GREYSTAR RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

Contents

1. INTRODUCTION

The following provides management's discussion and analysis ("MD&A") of the financial condition and results of operations as at and for the three months ended March 31, 2011, of Greystar Resources Ltd. (the "Company" or "Greystar"). The Company adopted International Financial Reporting Standards ("IFRS") on January 1, 2011 with a transition date of January 1, 2010. This MD&A, which has been prepared as of May 11, 2011, supplements and compliments the Company's unaudited interim consolidated financial statements and notes thereto for the three months ended March 31, 2011 and 2010, prepared in accordance with IFRS. This MD&A should be read in conjunction with the audited annual consolidated financial statements and notes thereto for the years ended December 31, 2010 and 2009, prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts in this MD&A are expressed in United States dollars unless otherwise indicated.

Additional information relevant to the Company's activities, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com.

The Company is a precious metals exploration and development company currently working on an alternative way to develop its wholly owned, multi-million ounce Angostura gold-silver deposit (the "Angostura Project") in north-eastern Colombia. The Company is committed to developing the Angostura Project but recognizes that there is a need to consider additional options for its development. Consequently, the Company intends to continue with studies into the feasibility of an alternative project, which includes an underground mine, whilst the uncertainty surrounding the definition of Paramo and the exclusion of mining from Paramo affects the permitting of the Company's open pit/heap leach project. The Company's head office is located in Vancouver, British Columbia, Canada and its exploration and administrative office in Colombia is located in the city of Bucaramanga. The Angostura mineral property is located approximately 55 kilometres north-east of Bucaramanga. The Company is a reporting issuer in British Columbia, Alberta, Ontario and Nova Scotia and trades on the Toronto Stock Exchange ("TSX") and on the AIM Market of the London Stock Exchange (the "AIM Market"), under the symbol GSL. On May 3, 2011, the Company announced its decision to cancel the listing of its shares to trading on the AIM Market with an effective date of June 3, 2011. The Company's shares will continue to trade on the TSX.

2. HIGHLIGHTS

Results of Operations

The Company adopted IFRS on January 1, 2011, with a transition date of January 1, 2010, and as a result, differences between IFRS and Canadian GAAP are explained and reconciliations provided under the heading "New Accounting Policies" in this MD&A.

The net loss for the three months ended March 31, 2011, was $3.6 million compared to $2.8 million for the comparative period in 2010. Loss per share for the three months ended March 31, 2011 was $0.04 and $0.03 for the comparative period in 2010.

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. After a series of Information and Public Hearings in 2010 and 2011, the Company filed a request with MAVDT to desist from the administrative procedure of the environmental licensing, as well as the administrative procedure of evaluation and approval of the Work and Investment Plan before Ingeominas. 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 is committed to developing the Angostura Project, but recognizes that there is a need to consider additional options for its development.

On April 29, 2011, the Company announced the receipt of a positive scoping stage Preliminary Assessment under National Instrument 43-101 ("Scoping Study") for an underground only operation at the Angostura Project. The Scoping Study, which evaluated roasting, bio-oxidation ("BIOX") and pressure oxidation ("POX") processing treatments for the production from Angostura underground resources, estimated that 1.9 million ounces of gold, 7.7 million ounces of silver and 228,316 pounds of copper could be produced over a 14-year mine life. The Scoping Study is available on SEDAR at www.sedar.com.

Management and Board Changes

In March, 2011, David Heugh was appointed to the position of Chief Operating Officer and Frederick Felder retired from his position as Executive Vice President. In April 2011, the Company announced it had agreed with Amber Capital LP, a New York-based investment firm, which controls approximately 18% of the Company's outstanding shares, to change the members of its board of directors and the members of its executive management team. Other shareholders, holding approximately 20% of the Company's outstanding shares, advised the Company that they supported Amber Capital LP's position. The Company appointed Mr. Juan Esteban Orduz and Mr. Rafael Nieto Loaiza to the Company's board of directors. The Company also appointed Mr. Nieto Loaiza as President of the Company and Mr. David Rovig as interim Chief Executive Officer to succeed Mr. Steve Kesler in those roles. It has also been agreed that at the Company's upcoming annual general meeting, the incumbent directors, other than Messrs. Nieto Loaiza and Orduz, will not stand for re-election and the Company will nominate as directors certain additional individuals proposed by Amber Capital LP.

3. ANGOSTURA GOLD-SILVER PROJECT UPDATE, COLOMBIA

Permitting

In December 2009, the Company filed its EIA with MAVDT in respect to the development of an open pit gold-silver mine at the Company's Angostura Project in Colombia following which, there were a series of Information 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 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 reflect concerns. On the March 23, 2011, the Company filed a request with MAVDT to desist from the administrative procedure of the environmental licensing, as well as the administrative procedure of evaluation and approval of the Work and Investment Plan before Ingeominas. 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 is committed to developing the Angostura Project, but recognizes that there is a need to consider additional options for its development. 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.

Underground Study

On April 29, 2011, the Company announced the receipt of a Scoping Study for an underground only operation at the Angostura Project. The Technical Report entitled Mineral Resource Estimate and Preliminary Economic Assessment for Underground Mining, Angostura Gold-Silver Project, Santander, Colombia prepared by Rodrigo Mello, MAusIMM, Carlos Guzman, MAusIMM (NCL Ingeniería y Construcción Ltda), John Wells, FSAIMM, Giovanny Ortiz, MAusIMM (Greystar) and dated April 25, 2011 is available on SEDAR at www.sedar.com.

The Scoping Study, which evaluated roasting, BIOX and POX processing treatments for the production from Angostura underground resources, estimated that 1.9 million ounces of gold, 7.7 million ounces of silver and 228,316 pounds of copper could be produced over a 14-year mine life.

Highlights of the Scoping Study include:

- All three processing routes produce positive returns with roasting being the most economically beneficial method evaluated.
- Average annual production for the first seven full years of 209,458 gold equivalent ("AuEq") ounces, which is comprised of 197,840 ounces of gold ("Au") and 582,079 ounces of silver ("Ag").
- Total cash costs of $455 per ounce over the life of mine, net of silver and copper by-product credits.
- Pre-tax internal rate of return ("IRR") of 21.4%(1).
- Estimated initial capital cost of $301.6 million.
- Pre-tax net present value ("NPV") of $400.2 million(1) using a 5% discount rate.
- Mineable Resource ("In Stope Inferred Mineral Resource") of 2.4 million ounces of gold in 13.98 million tonnes grading 5.35 grams per tonne ("g/t") of gold, 29.61 g/t of silver and 0.091% copper based on 3 g/t gold cut-off grade ('COG").
- Mine life of 14 years at a planned production rate of up to 4,000 tonnes per day.
- Potential Economic Enhancements:
    - Mineable Resource Expansion - Study does not include mineral resource estimates defined outside of the stopes, which comprise an additional indicated mineral resource of 1.44 million ounces of gold and an additional inferred mineral resource of 1.0 million ounces of gold, at 3 g/t gold COG.
    - Mineable Resource Expansion – Optimizing COG to enhance tonnage and contained ounces of gold/silver.
    - Mineral Resource Expansion – Mineralization remains open at depth with deep drilling program ongoing.
    - Improved mine design and mineral recovery through ongoing optimization work.
    - Potential to increase production scenario and/or enhance mine life from further exploration and development of known areas of mineralization.

The Scoping Study

The Scoping Study represents an un-optimized, technically feasible design that includes the development of a mineable resources inventory and a mine plan for the recovery of high-grade veins of the deposit and a preliminary engineering design for process plant options to extract gold, silver and copper. NCL Ingeniería y Construcción Ltda. completed the mining studies and Alquimia Conceptos S.A. completed the process and infrastructure components of the Scoping

(1) Based on a gold price of $1,170 per ounce and a silver price of $18.25 in the first two years followed by a life of mine price of $1,015 per ounce for gold and $15.85 per ounce for silver.

Study. NCL also developed a preliminary economic evaluation of the project with a pre-tax cash flow analysis.

