; Consulting Geologist practicing in Canada and internationally since 1967.
STEVE B. KESLER British Columbia, Canada Director, President and Chief Executive Officer	March 1, 2010	Currently a Chartered Engineer and international consultant with a B.Sc in Mining Engineering and a Ph.D in Mineral Technology from Imperial College, London. Previously, President – Mining at URS Corporation (2008 to 2010); Executive Vice-President, Business Development at Washington Group International (2006 to 2008); Consulted to the mining industry (2001 to 2006) principally in business development and participated in private equity investment in mining and property; Executive Director, Base Metals and New Business Division for Billiton Plc. (1997 to 2001).

Name, Province or State & Country of Residence and Position	Director Since	Principal Occupation for the Past Five Years
SANDRA LEE British Columbia, Canada Secretary	N/A	Secretary of Ionic Management Corp., a private management company. Previously from May 2009 to Jan. 2011 and from June 2003 to August 2008, Corporate Secretary of Sprott Resource Lending Corp. (formerly Quest Capital Corp.), a resource lending company whose shares trade on the TSX Exchange and NYSE Amex.
EMIL MORFETT ⁽¹⁾⁽²⁾⁽³⁾ London U.K. Director	April 29, 2005	UK Chartered Engineer and qualified geologist with 32 years experience, firstly in the mining industry through Rio Tinto and GFSA and then through the banking system as Vice President, Head of Mining Research for JP Morgan in London and the Global mining analyst for Bank Paribas. Mining Research Consultant and the Managing Director of Millstone Grit Limited, a private consulting company.
DAVID NEWBOLD British Columbia, Canada Chief Financial Officer	N/A	UK Chartered Accountant with over 36 years of international experience in mining and finance. He holds a B.Sc. in Mathematics from the University of East Anglia, United Kingdom. David spent eleven years (1995-2006) at Placer Dome Inc. where he held positions of increasing responsibility including Senior Vice President, Commercial; Senior Vice President Strategy, Placer Dome America; President & CEO, Zaldivar Copper Mine; and Senior Vice President and CFO, Placer Dome Latin America.
RICHARD ROBINSON ⁽¹⁾ Belgium Director	January 1, 2010	Currently, Mr. Robinson is a Director of Recylex SA, a Euronext listed company involved in base metal recycling, refining and high purity special metals. Previously, Non-Executive Chairman of the Board of Metalor Technologies International SA (March 2004 to October 2009); Chief Executive Officer of Gold Fields Limited (1997-1998); and an executive director of Gold Fields of South Africa Ltd (GFSA); Managing Director of Normandy LaSource SAS (1998-2001), a joint venture between Normandy Mining Limited of Australia and the French State, with interests in Africa, Europe, Middle East and CIS.
DAVID B. ROVIG Montana, USA Director and Chairman of the Board	August 15, 1997	Professional Engineer, Chair of the Board

Name, Province or State & Country of Residence and Position	Director Since	Principal Occupation for the Past Five Years
VICTORIA VARGAS Ontario, Canada Vice President Investor Relations & Communications	N/A	Previously Vice President of Investor Relations with Romarco Minerals Inc. and VP Investor Relations and Corporate Communications for Iberian Minerals. Victoria also worked for almost 5 years at Alamos Gold Inc. and held a variety of financial and corporate development positions at Kinross from 1994 until 1999.

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee
- (3) Member of the Nominating Corporate Governance Committee

All directors stand for election at each annual general meeting of the Company. All the directors were re-elected to the Board at the annual general meeting held on May 3, 2010. As at the date hereof, all directors and senior officers of the Company, as a group, beneficially own, or control or direct, directly or indirectly, 1,167,739 shares representing 13.86% of the Company's issued and outstanding shares.

