CANAMEX RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2012

OVERVIEW

This management discussion and analysis ("MDA"), prepared on May 29, 2012, covers the operations of Canamex Resources Corp. ("Canamex" or the "Company") for the three months ended March 31, 2012. All monetary amounts referred to herein are in Canadian dollars unless otherwise stated. The MDA should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended March 31, 2012 and the audited financial statements for the year ended December 31, 2011.

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com or the Company website at www.canamex.us.

FORWARD LOOKING STATEMENTS

Information contained in this MDA that is not historical fact may be considered forward looking statements regarding future events and Canamex's future results. These statements are based on current expectations, estimates, forecasts, and projections about the industry in which Canamex operates and the beliefs and assumptions of Canamex's management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," "continues," "may," variations of such words, and similar expressions, are intended to identify such forward-looking statements. In addition, any statements that refer to projections of Canamex's future financial performance, Canamex's anticipated growth and potentials in its business and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict, including those identified elsewhere herein and Canamex's filings on www.sedar.com. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Canamex undertakes no obligation to revise or update any forward-looking statements for any reason.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of Alberta on May 26, 1987. On August 18, 2009, the shareholders approved the continuation of the Company from the Business Corporations Act (Alberta) to the Business Corporations Act (British Columbia), approved the new articles of the Company, and approved a name change of the Company to Canamex Silver Corp. On October 6, 2009 the name change and continuation were completed.

On May 28, 2010, the Company entered into a property option agreement with Provex Resources Inc., in which the Company was granted, subject to acceptance by the TSX Venture Exchange ("TSX-V"), an exclusive right and option to acquire up to a 75% interest in certain mineral claims in Nye County, Nevada (the *"Bruner Property"*). This transaction constituted a Change of Business under the TSX-V rules.

On October 18, 2010, the Company received TSX-V approval for all matters in connection with the Bruner Property option agreement and change of business, the Company was reinstated as a Tier 2 mining issuer on the TSX-V and changed its name to Canamex Resources Corp. (TSX-V "*CSQ*").

On June 30, 2011 the Company entered into an Option Agreement with GMV Minerals Inc. (*"GMV"*) on a large area containing nominally 98,000 acres in a highly prospective gold region in, Guyana, South America (the *"Aranka North Property"*). The option is to acquire up to a 100% interest in the Aranka North Property.

The agreement was accepted for filing by the TSX-V on August 2, 2011. In accordance with the terms of the agreement, on August 3, 2011, the Company issued 1,500,000 common shares to GMV, as well as 348,586 common shares as a finder's fee in connection with the property acquisition.

EXPLORATION AND EVALUATION ASSETS

Bruner Property, Nye County, Nevada, United States

Option and Joint Venture Agreement

On May 28, 2010, the Company entered into a property option agreement with Provex Resources Inc., a company with a director in common with the Company, granting an exclusive right and option to acquire up to a 75% interest in the Bruner Property.

To earn a 70% interest in the property, the Company must complete a total of US$6,000,000 in expenditures on the property in stages over a seven year period, US$200,000 of which must have been completed within the first year. The required US$200,000 expenditure was completed during the year ended December 31, 2010, so the Company is under no further obligation if it elects not to proceed with this option. Upon completing all expenditures, the Company can acquire a further 5% undivided interest in the property by producing a bankable feasibility study. The agreement is subject to a 3.5% net smelter return royalty on the production of certain claims.

Property Description

Comprised of 98 unpatented and 21 patented mining claims covering a total of approximately 2100 acres, the Bruner Property is located in central Nevada, about 45 miles northwest of the Round Mountain Mine which has produced over 10 million ounces of gold over a thirty year period. Historic production at Bruner includes approximately 100,000 ounces at an average grade of 0.56 ounces per ton.