Economic Evaluation from the Scoping Study

		Roasting	POX	BIOX
Dore Produced	Oz	12,983,907	13,040,538	12,995,233
Gold in dore	Oz	1,928,577	1,985,209	1,939,904
Silver in dore	Oz	7,725,719	7,725,719	7,725,719
Copper in dore	lb	228,316	228,316	228,316
Copper in cathodes	lb x 1000	17,758	17,758	
Sulfuric Acid	kt	881		
Mine Cost	US$/t	40.4	40.4	40.4
Process Cost	US$/t	26.02	26.25	27.09
G&A	US$/t	5.0	5.0	5.0
Selling Costs	US$/oz	5.00	4.89	4.97
Royalty	US$/oz	35.0	34.9	35.0
Cathodes Transport	US$/t Cu	70.0	70.0	
Total Cost	US$/oz	509.0	496.9	512.9
Initial Capital	KUS$	301,630	299,447	274,421
Mine	KUS$	20,667	20,667	20,667
Process & Infrastructure	KUS$	280,963	278,780	253,754
Total Capital	KUS$	506,462	504,279	479,253
Mine	KUS$	220,381	220,381	220,381
Process & Infrastructure	KUS$	286,081	283,898	258,872
NPV (5%)	KUS$	400,193	397,040	355,823
IRR	%	21.4%	21.5%	21.3%
K = thousands				

The Scoping Study includes only the underground portion of the Angostura gold-silver deposit, with a total mineable resource comprised of In Stope Inferred Mineral Resources of 2.4 million ounces of gold in 13.98 million tonnes grading 5.35 g/t gold, 29.61 g/t silver and 0.091% copper based on 3 g/t gold COG.

The Scoping Study contemplates a 4,000 tonnes per day ("tpd") underground mine and a 3,300 tpd floatation plant producing an average of just over 140,000 ounces of gold and just over 570,000 ounces of silver annually over a 14 year mine life. The total mine capital cost is $220 million for the life of the mine, with $108 million for equipment and $49 million for development. These numbers include a 35% contingency given the preliminary nature of the analysis.

In all three of the processing options (Roasting, POX and BIOX), the main final product is metal Dore, with a content of 75% of gold-silver and 25% of copper. In the case of roasting, small productions of copper cathodes and sulfuric acid were also accounted for and included in the economic evaluation. Pre-tax NPV at 5% discount rate and IRR of the cash flows have been calculated for a gold price of $1,015 per ounce and a silver price of $15.85 per ounce. Higher prices were applied to the two initial years of the plan ($1,170 per ounce for gold and $18.25 per ounce for silver).

All the options show positive results. The option of Roasting shows better NPV and slightly lower IRR compared to the POX option due to the contribution of copper cathodes and sulfuric acid sales. Without that contribution this option results in an NPV of $340 million with a 17.8% IRR.

Project sensitivity analysis indicates that the Project NPV is more sensitive to feed grade and metal price followed by operating costs and then capital costs.

Mine Design and Processing

Different mining methods were analysed for the underground exploitation of the Angostura deposit. Based on the rock conditions presented, a geotechnical assessment was provided by consultants AKL S.A., whose recommendations for mining methods were:

- Veins with less than 5 m width = Bench and Fill Stoping
- Veins within 5 m and 20 m width = VCR (Vertical Crater Retreat)
- Veins within 20 m and 40 m width = Blast Hole Open Stoping

The processing operation was designed for a nominal throughput of 3,288 tpd with an average head grade of 5.5 g/t gold, 18 g/t silver per tonne and 0.077% copper. According to mining plan, the ore type composition is: 75% sulfide; 15% transition and 10% oxide.

The Mine layout was designed considering the following restrictions and criteria:

- Avoid surface accesses and roads above 3,000 meters above sea level.
- Main transport levels should connect the different sectors of production.
- Portals for access to the main transport levels located below 3,000 meters above sea level.
- If possible, use accesses from surface avoiding development of long internal ramps.
- Ore passes will take the ore to the transport level, and ventilation shafts will provide fresh air for every ramp created. The ventilation shafts will be equipped with fans (range between 200 to 300 thousand cfm) that have been sized according to the requirements of the mine.

Mineable Mineral Resources ("In Stope Inferred Mineral Resources")

In the preliminary underground study, underground mining potential was restricted by the terms of reference resulting in a COG of 3.0 g/t gold. The mineral resource estimate is as of March 18, 2011, and includes drill and assay data up to July 2010. A gold price of $850 per ounce was utilized for the COG calculation. Drilling results reported subsequent to this period will be incorporated into future resource updates.

In Stope mineral resource estimates consider dilution and the mineral resource estimates were determined from the selected veins by generating a contour at 3.0 g/t gold COG. These contours were created from plan views at 20 metres. Stopes were created from 20 meter level contours. These polygons were tied between levels to delineate the corresponding solids representing the stopes. A minimum width of 2 meters was applied for the construction of the solids. Given the separation of the levels and the width of the veins, the delineation of the stopes does not accurately follow the limits of the high grade veins, incorporating dilution to the content of the generated solids. For this reason, no additional dilution factors have been applied to the calculation of the mineable resources

The terms of reference are detailed below.

Total Mine Cost (Production & Maintenance)	40	US$/t
Process Cost	20	US$/t
G&A	10	US$/t
Selling	10	US$/oz Au
Recovery Au	85	%
Au Price	850	US$/oz

The mining method selected as most suitable for the preliminary economic assessment was bench and fill because of the narrow width of veins.

Diluted mineable resources contained within stope limits are detailed in the following table.

In Stopes Inferred Mineral Resources, at 3.0 g/t Au COG (diluted)

	Ore (t)	Au (g/t)	Ag (g/t)	Cu (%)
Oxide	**616,324**	**5.746**	**18.514**	**0.027**
VETA DE BARRO	144,203	5.836	8.287	0.009
CENTRAL	112,470	6.000	18.662	0.048
PEREZOSA FAULT	229,678	6.028	11.302	0.022
SILENCIO-LOS LACHES	129,972	4.928	42.477	0.035
Mixed	**2,291,293**	**5.676**	**21.990**	**0.043**
VETA DE BARRO	435,836	6.200	15.984	0.025
CENTRAL	174,416	3.975	25.204	0.090
PEREZOSA FAULT	945,243	5.507	13.029	0.053
SILENCIO-LOS LACHES	735,798	5.987	36.298	0.030
Sulfide	**11,076,011**	**5.260**	**31.806**	**0.105**
VETA DE BARRO	1,070,032	5.065	16.345	0.044
CENTRAL	685,539	4.731	16.103	0.169
PEREZOSA FAULT	6,032,143	5.462	15.260	0.094
SILENCIO-LOS LACHES	3,288,297	5.062	70.463	0.131
Total	**13,983,628**	**5.349**	**29.612**	**0.091**

In addition to the above mineable portion of the resource estimate, Mineral Resources, inside the high grade veins and outside the stopes at 3.0 g/t Au COG which were not included in the economic assessment but are included in the Technical Report are as follows:

Outside of the Stopes Mineral Resources, @ 3.0 g/t Au COG

	Ore (t)	Au (g/t)	Au Oz	Ag (g/t)	Cu (%)
INDICATED					
Oxide	499,214	5.43	87,198	15	0.025
Mixed	1,783,624	5.77	330,880	24	0.037
Sulfide	5,642,124	5.62	1,019,271	31	0.102
Sub-total	**7,924,963**	**5.64**	**1,437,349**	**28**	**0.083**
INFERRED					
Oxide	308,467	5.78	57,328	14	0.028
Mixed	666,322	6.42	137,632	18	0.050
Sulfide	4,207,439	5.94	803,700	35	0.107
Sub-total	**5,182,227**	**5.99**	**998,661**	**32**	**0.095**

The mineral resources in this MD&A were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions.

The mineral resource estimate and the mineable in stope mineral resource estimate are based on 306,915 metres of drill core from 936 drill holes. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

The Scoping Study is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized. Additional drilling will be required and is planned to better categorize these mineral resources.