Cease Trade Orders, Penalties or Sanctions

Other than as mentioned below, none of the directors or executive officers of the Company is, as at the date of this Annual Information Form, or was within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, which order was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Brian E. Bayley:

1. **Etrion Corp. (formerly PetroFalcon Corporation) ("PetroFalcon")/TSX listed (director November 28, 2001 - current) and Quest Ventures Ltd.** On February 27, 2002, BCSC issued an order regarding a private placement of PetroFalcon to Quest Ventures Ltd., a private company in which Brian E. Bayley was a director. BCSC considered it to be in the public interest to remove the applicability of certain exemptions from the prospectus and registration requirements of the Securities Act (British Columbia) for PetroFalcon until a shareholders meeting of PetroFalcon was held. In addition, BCSC removed the applicability of the same exemptions for Quest Ventures Ltd. in respect of the common shares received pursuant to the private placement.

Approval of shareholders was received on May 23, 2002 and BCSC reinstated the applicability of the exemptions from the prospectus and registration requirements for both companies shortly thereafter.

2. **Esperanza Silver Corp./TSX Venture listed (director December 14, 1999 - current)** In early 2003, the directors and officers of Esperanza became aware that Esperanza was subject to outstanding cease trade orders from each of ASC (issued on September 17, 1998) and AMF (issued on August 12, 1997) for failure to file its financial statements within the prescribed times. The cease trade orders were rescinded on or prior to August 1, 2003.
3. **American Natural Energy Corp./TSX Venture listed (director June 15, 2001 - present)** In June 2003, each of the l'Autorite des marches financiers ("AMF"), the British Columbia Securities Commission ("BCSC") and the Manitoba Securities Commission ("MSC") issued cease trade orders against American for failure to file its financial statements within the prescribed times. The cease trade orders were rescinded in August and September 2003. Subsequently, during the period between May 2007 and March 2008, each of BCSC, the Ontario Securities Commission, the Alberta Securities Commission ("ASC") and AMF issued cease trade orders against American for failure to file its financial statements within the prescribed times. The cease trade orders were rescinded in October 2008.

Personal Penalties and Sanctions

None of the directors or executive officers of the Company or, to the Company's knowledge, shareholders holding sufficient shares to materially affect the control of the Company have been subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or have entered into a settlement agreement with a securities regulatory authority, or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Bankruptcies

Other than as mentioned below, none of the directors or executive officers of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this Annual Information Form, or has been within ten years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Richard Robinson:

Recylex SA (formerly Metaleurop SA) (“Metaleurop”)/NYSE Euronext listed (Director April 2003 – present). Mr. Robinson joined the board of Metaleurop in April 2003 to assist it when it was in an extremely difficult financial position. It was placed into “Redressment Judiciaire” (Judicial Management) in October 2003 following which it reached an agreement with its creditors which resulted in a court approved ten year “Plan de Continuation” (the “Plan”). During the period until approval of the Plan, trading in shares of Metaleurop was suspended by agreement between the Financial Authority and Metaleurop. Metaleurop (now Recylex SA) continues to operate successfully under the Plan.

Conflicts of Interest

Certain officers and directors of the Company are officers and directors of, or are associated with, other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interests and the Company will rely upon such laws in respect of any directors’ and officers’ conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is and was not a party to, nor is or was any of its property the subject of, any legal proceedings during the Company’s most recent fiscal year that involves a claim for a material amount..

No sanctions or penalties have been imposed against the Company by, or settlement agreement entered into by the Company with, a court relating to securities legislation or by a securities regulatory authority during the most recent fiscal year. There were no other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor making an investment decision.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company, no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities and no associate or affiliate of any of such persons or companies has any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The Company's registrar is Computershare Investor Services Inc. with offices in Vancouver, British Columbia and Toronto, Ontario.