Property Exploration

Historic work by Morrison-Knudsen, Miramar, Glamis, Newmont, Kennecott and others identified a low-grade resource near the southwest portion of the property. The work by Newmont, Kennecott and Miramar was summarized in a report by John Schilling in 1991. The resource section of the report identifies approximately 383,000 ounces of gold within the January-Duluth area of the project (this is not a NI 43-101 defined resource). Since that time an additional 75 holes have been drilled within and along strike of the historical resource area. There has been no definitive resource report since the 1991 report.

Results of the 2011-12 drilling program, which consisted of 2,434 meters (7,985 feet) in 13 angled RC drill holes, were announced on March 8, 2012. The drilling program was designed primarily to test for high-grade gold-silver veins similar to those at Newmont's Midas (Ken Snyder) Mine in northern Nevada. Three holes were drilled at the Penelas East target, and five holes were drilled at the historic Penelas Mine target. Two of the three holes drilled into the Penelas East Vein System intersected +10 g/t (+.292 oz/ton) gold. Highlights included drill hole B-1115 which penetrated a chalcedonic vein at the bottom of the hole. Importantly, the hole bottomed in the vein.

This vein intercept has a true width of between 7.62-13.72 meters (25-45 feet), depending upon the actual dip of the vein. Within the thick vein intercept, the core of the vein carried a grade of 12.97 grams per tonne (g/t) gold (0.379 oz/ton) and 146 g/t (4.25 oz/ton) silver across an apparent true width of 4.2 meters (13.7 feet), including 1.4 meters assaying 24.97 g/t (0.729 oz/ton) gold and 151 g/t (4.41 oz/ton) silver. Silver is visible as black sub-metallic sulfides. Gold is not visible. The chalcedonic nature of the vein indicates this intercept is high in the vein system, above the level where higher grades and textures more typical of the interior of an epithermal vein are generally encountered.

By analogy with the nearby historic Penelas Mine vein, which produced 100,000 tons grading 0.56 oz/ton gold, high-grade intercepts are expected to lie below these recent drill hole intercepts which are at elevations of 6200-6400 ASL. On May 23, 2012 the Company announced its plan to drill six to eight holes at elevations below 6200 ASL to test the strike extension and the dip extension of the intercept in B-1115 between 30-60 meters (100-200 feet) along strike to the north and to the south and 30-60 meters (100- 200 feet) below the elevation of the intercept in B-1115 to evaluate the potential for continuity along strike and increased potential with depth per the epithermal vein model. Success in this drilling program would define the plane of the vein and allow for planning of an extensive diamond drilling program to test the full strike and dip potential of this high-grade vein system.

The intercept in B-1115 has a halo of lower grade material immediately west of and adjacent to the high grade vein intercept between 90-158 meters (295-520 feet) that averaged 0.45 g/t Au (0.013 oz/ton Au) and 3 g/t Ag (0.64 oz/ton Ag) (0.024 oz/ton Au (eq.), using a 60:1 gold:silver ratio). This lower grade halo appears to correlate with a similar low grade zone 60 meters (200 feet) to the north and intersected in drill holes B-1108 and B-1109 and in historic drill hole BRU-104 that could represent a pitable and leachable deposit by itself. The proposed drilling program will also test this lower grade zone west of the high-grade vein intercept. Drilling is scheduled to commence in mid-June, and should be completed by mid-July, with assay results expected by early August.

Aranka North Property, Guyana, South America

Option and Joint Venture Agreement

On August 2, 2011, the TSX Venture Exchange (TSX-V) accepted for filing documentation in connection with an option and joint venture agreement dated June 30, 2011, among the Company, Canamex Guyana Inc. (the Company's wholly owned subsidiary), GMV Minerals Inc. and GMV Guyana Resources Inc. (GMV's wholly owned subsidiary), under which Canamex Guyana has an option to acquire a 100 percent interest in the Aranka North Property.