Moving Forward

Based upon the results of this Scoping Study, the Company plans to proceed with follow-up diamond drilling, engineering, metallurgy and other work in order to develop a Preliminary Feasibility Study for an underground only operation. A diamond drilling program is underway to expand the current underground resource. Trade-off studies will include different processing options and mining schedules. The Company will continue with further metallurgical testing to optimize process parameters and project economics.

Qualified Persons

The Scoping Study is based on a NI 43-101 compliant mineral resource estimate reviewed by Rodrigo Mello (MAusIMM), Independent Consulting Geologist.

The following are the Qualified Persons as defined under National Instrument 43-101 who are responsible for reviewing and approving the Scoping Study: Carlos Guzmán (MAusIMM), Principal Mining Engineer, was responsible for the overall preparation of the report, Rodrigo Mello (MAusIMM), Independent Consulting Geologist, was responsible for the resource estimation and database auditing, John Wells (FSAIMM), Metallurgical Engineer, provided an independent review and analysis of the metallurgy and process plant, Giovanny Ortiz (MAusIMM), the Company's Exploration Manager, was responsible for the preparation of the geology, exploration and geological model. The expert, Americo Delgado, the Company's Superintendent of Metallurgy, was responsible for the metallurgical testwork program and the review of the process plant design. All of the above Qualified Persons and experts are independent of the Company with the exception of Mr. Ortiz and Mr. Delgado.

Exploration

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/El Pozo area of the Angostura gold-silver deposit. The new drill results from the Los Laches Area, where 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.

Cristo Rey

During 2010, 3,778 meters of core were drilled at Cristo Rey 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.

Angostura High-Grade Veins Drill Program

The Company has started a drill program in 2011 with the objective of improving the category of the resources inside the veins and to define the continuity of the veins in strike and depth of the Angostura ore body (including the Cristo Rey and Los Laches/El Pozo areas).

Mongora Drill Program

The Mongora prospect is defined by a large, 500 meter by 300 meter gold-in-soil anomaly. Core drilling to March 2011 consists of 58 drill holes with a total of 20,276 meters, the majority of which have intercepted anomalous gold grades. 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 and the Company is continuing to evaluate the prospect, as it may potentially provide additional resources.

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 18 drill holes and 7,162 meters as of March 2011, 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. At surface, the mineralized structures have returned grab sample values as high as 9.3 g/t gold, 2,030 g/t silver, 2% copper, 736 parts per million ("ppm") molybdenum, 0.4% lead and 1% zinc.

New Areas of Exploration outside of the Angostura Project Area

Greystar has applied for mineral property rights over 80,000 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.

The information under the heading "Exploration" has been reviewed and approved by Giovanny Ortiz, MAusIMM (the Company's Exploration Manager), 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.

4. RESULTS OF OPERATIONS

The following table sets forth selected financial data for the periods indicated:

	Three Months Ended March 31, 2011	2010
Exploration expenditures:		
Feasibility studies	$ 1,052,349	$ 1,068,236
Other exploration expenditures	4,170,633	1,974,790
	5,222,982	3,043,026
General and administrative expenses:		
Amortization	80,915	62,755
Administrative expenditures	2,493,304	1,516,878
Stock-based compensation	1,008,990	1,072,189
	3,583,209	2,651,822
Interest income	(288,739)	(257,421)
Finance costs	18,330	33,745
Fair value change on warrant liabilities	(2,861,979)	(135,508)
Foreign exchange gain	(2,057,826)	(2,563,338)
Loss for the period	$ 3,615,977	$ 2,772,326
Loss per share	$ 0.04	$ 0.03

Three months ended March 31, 2011

Total exploration expenditures were $5.2 million for the three months ended March 31, 2011, compared to $3 million for the three months ended March 31, 2010. The increase of $2.2 million was the result of the following:

- Exploration costs were higher for the three months ended March 31, 2011, due to the increase in meters drilled and drilling costs at the Angostura, Los Laches, Mongora and La Plata properties. These drilling expenditures totalled $1.7 million during the three months ended March 31, 2011, compared to costs of $1.1 million in the comparative period of 2010.

- General and administrative expense for the Angostura Project in Colombia (included in other exploration expense of $4.2 million) was $2.1 million for the three months ended March 31, 2011, compared to costs of $1 million for the comparative period in 2010 due to increases in additional personnel, consultants and activities relating to public hearing as the Company anticipated going into development.

General and administrative expenses at the corporate office increased by approximately $0.9 million for the three months ended March 31, 2011, compared to the three months ended March 31, 2010. The increase was a result of the following:

- Management and consulting fees were up $447,000 in 2011 compared to 2010, due primarily to the engagement of consultants for finance advisory services, and corporate reorganization consulting services.

- Audit, legal and other professional fees were up $149,000 in 2011 compared to 2010, due primarily to additional accounting assistance costs and increased legal costs.

- Travel costs were up by $136,000 in 2011 compared to 2010, due primarily to increase travel by corporate staff resulting from increased activities in the Public Hearing process, financing, recruitment and project site visits.

- Salaries and benefits were up $104,000 in 2011 compared to 2010, due primarily to the hiring of additional senior corporate staff after the first quarter of 2010.

- There has been a general trend for increased general and administrative costs on a quarterly basis attributable to increased activities and staffing as the Company anticipated moving into development.

There was a $2.9 million gain in the fair value of warrants for the three months ended March 31, 2011, compared to a gain of $136,000 for the comparative period in 2010, primarily because the market value of the Company's common shares, on which the fair value of the warrants are based, declined in 2011 compared to 2010.

The Company had a foreign exchange gain of $2.1 million for the three months ended March 31, 2011, compared to $2.6 million for the three months ended March 31, 2010, primarily due to the large cash held in Canadian funds, which appreciated against the U.S. dollar by approximately 2.3% during the three months ended March 31, 2011 and 3% in the comparative 2010 period.

5. QUARTERLY INFORMATION

	Under IFRS					Under GAAP		
	2011	2010				2009		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Exploration Expenditures	$5,222,982	$9,357,567	$7,179,191	$ 5,630,031	$3,043,026	$6,348,885	$4,320,471	$3,109,753
Administrative Expenses:								
General and Amortization	2,574,219	1,557,041	1,574,451	1,484,204	1,579,633	740,692	605,644	468,924
Share-based Compensation	1,008,990	1,140,049	1,027,679	1,790,184	1,072,189	407,883	1,311,757	197,616
Interest Income	(288,739)	(328,705)	(268,032)	(277,210)	(257,421)	(37,511)	(28,104)	(76,836)
Net Loss	3,615,977	8,346,164	5,234,351	9,403,890	2,772,326	7,828,273	6,049,978	3,643,991
Basic and Diluted Loss per Share	$0.04	$0.10	$0.06	$0.11	$0.03	$0.13	$0.12	$0.11

Notes and Factors Affecting Comparability of Quarters:

1. The Company is a precious metals exploration and development company and has no operating revenue. Interest is from funds invested. The amount of interest earned is a function of the amount of funds invested and interest rates. Interest rates on term deposits dropped significantly in 2009 and remained low during 2010 and 2011. This, however, was offset by the significantly increased levels of cash, which contributed to increasing level of quarterly interest income in 2010 and 2011.
2. Share-based compensation costs are a non-cash expense and represent the amortization of the estimated fair value of stock options granted determined using the Black-Scholes option pricing model. Share-based compensation varies depending on the amount and fair value of the stock options granted.
3. The increase in exploration expenditures starting in the second half of 2009 is primarily due to efforts being placed to prepare the feasibility study. Engineering costs for the feasibility study decreased during the first quarter of 2011 when it was nearing completion.
4. There has been a general trend for increased general and administrative costs on a quarterly basis attributable to increased activities and staffing as the Company anticipated moving into development.

6. LIQUIDITY AND CAPITAL RESOURCES

Statement of Cash Flow Information

At March 31, 2011, cash and cash equivalents were $91.1 million, down from $98.9 million at December 31, 2010. The decrease in cash and cash equivalents is primarily attributed to the use of cash in operations with no significant cash inflow compared to the receipt of gross proceeds of $46.1 million from the exercise of warrants in the first quarter of 2010.