MATERIAL CONTRACTS

The following is a list of every contract required to be filed under section 2.2 of National Instrument 51-102 (the "Instrument") at the time this Annual Information Form is filed or that would be required to be so filed but for the fact that it was previously filed:

Shareholder Rights Plan Agreement (the "Rights Plan") dated as of November 19, 2003 between the Company and Computershare Trust Company of Canada, as rights agent, pursuant to which one right (a "Right") was issued and attached to each outstanding common share of the Company and attaches automatically to each common share issued thereafter. The Rights will trigger (i.e. separate from the common shares) and become exercisable ten trading days after a person (an "Acquiring Person") has acquired 20% or more of, or commences or announces a takeover bid for, the Company's outstanding common shares other than by an acquisition pursuant to a Permitted Bid or a Competing Permitted Bid, as defined in the Rights Plan. The acquisition by an Acquiring Person of 20% or more of the common shares is a "Flip-In Event". When a Flip-In Event occurs, each Right becomes a Right to purchase from the Company, upon exercise thereof in accordance with the terms of the Rights Plan, that number of common shares having an aggregate market price on the date of consummation or occurrence of such Flip-In Event equal to twice the exercise price for an amount in cash equal to the exercise price, i.e. at a 50% discount. Any Rights held by an Acquiring Person become void upon occurrence of a Flip-In Event.

The Board may, in certain circumstances, waive the application of the Rights Plan to a particular Flip-In Event (an "Exempt Acquisition"). The Board may also, at any time prior to occurrence of a Flip-In Event, redeem all of the outstanding Rights at Cdn \$0.0001 per Right. The Rights will be deemed to have been redeemed by the Board following completion of a Permitted Bid, Competing Permitted Bid or Exempt Acquisition.

The Company's shareholders approved an amendment to the Rights Plan extending the expiry date to December 20, 2013 at the annual general meeting held in May 2010.

A copy of the Rights Plan is available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

Names of Experts

The following persons, firms and companies are named as having prepared or certified a statement, report valuation or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 Continuous Disclosure Obligations (“NI 51-102”) by the Company during, or relating to, the Company’s most recently completed financial year and whose profession or business gives authority to the statement, report or valuation made by the person, firm or company.

Name	Description
KPMG, LLP	Independent Auditors’ Report dated March * in respect of Greystar’s financial statements for the year ended December 31, 2010.
Rodrigo Mello, MAus/MM, Senior Geologist Ingenieria y Construcción S.A.	Co-author with Frederick Felder of technical report entitled “Mineral Resource Estimate, Angostura Gold-Silver Project, Santander, Colombia” dated August 25, 2010 and responsible for reviewing and approving information under the heading “Historical Development of Resources – Resource Highlights” in the Company’s Management Discussion and Analysis for the year ended December 31, 2010.
Frederick Felder, P.Geo	Executive Vice-President of the Company who is the Qualified Person responsible for supervising the preparation of the scientific or technical information included in filings made by the Company under NI 51-102 during the most recently completed financial year and co-author for the above-noted August 25,, 2010 report

Interests of Experts

To the Company’s knowledge, none of the experts or the designated professionals of the experts named in the foregoing section held, at the time they prepared or certified such statement, report, valuation or opinion received after such time or will receive any registered or beneficial interest, directly or indirectly, in any securities or other property of the Company other than Mr. Felder who holds, directly and indirectly, 350,595 common shares of the Company and employee stock options to purchase an aggregate of 920,000 common shares of the Company at exercise prices ranging from \$3.60 to \$10.30 per share.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com and on the Company's website at www.greystarresources.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, securities authorized for issuance under equity compensation plans is contained in the Company's Information Circular for its most recent annual meeting of shareholders. Additional financial information is provided in the Company's financial statements and Management Discussion & Analysis (MD&A) for its most recently completed financial year, all of which are filed on SEDAR.

Audit Committee Information

Composition of the Audit Committee

The Audit Committee consists of four directors. The following table sets out their names and whether they are 'independent' and 'financially literate':

Name of Member	Independent⁽¹⁾	Financially Literate⁽²⁾
Brian E. Bayley	Yes	Yes
Emil Morfett	Yes	Yes
German del Corral	Yes	Yes
Richard Robinson	Yes	Yes

- (1) To be considered to be independent, a member of the Committee must not have any direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Board of Directors of the Company, reasonably interfere with the exercise of a member's independent judgement.
- (2) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected by the Company's financial statements.