Canamex can acquire the interest in the Aranka North Property by making cash payments to GMV totalling $520,627 (U.S.) over the next 36 months, expending $1-million (U.S.) in exploration work before December 31, 2013, and issuing a total of 3.75 million shares to GMV in stages as follows: 1.5 million shares upon approval of the transaction by the TSX-V (issued August 3, 2011); 1.25 million shares within 18 months of the approval date; and one million shares within 36 months of the approval date. In addition, upon exercise of the option, the Company has agreed to pay GMV $500,000 (U.S.) cash and issue 500,000 shares in the capital stock of the Company to GMV for every 500,000 ounces of gold contained in measured and indicated resources as referenced in a National Instrument 43-101 qualifying report, up to a maximum of $2-million (U.S.) and two million shares of Canamex. The agreement is subject to an underlying 2% net smelter return royalty.

Property Description

Located approximately 140 kilometers northwest of Guyana’s capital, Georgetown, the Aranka North Property consists of 98,057 acres (approximately 400 square kilometers) in a highly prospective gold region on trend with major gold discoveries by Guyana Goldfields at Aurora and Sulphur Rose/ Aranka and Sandspring Resources at Toroparu. There are active alluvial gold mining operations within Canamex’s land package.

Property Exploration

The exploration objective is to discover the sources of bedrock gold which are feeding into the streams and the alluvial gold operations. Management is taking a measured and cost effective approach, starting with high level interpretation and working in stages to the bedrock targets. Drilling is very expensive, so the objective is to eliminate as much risk as possible by defining the targets as clearly as possible before drilling commences.

Canamex purchased airborne geophysical data over the entire Aranka North Property when the property was acquired from GMV Minerals. Initial interpretive work (announced September 13, 2011) on the data identified 15 large, discrete anomalies, all of which have dimensions of two to four kilometers long and one to three kilometers wide, within large shear zones which bear similarities to the shear zones that host some of the major multi-million ounce gold deposits in Guyana (Toroparu, Aurora, Omai) and adjacent Suriname (Rosebel). These identified areas of interest cover 200-225 square kilometers of the 400 square kilometer property, thus reducing the size of the initial area of interest by approximately fifty percent.

Having completed the airborne interpretation, the next step in the exploration process was to design an initial stream sediment sampling program from a total of 85 sample sites to evaluate the gold signatures of the 15 airborne geophysical anomalies. This step was also a high level approach, with a density of roughly one sample per 2.5 square kilometers, covering the entire 200-225 square kilometer areas of interest. On January 17, 2012 the Company reported that four discrete anomalous areas, ranging in size from 10 to 25 square kilometers, were identified by the initial stream sediment sampling program. Gold values ranged up to 647 ppb (0.647 gpt). These results set the stage for a more intense stream sediment sampling program focused on the newly identified 25 square kilometer priority target, based on a sample density of one per 0.3 square kilometers. Results from this program were released on March 22 and April 10, 2012, which included anomalous gold with values ranging up to 12,234 ppb gold (12.234 gpt Au).

After interpretation of the stream sediment sampling program, which identified seven distinct anomalies, the next step was the design of a grid soil sampling program based on 100 meter centers, focused on two key targets: the Camp Anomaly (1.75 square kilometers) and the Ridge Anomaly (14 square kilometers). Eighteen streams drain the Ridge Anomaly, and all of them contain anomalous gold. Importantly, the visible gold from this area is fine-grained and needle-shaped with very sharp edges, suggesting it has not been transported very far.

The initial Camp Anomaly grid soil sampling program is complete. A total of 181 soil samples were collected on 100 meter centers, and were assayed by Acme Analytical Laboratories. An anomaly approximately 1 kilometer long and 200 meters wide was identified at the north end of the grid, trending off the grid to the northeast. This anomaly reflects gold in soil values that exceed the mean plus three standard deviations, and appears to coincide with the sheared contact between metavolcanic rocks and meta-sedimentary rocks. Geologic mapping of the soil sample spoil piles will follow in June to place the anomaly in a geologic context based upon the 100 meter by 100 meter sample density.