The Company's cash resources are invested in short term financial instruments issued by major Canadian chartered banks. These instruments mature at various dates over the current operating period. The Company does not invest in asset-backed commercial paper. Cash used in operations including changes in non-cash working capital was $7.2 million for the three months ended

March 31, 2011, compared to $1.2 million for the comparative period in 2010. For the three months ended March 31, 2011, exploration-related expenditures, including feasibility study costs, were $5.2 million and represent the major use of funds for the period.

At March 31, 2011, the Company had working capital of $81.3 million, but had not yet achieved profitable operations and expects to incur further losses in the development of its business. For the three months ended March 31, 2011, the Company reported a net loss of $3.6 million and as at March 31, 2011, had an accumulated deficit of $152.3 million. The ability of the Company to continue as a going concern is dependent upon the Company's ability to arrange additional funds to complete the development of its property and upon future profitable operations.

There is no material variance between the use of proceeds as stated in the Company's September 22, 2009, short form prospectus relating to its public offering and the actual application of those funds.

Management of the Company believes that the current level of funds is expected to be sufficient to pay for committed costs over the next 12 months. Management continues to explore alternative financing sources in the form of equity, debt or a combination thereof; however, the current economic uncertainty and financial market volatility make it difficult to predict success. Risk factors potentially influencing the Company's ability to raise equity or debt financing include: the outcome of the feasibility studies for an underground mine at the Angostura Project, mineral prices, the political risk of operating in a foreign country including, without limitation, risks relating to permitting, and the buoyancy of the credit and equity markets. For a more detailed list of risk factors, refer to the Company's Annual Information Form for the year ended December 31, 2010, which is filed on SEDAR.

Due to the current low interest rate environment, interest income is not expected to be a significant source of income or cash flow. Management intends to monitor spending and assess results on an ongoing basis and will make appropriate changes as required.

Commitments

The Company's commitments related to its mineral property acquisitions are discussed below.

(a) Mineral Property Commitments

    The Company's mineral properties comprise surface rights, mining titles, exploration licenses, exploitation permits and concession contracts that provide for gold, silver and other precious metals exploitation in an area located in the Municipality of California, Santander, Colombia, collectively known as the Colombia Properties. The licenses, permits and contracts expire at various dates ranging from 2020 to 2038 and generally can be renewed for an additional 10, 20 or 30 years depending on the applicable mining code.

Certain portions of the Colombia Properties are subject to royalties ranging from 5% to 10% of net profits after certain additional deductions. In addition, pursuant to the laws of Colombia, the Government of Colombia currently receives royalties on gold and silver production equal to 4% of 80% of the production value, which is calculated using the average gold and silver prices published by the London Metal Exchange.

In order to maintain the Company's mineral properties in good standing, the Company is required to make certain annual fee payments based on the number of hectares and a Colombian wage factor that fluctuates on an annual basis. As at March 31, 2011, the required annual fee payments related to the Company's mineral properties totaled approximately $624,000 (2010 - $634,000).

(b) Other Commitments

The following is a schedule of the Company's other commitments as at March 31, 2011:

		As of March 31,					
		2012	2013	2014	2015	2016	2017 and Thereafter
Consulting & contract Services	(a)	$ 2,130,049	$ 106,875	$ -	$ -	$ -	$ -
Office operating leases	(b)	232,503	129,234	21,367	12,815	8,998	-
		$ 2,362,552	$ 236,109	$ 21,367	$ 12,815	$ 8,998	-

(a) Relates to various outsourced professional services

(b) Primarily relates to operating leases for office premises

Various commitments have been recorded as a result of the changes in management during March and April 2011. As at March 31, 2011, the Company accrued $232,223 as termination payments. As of April 2011, the Company has committed $1,649,593 as termination payments. These termination payments will be paid over a period of one to six months commencing in April 2011.

The Company is from time to time involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial condition or future results of operations of the Company.

7. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and price risk.

(a) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company maintains a significant portion of its investments in Canadian dollars. The Company operates in Canada and Colombia and a large portion of its expenses are incurred in Colombian pesos and U.S. dollars. A significant change in the currency exchange rates between the U.S. dollar relative to the Colombian peso and Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

The Company's exposure to the Colombian peso, expressed in U.S. dollars and Colombian pesos, on financial instruments is as follows:

	March 31, 2011		December 31, 2010	
	US$	Colombian Peso	US$	Colombian Peso
Cash and cash equivalents	$ 386,596	726,595,817	$ 94,032	179,975,804
Trade and other receivables	649,812	1,221,301,225	529,412	1,013,284,852
Trade and other payables	2,344,860	4,407,094,745	2,421,976	4,635,613,156
	$ 3,381,268	6,354,991,787	$ 3,045,420	5,828,873,812

As at March 31, 2011, with other variables unchanged, a 10% depreciation or appreciation of the U.S. dollar against the Colombian peso would change the values of the Colombian peso denominated financial instruments and would affect the consolidated statement of operations and comprehensive loss by approximately $338,000.

The Company's exposure to the Colombia peso on quarterly exploration expenditures throughout the three months ended March 31, 2011 was $4.8 million. A 10% depreciation or appreciation of the U.S. dollar against the Colombian peso would affect the consolidated statement of operations and comprehensive loss by approximately $484,000.

The Company's exposure to the Canadian dollar, expressed in U.S dollars and Canadian dollars, on financial instruments is as follows:

	March 31, 2011		December 31, 2010	
	US$	CDN$	US$	CDN$
Cash and cash equivalents	$ 90,490,815	$ 87,938,974	$ 97,022,814	$ 96,498,890
Trade and other receivables	240,405	233,626	249,539	248,192
Trade and other payables	2,129,326	2,069,279	3,929,595	3,791,313
	$ 92,860,546	$ 90,241,879	$ 101,201,948	$ 100,538,395

As at March 31, 2011, with other variables unchanged, a 10% depreciation or appreciation of the U.S. dollar against the Canadian dollar would change the values of the Canadian dollar denominated financial instruments and would affect the consolidated statement of operations and comprehensive loss by approximately $9.3 million.

The Company's exposure to the Canadian dollar on quarterly exploration expenditures throughout the three months ended March 31, 2011 was $516,000. A 10% depreciation or appreciation of the U.S. dollar against the Canadian dollar would affect the consolidated statement of operations and comprehensive loss by approximately $52,000.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company manages its credit risk through its counterparty ratings and credit limits.

The Company's cash and cash equivalents and short term investments are held through large Canadian financial institutions. Short-term investments are composed of financial instruments issued by Canadian banks and companies with high investment-grade ratings. These instruments mature and are cashable at various dates over the current operating period. Amounts receivable primarily consists of Harmonized Sales Tax receivable with expected payment from the Canadian government.

The total cash and cash equivalents and accounts receivable represent the maximum credit exposure. The Company limits its credit risk exposure by holding bank accounts and any short term investments with reputable banks with high credit ratings.

(c) Liquidity risk

The Company manages liquidity risk by maintaining adequate cash balances in order to meet short and long term business requirements. The Company believes that these sources will be sufficient to cover its cash requirements for the upcoming year. The Company's cash is invested in liquid investments with good quality financial institutions and is not invested in any asset backed commercial paper.

As at March 31, 2011, the Company's liabilities have contractual maturities as summarized below:

	Total	Less than 1 year
Trade and other payables	$ 4,474,187	$ 4,474,187
Amounts payable on exploration and evaluation asset acquisition	1,140,516	1,140,516
	$ 5,614,703	$ 5,614,703

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash in bank accounts and investments earn interest income at variable rates. The Company's future interest income is exposed to changes in short-term rates. Assuming cash remains constant, an increase or decrease in the annual interest rate of 1% would result in a corresponding increase or decrease of annual interest income by $911,000.

(e) Fair value of financial instruments

The fair values of amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments. The fair value of the amounts payable on mineral property acquisitions approximates their carrying value as there was no material change to the discount rate used to calculate the fair value since initial recognition.