Relevant Education and Experience

The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member and, in particular, any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by Greystar to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Greystar's financial statements, or experience actively supervising one or more persons engaged in such activities; and an understanding of internal controls and procedures for financial reporting is as follows:

Name of Member	Education	Experience
BRIAN E. BAYLEY Chairman	Masters of Business Administration (MBA) from Queens University in Ontario.	Director and Resource Lending Advisor of Sprott Resource Lending Corp. (formerly Quest Capital Corp.), a resource lending company whose shares trade on the TSX Exchange and NYSE; previously, Amex President and Chief Executive Officer of Sprott; President and Director of Ionic Management Corp., a private management company. Audit Committee member of several other reporting issuers.
EMIL MORFETT	M.Sc. (MinEX) in Geology from Queens University, Ontario.	UK Chartered Engineer and qualified geologist with 32 years experience, firstly in the mining industry through Rio Tinto and GFSA and then through the banking system as Vice President, Head of Mining Research for JP Morgan in London and the Global mining analyst for Bank Paribas. Mining Research Consultant and the Managing Director of Millstone Grit Limited, a private consulting company.
GERMAN DEL CORRAL	Chem. Eng from Ecole Polytechnique de l'Université de Lausanne. M.Phil. /DIC in Process Engineering Metallurgy from RSM/ Imperial College, London, England	Chemical and metallurgical engineer with over 30 years of mineral experience. Mr. del Corral has done extensive national and international consulting, including with the Colombian and Guatemalan governments and private companies. Previously, Cuba Project Director for WMC Ltd., as well as President of Cerro Matosso S.A. (now part of BHP Billiton) in Colombia. Mr. del Corral was also a consultant for the World Bank from 1993 to 1995 regarding private sector restructuring in Romania and Macedonia.

Name of Member	Education	Experience
RICHARD ROBINSON	Advanced Management Program - 2001 - INSEAD, Fontainebleau, France General Management Program - 1989 - The Management College, Henley, UK Master of Sciences - 1985 - Queen's University at Kingston, Ontario, Canada Bachelor of Sciences, Honors - 1975 - University of Natal, South Africa	Mr. Robinson is a Director of Recylex SA, a company involved in base metal recycling, refining and high purity special metals, the shares of which are listed on Euronext. Previously, he was Chairman of the Board of Metalor Technologies International SA; Chief Executive Officer of Gold Fields Limited (1997-1998); and an executive director of Gold Fields of South Africa Ltd (GFSA); Managing Director of Normandy LaSource SAS (1998-2001), a joint venture between Normandy Mining Limited of Australia and the French State, with interests in Africa, Europe, Middle East and CIS.

Reliance on Certain Exemptions

At no time since the commencement of its most recently completed financial year, has Greystar relied on any of the following exemptions from National Instrument 52-110 (the "Instrument"):

- (a) the exemption in section 2.4 (De Minimis Non-audit Services);
- (b) the exemption in section 3.2 (Initial Public Offerings);
- (c) the exemption in subsection 3.3(2) (Controlled Companies);
- (d) the exemption in section 3.4 (Events Outside Control of Member);
- (e) the exemption in section 3.5 (Death, Disability or Resignation of Audit Committee Member);
- (f) the exemption in section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances);
- (g) the exemption in section 3.8 (Acquisition of Financial Literacy); or
- (h) an exemption from the Instrument, in whole or in part, granted under Part 8 (Exemptions).

Audit Committee Oversight

Since the commencement of Greystar's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by Greystar's Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee has established policies and procedures that are intended to control the services provided by the auditors and to monitor their continuing independence. Under these policies, no services may be undertaken by the auditors, unless the engagement is specifically approved by the Audit

Committee or the services are included within a category which has been pre-approved by the Audit Committee. The maximum charge for services is established by the Audit Committee when the specific engagement is approved or the category of services pre-approved. Management is required to notify the Audit Committee of the nature and value of pre-approved services undertaken.