The field crew has relocated their base camp to the base of the Ridge Anomaly, which is the Company's clear focus in Guyana at this stage, and where the stream sediment anomaly identified at the Ridge Anomaly is 10 times larger and up to 40 times stronger than that which identified the Camp Anomaly. The larger Ridge Anomaly soil sampling program is underway and should be completed by the end of July. Results from the Ridge Anomaly will be released as they are received. The grid soil sampling programs on the Camp and Ridge Anomalies should define the bedrock source locations of the gold. After completing analysis of the results, if management deems it necessary, these programs will be followed by soil auger drilling to test the base of the saprolite soils for the actual bedrock characteristics and gold content. From there an initial core drilling program to test the soil anomalies will be designed and implemented.

RESULTS OF OPERATIONS

In the three months ended March 31, 2012, the Company recorded a net loss of $386,560 (2011 - $194,046) and had a cumulative deficit at March 31, 2012 of $3,772,946 (2011- $2,617,862). The Company had no continuing source of operating revenues or related expenditures.

The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its exploration activities.

SELECTED ANNUAL INFORMATION

The Corporation prepared its consolidated financial statements in accordance with the International Financial Reporting Standards ("IFRS"), for years beginning on or after January 1st, 2011. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), with comparative figures for year 2010 and in Canadian GAAP for year 2009, which should not, according to management, affect their comparability. The Corporation's consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Corporation. For more detailed information, refer to the Company's financial statements for the years then ended.

	Years ended December 31		
	2011	2010	2009
	- $ -	- $ -	- $ -
Revenue	-	-	-
Net income (loss)	(962,550)	(375,308)	(77,579)
Net income (loss) per share	(0.02)	(0.01)	(0.00)
Total assets	3,527,185	630,666	23,847

Year ended December 31, 2011

Comparisons over the prior year have been significantly affected by the Company's change of business, and reinstatement as a tier 2 mining issuer under the trading symbol "CSQ". Expenses in the prior year reflected the Company's efforts to minimize costs while searching for new business to facilitate a return to the TSX-V. In the year ended December 31, 2011, the Company had no revenues and had a net loss of $962,550 (2010 - $375,308). Items of significant variance over the prior year include increases in stock-based payment to $206,965 (2010 - $87,726), management fees to $79,500 (2010 - $6,000), shareholder communication to $39,470 (2010-$8,595) and consulting expenses to $244,601 (2010 - $57,187). The increases in management fees, professional fees, shareholder communication and consulting are commensurate with the Company's needs due to the change of business and the Company's acquisition of explorations projects in both Nevada and Guyana. Travel expenses of $113,340 (2010 - $66,323) increased due to travel requirements supporting operations in multiple jurisdictions. The increase in stock-based payment is a result of extension of certain warrants and options issued to certain directors and consultants of the Company as well as options vesting from prior option grants. Office services increased to $199,302 (2010 - $66,767) due to increased need for office services after the change of business and reactivation in October 2010.

During the year, the Company expended $341,675 (2010-$259,204) in exploration and evaluation costs on the Bruner Property (resulting in a cumulative total of $600,879) and $447,609 (2010- Nil) on the Aranka North Property for a total capitalized cost (including property acquisition costs of $476,873) of $1,525,361 at December 31, 2011.

Year ended December 31, 2010

On October 18, 2010 the TSX-V approved the Company's change of business, change of name, and reinstated the Company as a tier 2 mining issuer under the trading symbol "CSQ". Accordingly, the Company commenced exploration and initiated its drilling program on the Bruner Property in Nye County, Nevada. As a result of the change of business and the reactivation in the 2010 fiscal year, comparisons to previous periods are not meaningful. The net loss for the year was $375,308 (2009 - $77,579), which included amounts expended on consulting fees of $57,187, office and miscellaneous expenses of $66,767, professional fees of $50,940, stock-based compensation of $87,726, transfer agent and filing fees of $31,770, and travel expenditures of $66,323.