There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and the valuation techniques used to value the Company's financial assets and liabilities are described below:

(i) Level 1 – Quoted Prices in Active Markets for Identical Assets

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Cash equivalents, including demand deposits and money market instruments, are valued using quoted market prices. Marketable equity securities are valued using quoted market prices in active markets, obtained from securities exchanges. Accordingly, these items are included in Level 1 of the fair value hierarchy.

(ii) Level 2 – Significant Other Observable Inputs

Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

(iii) Level 3 – Significant Unobservable Inputs

Unobservable (supported by little or no market activity) prices.

The following table illustrates the classification of the Company's financial instruments recorded at fair value within the fair value hierarchy as at March 31, 2011.

	Financial assets at fair value				
	Level 1	Level 2	Level 3	March 31, 2011	December 31, 2010
Cash and cash equivalents	$ 91,097,591	$ -	$ -	$ 91,097,591	$ 98,877,647
Held for trading	91,097,591	-	-	91,097,591	98,877,647
Trade receivables	151,549	-	-	151,549	154,805
Financial assets	151,549	-	-	151,549	154,805
Total financial asset at fair value	$ 91,249,140	$ -	$ -	$ 91,249,140	$ 99,032,452

	Financial liabilities at fair value				
	Level 1	Level 2	Level 3	March 31, 2011	December 31, 2010
Trade and other payables	$ 4,474,187	$ -	$ -	$ 4,474,187	$ 6,351,570
Amounts payable on exploration and evaluation asset acquisition	-	1,140,516	-	1,140,516	1,112,992
Total financial liabilities at fair value	$ 4,474,187	$ 1,140,516	$ -	$ 5,614,703	$ 7,464,562

8. TRANSACTIONS WITH RELATED PARTIES

Pursuant to a service agreement, the Company pays Rovig Minerals, Inc., a company owned by the Company's Chairman for services provided in relation to this role. Amounts paid include reimbursement for certain personal insurance expenses and costs for office facilities in Billings, Montana. The service agreement will expire on May 15, 2011.

The Company pays Ionic Management Corp. ("Ionic"), a company related by virtue of a director and one officer in common, for corporate and administrative services in Vancouver, BC. These services are provided on a month-to-month basis and may be cancelled by either party on one month's notice.

Pursuant to a service agreement, the Company paid Mr. Steve Kesler, a director of the Company, for consulting services. The service agreement terminated on May 16, 2010, after which Mr. Steve Kesler assumed the role of President and CEO of the Company.

Transactions with related parties were in the normal course of operations and are measured at an exchange amount established and agreed to by the related parties.

In addition to the above, the Company reimburses Rovig Minerals, Inc., Ionic, and Mr. Steve Kesler for out-of-pocket direct costs incurred on behalf of the Company. Such costs include travel, postage, courier charges, printing and telephone charges.

Related party expenditures recorded for the following periods were:

	Three Months Ended March 31 2011	2010
Rovig Minerals Inc.	$ 72,723	$ 225,739
Ionic Management Corp.	16,795	15,865
Steve Kesler	-	54,906

9. CRITICAL ACCOUNTING ESTIMATES

Exploration and Evaluation Assets

The application of the Company's accounting policy for and determination on recoverability of capitalized exploration and evaluation expenditure requires judgement in determining whether future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is recognized in loss in the period that the new information becomes available. As at March 31, 2011, amounts capitalized to exploration and evaluation assets total $18.1 million.

Amounts Payable on Exploration and Evaluation Asset Acquisition

Included in the Company's balance sheet is the fair value of the amounts payable on exploration and evaluation asset acquisition. The fair value of the amounts payable on exploration and evaluation asset acquisition was determined by discounting the stream of future cash payments at the estimated prevailing pre-tax risk free interest rate. Changes in assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value.

Site Restoration Provision

The Company assesses its site restoration provision annually. Significant estimates and assumptions are made in determining the site restoration provision as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amount currently provided. The provision at the date of the statement of financial position represents management's best estimate of the present value of the future site restoration costs required. Changes to estimated future costs are recognized in the statement of financial position by adjusting the site restoration asset and liability. To the extent that the site restoration provision was created due to exploration activities, the amount capitalized is reduced immediately by a charge to exploration expenses for the same amount.

Income taxes

Judgement is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

Fair value of share-based compensation and warrants issued

The fair value of share-based compensation and warrants issued with Canadian dollar exercise prices are subject to the limitation of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in subjective input assumptions can materially affect the fair value estimate.

10. FIRST TIME ADOPTION OF IFRS

The Company adopted IFRS on January 1, 2011 with a transition date of January 1, 2010. IFRS 1, "First-time adoption of International Financial Reporting Standards," provides guidance for the initial adoption of IFRS. IFRS 1 requires retrospective application of the standards in the transition statement of financial position, with all adjustments to assets and liabilities taken to deficit unless certain mandatory and optional exemptions are applied.

The Company has applied the following exemptions to its opening statement of financial position:

(a) Business combinations

The Company has elected to not apply IFRS 3 to business combinations that occurred before the date of transition to IFRS, which is an election permitted on first-time adoption of IFRS. IFRS 3 is applicable for business combinations occurring on or after January 1, 2010.

(b) Cumulative foreign currency translation differences

As permitted by the IFRS 1 election for cumulative foreign currency translation differences, the Company has deemed cumulative foreign currency translation differences for foreign operations to be zero at the date of transition. Any gains and losses on subsequent disposal of foreign operations will not be impacted by translation differences that arose prior to the date of transition.

(c) Share-based payments

Under IFRS 1, a first time adopter can elect not to apply IFRS 2, "Share-based Payment," to share-based payments granted after November 7, 2001, that vested the later of (a) the date of the transition and (b) January 1, 2005. The Company has elected to apply this exemption and to apply IFRS 2 only to awards unvested at the January 1, 2010, date of transition. IFRS has not been applied to awards that vested prior to January 1, 2010.

(d) Compound financial instruments

The Company has elected to apply the exemption related to compound financial instruments where the liability component is no longer outstanding at the date of transition to IFRS. IAS 32, "Financial Instruments: Presentation," requires an entity to split a compound financial instrument at inception into its separate liability and equity components. If the liability component is no longer outstanding at the IFRS transition date, a first-time adopter need not separate the impact of compound financial instruments between the respective components of equity.

(e) Site restoration provision

IFRS 1 allows first time adopters to not fully comply with the requirements of IFRIC 1, "Changes in Existing Decommission, Restoration and Similar Liabilities," for such liabilities outstanding at the IFRS transition date and instead apply a simplified method as set out in IFRS 1. The Company has elected to apply this exemption related to site restoration provisions. IFRIC 1 dealing with changes in site restoration provisions will be applied on a prospective basis from the date of transition.

(f) Leases

The Company has elected to apply the IFRS exemption with respect to leases. This election allows the Company to apply the transitional provisions of IFRIC Interpretation 4, "Determining Whether an Arrangement Contains a Lease," to determine whether an arrangement existing at the date of transition to IFRS contains a lease on the basis of facts and circumstances existing at that date.

(g) Borrowing costs

Borrowing costs related to the acquisition, construction or production of qualifying assets must be capitalized under IAS 23, "Borrowing Costs." In accordance with IFRS 1, the Company has elected to prospectively apply IAS 23 effective January 1, 2010.

(h) Estimates

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

IFRS employs a conceptual framework that is similar to Canadian GAAP; however, significant differences exist in certain areas of recognition, measurement and disclosure. While the adoption of IFRS has not changed the actual cash flows of the Company, the adoption has resulted in changes to the Company's reported financial position and results of operations. In order to allow financial statement users to better understand these changes, the Company's Canadian GAAP opening statement of financial position at January 1, 2010, and interim statements of financial position at March 31, 2010 and December 31, 2010, and statements of comprehensive loss, and cash flows for the three months ended March 31, 2010, and the year ended December 31, 2010, have been reconciled to IFRS and presented below, along with explanations of the resulting differences.