The Audit Committee will not approve engagements relating to, or pre-approve categories of, non-audit services to be provided by Greystar's auditors (i) if such services are of a type the performance of which would cause the auditors to cease to be independent within the meaning of applicable Securities and Exchange Commission rules, and (ii) without consideration, among other things, of whether the auditors are best situated to provide the required services and whether the requires services are consistent with their role as auditor.

External Auditor Service Fees

The following table discloses the fees billed to the Company by its external auditor during the last two financial years:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2010	\$56,000	\$71,000	\$Nil	\$Nil
December 31, 2009	\$56,000	\$21,104	\$Nil	\$18,000

Audit Fees

Audit Fees are the aggregate fees billed by the independent auditor for the audit of the consolidated annual financial statements, reviews of interim financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements.

Audit-Related Fees

Audit-Related Fees are fees charged by the independent auditor for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements and are not reported under "Audit Fees". This category comprises fees billed for independent accountant review of Greystar's interim financial statements and management discussion and analysis, as well as advisory services associated with the Company's financial reporting.

Tax Fees

Tax Fees are fees for professional services rendered by the independent auditor for tax compliance, tax advice on actual or contemplated transactions.

All Other Fees

All Other Fees includes amounts for services other than the audit fees, audit-related fees and tax fees described above.

**CHARTER FOR THE AUDIT COMMITTEE OF
THE BOARD OF DIRECTORS OF GREYSTAR RESOURCES LTD.**

I. MANDATE

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Greystar Resources Ltd. (the “**Company**”) shall assist the Board in fulfilling its financial oversight responsibilities. The Committee’s primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company’s financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company’s independent external auditor (the “**Auditor**”); and
4. The performance of the Company’s internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

A majority of the members of the Committee must be independent, within the meaning of applicable regulatory requirements and securities laws.

Each member of the Committee must be financially literate, within the meaning of applicable regulatory requirements and securities laws.

C. Appointment and Removal

The members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly appointed or until such member’s earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Sub-Committees

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such subcommittee to grant a pre-approval shall be presented to the full Committee at its next scheduled meeting.

F. Meetings

The Committee shall meet at least four times in each fiscal year, or more frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members.

The Committee is authorized to invite officers and employees of the Corporation and outsiders with relevant experience and expertise to attend or participate in its meetings and proceedings if it considers this appropriate. In addition, the Committee will meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

III. DUTIES

A. Introduction

The following functions are the common recurring duties of the Committee in carrying out its mandate outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated mandate, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

- (1) Review and discuss with the Auditor any disclosed relationships or services that may affect the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.
- (2) Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
- (3) Require the Auditor to report directly to the Committee.
- (4) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

- (5) Oversee the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting).
- (6) Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-appointment by the Company's shareholders of the existing Auditor and the compensation to be paid to the Auditor.
- (7) Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the Auditor unless such non-audit services:
 - (a) which are not pre-approved, are reasonably expected not to constitute, in the aggregate, more than 5% of the total amount of fees paid by the Company to the Auditor during the fiscal year in which the non-audit services are provided;
 - (b) were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (c) are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

Internal Financial Controls & Operations of the Company

- (8) Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

- (9) Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
- (10) Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
- (11) Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- (12) Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- (13) Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - (a) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
 - (b) the management inquiry letter provided by the Auditor and the Company's response to that letter.
 - (c) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

(14) Review the Company's annual and quarterly financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.

(15) Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.

Manner of Carrying Out its Mandate

(16) Consult, to the extent it deems necessary or appropriate, with the Auditor but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

(17) Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

(18) Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.

(19) Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee and to set and pay the compensation to any such advisors.

(20) Make regular reports to the Board.

(21) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

(22) Annually review the Committee's own performance.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

Approved by the Audit Committee and the Board: March 27, 2009