The variances in expenditures over previous periods are commensurate with the Company's increased effort to search for and acquire a mineral resource property, reactivation of the Company, and change of business. As a result of these activities, professional fees, transfer agent filing fees, office fees, and consulting expenses increased significantly. The increase in travel expenses is due to the travel requirement to search for and assess new business. The increase in stock-based compensation is a result of options issued on October 19, 2010. During fiscal year 2010, the Company expended $320,939 on acquisition and exploration costs related to the option agreement on its mineral property in Nevada.
The Company also repaid shareholder loans of $64,000 outstanding from December 31, 2009. On December 31, 2010 the Company had working capital of $61,107 (2009: deficit of $75,580).

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for eight quarters ending March 31, 2012:

	Mar. 31, 2012	*Dec. 31, 2011*	*Sep. 30, 2011*	*Jun. 30, 2011*
Total assets	3,144,318	3,527,185	1,508,018	1,394,083
Working capital	949,596	1,685,814	109,947	820,724
Shareholders' equity	3,001,870	3,275,151	1,308,062	1,238,657
Revenue	-	-	-	-
Net income (loss)	(386,560)	(288,554)	(290,359)	(189,591)
Net income (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)

	Mar. 31, 2011	*Dec. 31, 2010*	*Sept. 30, 2010*	*Jun. 30, 2010*
Total assets	1,196,373	630,666	376,640	352,483
Working capital	657,904	61,107	272,038	314,576
Shareholders' equity	1,019,189	382,046	367,435	334,611
Revenue	-	-	-	-
Net income (loss)	(194,046)	(293,171)	(27,176)	(32,379)
Net income (loss) per share	(0.00)	(0.01)	(0.00)	(0.00)

Three months ended March 31, 2012

In the three months ended March 31, 2012, the Company had no revenues and had a net loss of $386,560 (2011 - $194,046). Items of significant variance over the prior period include an increase in stock-based payment to $113,279 (2010 - $31,706), and increases in management fees to $28,500 (2011 - $11,000), shareholder communication to $52,728 (2011-$2,219). The increases in management and shareholder communication are commensurate with the Company's needs due to the change of business and the Company's acquisition of exploration projects. Transfer agent and filing fees increased to $48,448 (2011- $8,098) mainly due to the Company commenced trading on the OTCQX in the United States on March 20, 2012. The change in stock-based payment is a result of the granting of options issued to certain directors and consultants of the Company. Office services increased to $50,850 (2011 - $41,829) due to increased need for office services after the change of business and reactivation in October 2010.

During the period, the Company expended $291,731 in exploration and evaluation costs on the Bruner Property and $163,888 on the Aranka North Property. Total capitalized costs for exploration and evaluation assets were $1,980,980 at March 31, 2012.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations over the last two years through the issuance of units consisting of common shares and warrants. The Company will continue to seek capital through various means which may include the exercise of outstanding warrants and options and the issuance of equity and/or debt.

Net cash used in operating activities for the three months ended March 31, 2012 was $421,121 which was used for expenses, increasing accounts receivable, and making payments to creditors. Net cash used in investing activities for expenditures on the Bruner and Aranka North properties was $463,240. Financing activities for the period were nil for a total decrease in cash for the period of $884,361. Working capital at March 31, 2012 was $949,596 compared to $1,685,814 at December 31, 2011, as there was no financing activity in 2012.

Management intends to finance operating costs over the next twelve months through private placements of common shares and/or the exercise of warrants and options. The Company has been successful in the past in raising funds for operations but there is no assurance that it will be able to continue to do so.

Stock options, Warrants & Agent's options

On January 6 2012, the Company granted 1,625,000 stock options to officers, directors and consultants. Among these options, 1,362,500 were vested immediately after grant and 262,500 will be vested by January 6, 2013. The options have an exercise price of $0.105 per share and expire on January 5, 2017. The estimate grant date fair value of these options was $127,375 based on the following assumptions: an expected life of 3.63 years; volatility of 111.4%; a risk free interest rate of 1.06% and a dividend yield rate of 0%.

Between March 10, 2011 and July 13, 2011, the Company granted a total of 975,000 stock options to certain directors and consultants of the Company entitling them to purchase common shares at prices ranging from $0.15 per share to $0.22 per share for periods of 5 years. The options vested immediately upon grant.