The Company's Canadian GAAP statement of financial position as at January 1, 2010, has been reconciled to IFRS as follows:

		January 1, 2010				
	Note	Canadian GAAP	Effect of IFRS adjustment	Change in presentation currency (ii)	Effect of functional currency adjustment (i)	IFRS
		CDN$	CDN$	US$	US$	US$
ASSETS						
Current assets:						
Cash and cash equivalents		$ 81,583,304	$ -	$ (3,632,507)	$ -	$ 77,950,797
Trade and other receivables		585,340	-	(26,063)	-	559,277
		82,168,644	-	(3,658,570)	-	78,510,074
Property, plant and equipment		1,033,517	-	(46,017)	(139,708)	847,792
Exploration and evaluation assets		18,590,951	-	(827,764)	(2,453,984)	15,309,203
		$ 101,793,112	$ -	$ (4,532,351)	$ (2,593,692)	$ 94,667,069
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities:						
Trade and other payables		$ 2,764,557	$ -	$ (103,092)	$ -	$ 2,661,465
Amounts payable on exploration and evaluation asset acquisition		568,346	-	(17,483)	-	550,863
Site restoration provision	(vi)	713,666	(91,103)	(27,720)	(58)	594,785
Warrant liabilities	(iv) (v)	-	32,382,464	(1,412,450)	-	30,970,014
		4,046,569	32,291,361	(1,560,745)	(58)	34,777,127
Amounts payable on exploration and evaluation asset acquisition		445,640	-	(14,784)	-	430,856
Site restoration provision	(vi)	629,189	(42,096)	(26,140)	(55)	560,898
		5,121,398	32,249,265	(1,601,669)	(113)	35,768,881
Shareholders' equity:						
Share capital	(iii)	207,735,611	(9,159,992)	(28,695,413)	-	169,880,206
Equity reserves	(iii) (iv) (v)	26,158,592	(11,965,110)	(2,234,446)	-	11,959,036
Deficit		(137,222,489)	(11,124,163)	27,496,358	(2,090,760)	(122,941,054)
Cumulative translation adjustment	(ii)	-	-	502,819	(502,819)	-
Equity attributable to equity holders of the Company		96,671,714	(32,249,265)	(2,930,682)	(2,593,579)	58,898,188
		$ 101,793,112	$ -	$ (4,532,351)	$ (2,593,692)	$ 94,667,069

The Company's Canadian GAAP condensed statement of financial position as at March 31, 2010, has been reconciled to IFRS as follows:

		March 31, 2010				
	Note	Canadian GAAP	Effect of IFRS adjustment	Change in presentation currency (ii)	Effect of functional currency adjustment (i)	IFRS
		CDN$	CDN$	US$	US$	US$
ASSETS						
Current assets:						
Cash and cash equivalents		$ 122,673,496	$ -	$(1,886,744)	$ -	$ 120,786,752
Trade and other receivables		647,684	-	(11,026)	-	636,658
		123,321,180	-	(1,897,770)	-	121,423,410
Property, plant and equipment		998,874	-	(15,343)	(159,401)	824,130
Exploration and evaluation assets	(vii)	18,824,061	-	(289,145)	(3,025,699)	15,509,217
		$ 143,144,115	$ -	$(2,202,258)	$(3,185,100)	$ 137,756,757
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities:						
Trade and other payables		$ 2,923,864	$ -	$ (32,261)	$ -	$ 2,891,603
Amounts payable on exploration and evaluation asset acquisition		604,716	-	(9,909)	-	594,807
Site restoration provision	(vi)	754,553	(173,939)	(8,918)	24,910	596,606
Warrant liabilities	(iv) (v)	-	12,429,538	(210,761)	-	12,218,777
		4,283,133	12,255,600	(261,849)	24,910	16,301,793
Amounts payable on exploration and evaluation asset acquisition		474,158	-	(7,336)	-	466,822
Site restoration provision	(vi)	464,752	(100,142)	(5,601)	42,031	401,040
		5,222,043	12,155,458	(274,786)	66,941	17,169,655
Shareholders' equity:						
Share capital	(iii)	265,840,612	(374,944)	(31,321,607)	-	234,144,061
Equity reserves	(iii) (iv) (v)	15,183,554	(812,032)	(2,215,101)	-	12,156,421
Deficit		(143,102,094)	(10,968,481)	27,762,157	595,039	(125,713,380)
Cumulative translation adjustment	(ii)	-	-	3,847,080	(3,847,080)	-
Equity attributable to equity holders of the Company		137,922,072	(12,155,458)	(1,927,471)	(3,252,041)	120,587,102
		$ 143,144,115	$ -	$(2,202,257)	$(3,185,100)	$ 137,756,757

The Company's Canadian GAAP condensed statement of comprehensive loss for the three months ended March 31, 2010, has been reconciled to IFRS as follows:

		Three months ended March 31, 2010				
	Note	Canadian GAAP	Effect of IFRS adjustment	Change in presentation currency (ii)	Effect of functional currency adjustment (i)	IFRS
		CDN$	CDN$	US$		US$
Exploration expenditures:						
Feasibility studies		$ 1,145,360	$ -	$ (77,124)	$ -	$ 1,068,236
Other exploration expenditures	(vi)	2,203,029	(125,957)	(102,282)	-	1,974,790
		3,348,389	(125,957)	(179,406)		3,043,026
General and administrative expenses:						
Audit, legal and other professional fees		142,501	-	(3,454)	-	139,047
Depreciation		74,560	-	(2,868)	(8,937)	62,755
Investor relations		26,718	-	(1,019)	-	25,699
Management and consulting fees		479,373	-	(15,795)	-	463,578
Office facilities and administration		99,578	-	(3,806)	-	95,772
Salaries and benefits		647,318	-	(20,646)	-	626,672
Share-based compensation	(iii)	1,039,059	76,089	(42,959)	-	1,072,189
Transfer agent, listing and filing fees		68,789	-	(2,081)	-	66,708
Travel		103,023	-	(3,621)	-	99,402
		2,680,919	76,089	(96,249)	(8,937)	2,651,822
Loss from operating activities		6,029,308	(49,868)	(275,655)	(8,937)	5,694,848
Other items:						
Interest income		(267,739)	-	10,318	-	(257,421)
Finance costs	(vi)	-	35,124	(1,351)	(28)	33,745
Fair value change on warrant liabilities	(iv) (v)	-	(140,937)	5,429	-	(135,508)
Foreign exchange loss (gain)		118,036	-	(4,540)	(2,676,834)	(2,563,338)
		(149,703)	(105,813)	9,856	(2,676,862)	(2,922,522)
Loss and comprehensive loss for the period attributable to shareholders of the Company		$ 5,879,605	$ (155,681)	$ (265,799)	$(2,685,799)	$ 2,772,326
Basic and diluted loss per common share		$ 0.07				$ 0.03
Weighted-average number of common shares outstanding		82,524,806				82,524,806

The Company's Canadian GAAP condensed consolidated statements of cash flows for the three months ended March 31, 2010, has been reconciled to IFRS as follows:

		Three months ended March 31, 2010				
	Note	Canadian GAAP	Effect of IFRS adjustment	Change in presentation currency (ii)	Effect of functional currency adjustment (i)	IFRS
		CDN$	CDN$	US$	US$	US$
Operating activities:						
Loss for the period		$ (5,879,605)	$ 155,681	$ 2,951,598	$ -	$ (2,772,326)
Adjustment for non-cash items:						
Depreciation		74,560	-	(2,868)	(8,937)	62,755
Fair value change on warrant liabilities	(iv) (v)	-	(140,937)	5,429	-	(135,508)
Finance costs	(vi)	65,804	(30,680)	(1,351)	(28)	33,745
Share-based compensation	(iii)	1,039,059	76,089	(42,959)	-	1,072,189
Unrealized foreign exchange gain		46,673	-	426,848		473,521
Other non-cash income and expenses	(vi)	(200,308)	(60,153)	86,031	-	(174,430)
Change in non-cash working capital:						
Trade and other receivables		(62,344)	-	(15,037)	-	(77,381)
Trade and other payables		188,477	-	87,881	-	276,358
Cash (used in) generated from operating activities		(4,727,685)	-	3,495,572	(8,965)	(1,241,078)
Investing activities:						
Exploration and evaluation asset acquisition costs		(233,110)	-	3,581	29,515	(200,014)
Purchase of property, plant and equipment		(39,917)	-	613	211	(39,093)
Net cash flows used in investing activities		(273,027)	-	4,194	29,726	(239,107)
Financing activities:						
Proceeds from exercise of stock options		28,181	-	(433)	(676)	27,072
Proceeds from exercise of warrants		46,062,723	-	(707,541)	(1,066,114)	44,289,068
Net cash flow generated from financing activities		46,090,904	-	(707,974)	(1,066,791)	44,316,139
Increase (decrease) in cash and cash equivalents		41,090,192	-	2,791,792	(1,046,029)	42,835,955
Cash and cash equivalents, beginning of period		81,583,304	-	(2,791,792)	(840,715)	77,950,797
Cash and cash equivalents, end of period		$ 122,673,496	$ -	$ -	$ (1,886,744)	$ 120,786,752

The Company's Canadian GAAP statement of financial position as at December 31, 2010, has been reconciled to IFRS as follows:

		December 31, 2010				
	Note	Canadian GAAP	Effect of IFRS adjustment	Change in presentation currency (ii)	Effect of functional currency adjustment (i)	IFRS
		CDN$	CDN$	US$	US$	US$
ASSETS						
Current assets:						
Cash and cash equivalents		$ 98,343,227	$ -	$ 534,420	$ -	$ 98,877,647
Trade and other receivables		773,073	-	5,879	-	778,952
		99,116,300	-	540,299	-	99,656,599
Property, plant and equipment		1,118,743	-	6,074	(184,460)	940,357
Exploration and evaluation assets		20,903,746	-	113,493	(3,519,809)	17,497,430
		$ 121,138,789	$ -	$ 659,866	$ (3,704,269)	$ 118,094,386
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities:						
Trade and other payables		$ 6,308,617	$ -	$ 42,953	$ -	$ 6,351,570
Amounts payable on exploration and evaluation asset acquisition		1,099,339	-	13,653	-	1,112,992
Site restoration provision	(vi)	933,777	(257,911)	3,669	2,521	682,056
Warrant liabilities	(iv) (v)	-	6,990,593	35,638	-	7,026,231
		8,341,733	6,732,682	95,913	2,521	15,172,849
Site restoration provision	(vi)	229,446	(92,666)	743	69,249	206,772
		8,571,179	6,640,016	96,656	71,770	15,379,621
Shareholders' equity:						
Share capital	(iii)	266,686,662	(374,944)	(31,344,367)	-	234,967,351
Equity reserves	(iii) (iv) (v)	19,045,240	(226,293)	(2,373,749)	-	16,445,198
Deficit		(173,164,292)	(6,038,779)	28,375,452	2,129,835	(148,697,784)
Cumulative translation adjustment	(ii)	-	-	5,905,874	(5,905,874)	-
Equity attributable to equity holders of the Company		112,567,610	(6,640,016)	563,210	(3,776,039)	- 102,714,765
		$ 121,138,789	$ -	$ 659,866	$ (3,704,269)	$ 118,094,386

The Company's Canadian GAAP statement of comprehensive loss for the year ended December 31, 2010, has been reconciled to IFRS as follows:

	Note	Canadian GAAP	Effect of IFRS adjustment	Change in presentation currency (ii)	Effect of functional currency adjustment (i)	IFRS
		Year Ended December 31, 2010				
		CDN$	CDN$	US$	US$	US$
Exploration expenditures:						
Feasibility studies		$ 10,138,124	$ -	$ (267,532)	$ -	$ 9,870,592
Other exploration expenditures	(vi)	16,125,388	(300,901)	(485,265)	-	15,339,222
		26,263,512	(300,901)	(752,797)	-	25,209,814
General and administrative expenses:						
Audit, legal and other professional fees		542,163	-	(12,863)	-	529,300
Depreciation		338,294	-	(9,833)	(42,112)	286,349
Investor relations		172,993	-	(4,923)	-	168,070
Management and consulting fees		2,092,182	-	(56,184)	-	2,035,998
Office facilities and administration		460,448	-	(12,600)	-	447,848
Salaries and benefits		2,014,443	-	(53,803)	-	1,960,640
Share-based compensation	(iii)	4,515,330	661,829	(147,066)	-	5,030,093
Transfer agent, listing and filing fees		181,761	-	(6,519)	-	175,242
Travel		607,965	-	(16,075)	-	591,890
		10,925,579	661,829	(319,866)	(42,112)	11,225,430
Loss from operating activities		37,189,091	360,928	(1,072,663)	(42,112)	36,435,244
Other items:						
Interest income		(1,164,205)	-	32,837	-	(1,131,368)
Finance costs	(vi)	-	115,726	(3,364)	2,135	114,497
Fair value change on warrant liabilities	(iv) (v)	-	(5,562,037)	161,681	-	(5,400,356)
Foreign exchange loss (gain)		(83,083)	-	2,415	(4,180,618)	(4,261,286)
		(1,247,288)	(5,446,311)	193,569	(4,178,483)	(10,678,513)
Loss and comprehensive loss for the period attributable to shareholders of the Company		$ 35,941,803	$ (5,085,383)	$ (879,094)	$ (4,220,595)	$ 25,756,731
Basic and diluted loss per common share		$ 0.43				$ 0.31
Weighted-average number of common shares outstanding		83,784,134				83,784,134

The Company's Canadian GAAP consolidated statements of cash flows for the year ended December 31, 2010, has been reconciled to IFRS as follows:

		Year ended December 31, 2010				
	Note	Canadian GAAP	Effect of IFRS adjustment	Change in presentation currency (ii)	Effect of functional currency adjustment (i)	IFRS
		CDN$	CDN$	US$	US$	US$
Operating activities:						
Loss for the period		$ (35,941,803)	$ 5,085,383	$ 5,099,689	$ -	$ (25,756,731)
Adjustment for non-cash items:						
Depreciation		338,294	-	(9,833)	(42,112)	286,349
Fair value change on warrant liabilities	(iv) (v)	-	(5,562,037)	161,681	-	(5,400,356)
Finance costs	(vi)	233,684	(117,958)	(3,364)	2,135	114,497
Share-based compensation	(iii)	4,515,330	661,829	(147,058)	-	5,030,101
Unrealized foreign exchange (loss) gain		(168,569)	-	777,595	-	609,026
Other non-cash income and expenses	(vi)	(363,821)	(67,217)	8,737	-	(422,301)
Change in non-cash working capital:						-
Trade and other receivables		(187,733)	-	(31,942)	-	(219,675)
Trade and other payables		4,355,099	-	(750,544)	-	3,604,555
Cash (used in) generated from operating activities		(27,219,519)	-	5,104,962	(39,977)	(22,154,534)
Investing activities:						
Exploration and evaluation asset acquisition costs		(2,039,571)	-	(11,073)	858,993	(1,191,651)
Purchase of property, plant and equipment		(415,473)	-	(2,256)	38,815	(378,914)
Net cash flows used in investing activities		(2,455,044)	-	(13,329)	897,808	(1,570,565)
Financing activities:						
Proceeds from exercise of stock options		371,763	-	2,018	(10,900)	362,881
Proceeds from exercise of warrants		46,062,723	-	250,089	(2,023,744)	44,289,068
Net cash flow generated for financing activities		46,434,486	-	252,107	(2,034,645)	44,651,948
Increase (decrease) in cash and cash equivalents		16,759,923	-	5,343,740	(1,176,813)	20,926,850
Cash and cash equivalents, beginning of period		81,583,304	-	(5,343,740)	1,711,233	77,950,797
Cash and cash equivalents, end of period		$ 98,343,227	$ -	$ -	$ 534,420	$ 98,877,647

Explanatory notes to the IFRS reconciliations above

(i) Functional currency

Under Canadian GAAP - An entity is not explicitly required to assess the unit of measure (functional currency) in which it measures its own assets, liabilities, revenues and expenses. Under Canadian GAAP, an entity applies criteria to determine only whether a foreign subsidiary's operation is integrated or self-sustaining, in which case the temporal or current methods of translation respectively, are then applied to the subsidiary's financial statement balances and results of operations. Under Canadian GAAP, the Company prepared its financial statements in Canadian dollars and its Colombian branch and subsidiaries were determined to be integrated foreign operations.