The estimated fair value of these options was $124,500 based on the following weighted average assumptions: a grant date share price of $0.17; an expected life of 5 years, volatility of 106%; a risk free rate interest rate of 2.37% and a dividend yield rate of 0%. The Company also recorded share-based payments in the amount of $9,274 relating to previously granted options that vested during the period.

The Company expenses the grant date fair value of all stock options granted to employees, officers and directors over their respective vesting periods. Options granted to outside consultants and advisors are expensed over the respective vesting periods using the estimated fair value at the time of vesting.

At December 31, 2010 there were 11,000,000 warrants outstanding. Of these warrants, 5,000,000 entitled the holder to purchase one common share at $0.15 per share on or before March 30, 2011. Prior to expiration, 1,495,000 of these warrants were exercised; the remaining expired unexercised on March 30, 2011. A further 6,000,000 warrants entitling the holder to purchase one common share at $0.15 per share on or before October 31, 2011 expired unexercised. On November 17, 2011, the Company approved the extension of warrants issued April 4, 2011 to purchase 5,000,000 shares at $0.25 per share from April 3, 2013 to April 3, 2014; and warrants issued April 29, 2011 to purchase 1,500,000 shares at $0.25 per share from April 28, 2013 to April 28, 2014.

The estimated fair value of these warrant extensions was $73,191 based on the following weighted average assumptions: a modification date share price of $0.11; an expected life of 1.29 years; volatility of 101%; a risk free rate interest rate of 0.90% and a dividend yield rate of 0%.

A further 23,260,000 warrants entitling the holder to acquire one common share until December 14, 2012 at a price of $0.15 per share, then $0.20 per share until December 14, 2013 were issued on December 15, 2011 as part of the private placement which raised a total of $2,270,000.

RELATED PARTY TRANSACTIONS

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities:

		March 31, 2012		**December 31, 2011**
Directors & companies controlled by directors of the Company	$	6,000	$	25,500
Officers & companies controlled by officers of the Company		14,405		11,393
	$	20,405	$	36,893

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Related party transactions

The Company incurred the following transactions with directors/officers of the Company and companies that are controlled by directors/officers of the Company. The Company has identified these directors/officers as its key management personnel.

	Three months ended March 31	
	2012	**2011**
Management fees for the President and CEO ($22,500), and outside directors ($500 per month each)	$ 28,500	$ 11,000
Share-based payment	91,455	25,000
Administration fees for the CFO and the former CFO	22,500	15,000
	$ 142,455	$ 51,000

The outside directors are Mark Billings, W. Pierce Carson, Herb Duerr and Mike Stark.

ADDITIONAL INFORMATION

At May 29, 2012:

Legal proceedings:
Management is not aware of any legal proceedings involving the Company.

Contingent liabilities:
Management is not aware of any outstanding contingent liabilities relating to the Company's activities.

Outstanding Share Data:

The Company has 66,636,450 common shares outstanding.

CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support its exploration activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain exploration projects. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended March 31, 2012. The Company is not subject to externally imposed capital requirements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The accompanying audited consolidated financial statements are prepared by management in accordance with International Financial Reporting Standards ("IFRS") and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after January 1, 2011, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective January 1, 2013

IFRS 10 *Consolidated Financial Statements* - IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation - Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements.*

IFRS 11 *Joint Arrangements* - IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers*.

IFRS 12 *Disclosure of Interests in Other Entities* - IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 *Fair Value Measurement* - IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to other standards - In addition, there have been other amendments to existing standards, including IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

Amendments to IAS 1 *Presentation of Financial Statements* - The IASB has amended IAS 1 to require entities to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not items may be reclassified into profit or loss in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately.

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* - IFRIC 20 addresses the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. Stripping activity may result in two types of benefits: i) inventory produced and ii) improved access to ore that will be mined in the future. Stripping costs associated with inventory production should be accounted for as a current production cost in accordance with IAS 2 Inventories, and those associated with improved access to ore should be accounted for as an addition to, or enhancement of, an existing asset.