Under IFRS - The functional currency of the reporting entity and each of its foreign operations must be assessed independently giving consideration to the primary economic environment in which each operates. IFRS provides guidance in respect of factors to be considered in determining an entity's functional currency that are similar to those noted in Canadian GAAP, however unlike Canadian GAAP, IFRS distinguishes between primary and secondary factors in making such an assessment. Based on the assessment under IFRS, management has determined that the functional currencies of Greystar Resources Ltd., its Colombian branch and subsidiaries are the U.S. dollar as this is the currency of the primary economic environment in which the Company operates. Accordingly, the change in functional currency has been reflected in reporting the Company's financial position and results of operations under IFRS.

(ii) <u>Change in presentation currency</u>

The Company previously presented its financial statements in Canadian dollars. Under IFRS, the Company's financial statements are presented in U.S. dollars, the same as its functional currency. The change in presentation currency results in a cumulative translation adjustment and under IFRS 1, the Company has elected to eliminate the cumulative translation adjustment on the IFRS transition date.

(iii) <u>Share-based payments</u>

Under Canadian GAAP - The fair value of stock-based awards with graded vesting are calculated as one grant and the resulting fair value is recognized on a straight-line basis over the vesting period. Forfeitures of awards are recognized as they occur.

Under IFRS - Each tranche of an award with different vesting dates is considered a separate grant for the calculation of fair value, and the resulting fair value is amortized over the estimated lives of the respective tranches. Forfeiture estimates are recognized in the period they are estimated, and are revised for actual forfeitures in subsequent periods.

(iv) <u>Share purchase warrants</u>

Under Canadian GAAP – The Company's share purchase warrants are measured at fair value at initial recognition using the Black-Scholes option pricing model, and recorded in equity reserve with no subsequent re-measurement.

Under IFRS – The exercise prices of the Company's share purchase warrants that are issued in connection with the issuance of equity are denominated in Canadian dollars, which is not the Company's functional currency. As a result, the proceeds from the exercise of these warrants will vary. These warrants meet the definition of derivatives under IAS 32 and are therefore, classified as liabilities and measured at financial assets at fair value through profit or loss at grant date and the end of each reporting period. The Company's share purchase warrants issued as compensation for mineral property acquisitions and agents' commissions for share issuances are accounted for under IFRS 2 and are classified as equity. The adoption of IFRS had no impact on these warrants.

(v) Compound financial instruments

Under Canadian GAAP – The Company raised equity by issuing units that consisted of common shares and share purchase warrants. The gross proceeds were allocated to common shares and warrants using the relative fair value method.

Under IFRS – IAS 32 requires an entity to split a compound financial instrument at inception into separate liability and equity components. For proceeds received from the issuance of compound equity instruments such as units comprised of common shares and warrants, the Company allocated the proceeds using the residual method whereby the proceeds allocated to the warrants is based on their Black-Scholes fair value with the remaining proceeds allocated to common shares.

(vi) Site restoration provision

Under Canadian GAAP – The Company uses the best estimate that a third party would charge for the remediation work to measure the reclamation and closure cost obligations. The Company uses the credit-adjusted pre-tax risk-free interest rate as a discount rate to measure the net present value of undiscounted estimated future cash flows.

Under IFRS – Under IAS 37, reclamation and closure cost obligations are measured based on management's best estimate of the expenditures required to settle the obligations as at the balance sheet date. In the case that management intends to perform the reclamation and closure activities internally at a lower cost than if they were performed externally, the lower costs are used to represent management's best estimate. In addition, the discount rate used to determine the present value of reclamation and closure cost obligations is the pre-tax rate that does not reflect risks for which future cash flow estimates have been adjusted.

11. OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

12. OUTSTANDING SHARE DATA

The Company has only one class of share capital, common shares without par value. The number of shares authorized is unlimited. The Company has issued warrants for the purchase of common shares and also has a stock option plan.

The following are outstanding at May 11, 2011:

Common shares	**84,227,487**
Shares issuable on the exercise of warrants	**3,365,686**
Shares issuable on the exercise of outstanding stock options	**6,068,055**

13. RISKS AND UNCERTAINTIES

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company is in compliance in all material respects with regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such 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.

The Company's mineral property is located in Colombia. The Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry. The acquisition of mining title in Colombia is a very detailed and time-consuming process. In addition, title to mining rights may be disputed.

The Company has incurred losses since its inception and will not achieve profitability until such time as the Angostura Project can be developed into a profitable operation.

For additional information on risk factors, refer to the Risk Factors section of the Company's Annual Information Form for the year ended December 31, 2010, which can be found on SEDAR at www.sedar.com.

14. INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company under Canadian Securities laws is recorded, processed, summarized and reported within the time periods specified under those laws and include controls and procedures designed to ensure such information is accumulated and communicated to management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), to allow timely decisions regarding required disclosure.

There has been no change in the Company's disclosure controls and procedures during the three months ended March 31, 2011, that has materially affected or is reasonably likely to materially affect the purposes set out above.

Internal Controls over Financial Reporting

Management is responsible for the establishment, maintenance and testing of adequate internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

The Company's management and the Board of Directors do not expect that its disclosure controls and procedures or internal controls over financial reporting will prevent all errors or all instances of fraud. A control system, no matter how well designed and operated, can provide only reasonable (not absolute) assurance that the control system's objectives will be met.

Further, the design, maintenance and testing of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control gaps and instances of fraud have been detected. These inherent limitations include the reality that judgment in decision-making can be faulty, and that simple errors or mistakes can occur. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design, maintenance and testing of any system of controls is based in part upon certain assumptions about the likelihood of future events, and any control system may not succeed in achieving its stated goals under all potential future conditions.

There has been no change in the Company's internal control over financial reporting during the three months ended March 31, 2011, that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

15. FORWARD LOOKING STATEMENTS

Certain statements included or incorporated by reference in this MD&A, including information as to the future financial or operating performance of the Company, and its projects, constitute forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements include, among other things, statements regarding the estimation of mineral resources, estimated annual production, estimated pre-tax internal rate of return, estimated capital cost, estimated pre-tax net present value and estimated mine life relating to an underground option at the Company's Angostura Project and the future price of gold and silver. Forward-looking statements are based upon a number of estimates and assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that Greystar believes are appropriate in the circumstances. While these estimates and assumptions are considered reasonable by the Company, they are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Such factors include, among other things, risks relating to permitting, risks relating to the Company's ability to obtain adequate financing for the development of the Angostura Project, 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; 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 title disputes; 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. These factors and others that could affect Greystar's forward-looking statements are discussed in greater detail in the section headed "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2010, which can be found on SEDAR at www.sedar.com. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. Forward-looking statements are made as of the date of this MD&A, or in the case of documents incorporated by reference herein, as of the date of such document, and the Company disclaims any intent or obligation to update publicly such forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

16. QUALIFIED PERSONS

All technical information, except for the Scoping Study, about the Company's mineral properties contained in this Management's Discussion and Analysis has been prepared under the supervision of Giovanny Ortiz (MAusIMM), an employee of the Company, who is a "qualified person" within the meaning of 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 of mineral projects.

The Scoping Study was reviewed and approved by the following who are the Qualified Persons as defined under 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 of mineral projects: Carlos Guzmán (MAusIMM), Principal Mining Engineer, was responsible for the overall preparation of the report, Rodrigo Mello (MAusIMM), Independent Consulting Geologist, was responsible for the resource estimation and database auditing, John Wells (FSAIMM), Metallurgical Engineer, provided an independent review and analysis of the metallurgy and process plant, Giovanny Ortiz (MAusIMM), the Company's Exploration Manager, was responsible for the preparation of the geology, exploration and geological model. The expert, Americo Delgado, the Company's Superintendent of Metallurgy, was responsible for the metallurgical testwork program and the review of the process plant design. All of the above Qualified Persons and experts are independent of the Company with the exception of Mr. Ortiz and Mr. Delgado.

May 11, 2011.