Each of the new standards, IFRS 10 to 13, IFRIC 20 and the amendments to other standards, is effective for the Company beginning on January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

New accounting standards effective January 1, 2015

IFRS 9 *Financial Instruments* - IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 is effective for annual periods beginning on or after January 2015 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

RISKS

RISKS RELATED TO OUR BUSINESS:

Exploration Stage Mining Company with No History of Operation

The Company is in its exploration stage, has very limited operating history, and is subject to all the risks inherent in a new business enterprise. For example, to date we have had no revenues and have relied upon equity financing to fund our operations. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complication, and delays frequently encountered in connection with a new business, and the competitive and regulatory environment in which the Company will operate, such as under-capitalization, personnel limitations, and limited revenue sources.

Due to Our History of Operating Losses, We are Uncertain That We Will Be Able to Maintain Sufficient Cash to Accomplish Our Business Objectives

The Company incurred a loss of $386,560 for the three months ended March 31, 2012 and had an accumulated deficit of $3,772,946 at March 31, 2012. At March 31, 2012 there was stockholders' equity of $3,001,870 and working capital of $949,596. There is no assurance that we can generate net income, generate revenues or successfully explore and exploit our properties.

Significant amounts of capital will be required to continue to explore and then develop our exploration projects. The Company is not engaged in any revenue producing activities and does not expect to do so in the near future. Currently the Company's sources of funding consist of the sale of additional equity securities, borrowing funds, or selling a portion of our interests in our assets. There is no assurance that any additional capital that the Company will require will be obtainable on terms acceptable to us, if at all. Failure to obtain such additional financing could result in delays or indefinite postponement of further exploration and development of our projects. Additionally financing, if available, will likely result in substantial dilution to existing stockholders.

Capital Requirements and Liquidity; Need for Subsequent Funding

Company management and our board of directors monitor our overall costs and expenses and, if necessary, adjust Company programs and planned expenditures in an attempt to ensure we have sufficient operating capital. We continue to evaluate our costs and planned expenditures for our on-going exploration projects. Although the Company raised in excess of $3,000,000 during its 2011 fiscal year, the continued exploration and development of its projects will require significant amounts of additional capital. As a result, the Company may need to explore raising additional capital during fiscal 2012 so that it can continue to fully fund its planned operations. The weak US and global economies combined with instability in global financial and capital markets have impacted the availability of funding. If the disruptions in the global financial and capital markets continue, debt or equity financing may not be available to us on acceptable terms, if at all. Equity financing, if available, may result in substantial dilution to existing stockholders. If we are unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, our business, financial condition and results of operations will be adversely impacted.

Disruptions in the Global Financial and Capital Markets May Impact Our Ability to Obtain Financing.

The global financial and capital markets have experienced on-going volatility and disruption. Although we expect to meet our near term liquidity needs with our working capital on hand, we will continue to need further funding to achieve our business objectives. In the past, the issuance of equity securities has been the major source of capital and liquidity for us. The extraordinary conditions in the global financial and capital markets have currently limited the availability of this funding. If the disruptions in the global financial and capital markets continue, debt or equity financing may not be available to us on acceptable terms, if at all. If we are unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, our business, financial condition and results of operations will be adversely impacted.

Our Exploration Activities Require Significant Amounts of Capital that May Not Be Recovered.

Mineral exploration activities are subject to many risks, including the risk that no commercially productive or extractable resources will be encountered. There can be no assurance that our activities will ultimately lead to an economically feasible project or that we will recover all or any portion of our investment. Mineral exploration often involves unprofitable efforts, including drilling operations that ultimately do not further our exploration efforts, as well as operating and other costs. The cost of minerals exploration is often uncertain and cost overruns are common. Our drilling and exploration operations may be curtailed, delayed or canceled as a result of numerous factors, many of which are beyond our control, including title problems, weather conditions, compliance with governmental requirements and shortages or delays in the delivery of equipment and services.

Risks Inherent in the Mining Industry

The Company is subject to all of the risks inherent in the minerals exploration and mining industry and including, without limitation, the following: competition from a large number of companies, many of which are significantly larger than the Company, in the acquisition, exploration, and development of mining properties; the Company might not be able raise enough money to pay the fees, taxes and perform labor necessary to maintain its concessions in good force; exploration for minerals is highly speculative and involves substantial risks, even when conducted on properties known to contain significant quantities of mineralization, our exploration projects may not result in the discovery of commercially mineable deposits of ore; the probability of an individual prospect ever having reserves that meet regulatory requirements is extremely remote, or the properties may not contain any reserves, and any funds spent on exploration may be lost; our operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection controls and the Company may not be able to comply with these regulations and controls; and a large number of factors beyond the control of the Company, including fluctuations in metal prices, inflation, and other economic conditions, will affect the economic feasibility of mining.

THE BUSINESS OF MINERAL EXPLORATION IS SUBJECT TO MANY RISKS:

Fluctuating Price for Metals

The Company's operations will be greatly influenced by the prices of commodities, including gold, silver, and other metals. These prices fluctuate widely and are affected by numerous factors beyond the Company's control, including interest rates, expectations for inflation, speculation, currency values, in particular the strength of the United States dollar, global and regional demand, political and economic conditions and production costs in major metal producing regions of the world.

Title to Our Mineral Properties May be Challenged

We attempt to confirm the validity of its rights to title to, or contract rights with respect to, each mineral property in which we have a material interest. However, we cannot guarantee that title to our properties will not be challenged. Title insurance generally is not available, and our ability to ensure that we have obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Our mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, we may be unable to operate our properties as permitted or to enforce our rights with respect to our properties.

Risks Inherent With Foreign Operation*s*

The Company's operations are currently conducted significantly in Guyana, South America, and as such the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation, labor unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls and governmental regulations that favor or require the rewarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Guyana may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations of the Company.

Environmental Controls

Compliance with statutory environmental quality requirements may necessitate significant capital outlays, may materially affect the earning power of the Company, or may cause material changes in the Company's intended activities. Our exploration operations require compliance with local and federal regulations. No assurance can be given that environmental standards imposed by either federal or state governments will not be changed or become more stringent, thereby possibly materially adversely affecting the proposed activities of the Company. In addition, if we are unable to fund fully the cost of remediation of any environmental condition, we may be required to suspend operations or enter into interim compliance measures pending completion of the required remediation.

Shortages of Supplies and Materials

The mineral industry has experienced from time to time shortages of certain supplies and materials necessary in the exploration for and evaluation of mineral deposits. The prices at which such supplies and materials are available have also greatly increased. Our planned operations would likely be subject to delays due to such shortages and that further price escalations will increase the Company's costs of such supplies and materials. Experience of the Company and of others in the industry is that suppliers are currently often unable to meet contractual obligations for supplies, equipment, materials, and services, and that alternate sources of supply do not exist.

Availability of Outside Engineers and Consultants

The Company is heavily dependent upon outside engineers and other professionals to complete work on its exploration projects. The mining industry has experienced significant growth over the last several years and as a result, many engineering and consulting firms have experienced a shortage of qualified engineering personnel. The Company closely monitors its outside consultants through regular meetings and review of resource allocations and project milestones. However, the lack of qualified personnel combined with increased mining projects could result in delays in completing work on our exploration projects or result in higher costs to keep personnel focused on our project.

Operational Hazards; Uninsured Risks

The Company is subject to risks and hazards, including environmental hazards, industrial accidents, the encountering of unusual or unexpected geological formations, cave-ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or destruction of, mineral properties or facilities, personal injury or death, environmental damage, reduced productivity and delays in exploration, asset write-downs, monetary losses and possible legal liability. The Company may not be insured against all losses or liabilities, which may arise from operations, either because such insurance is unavailable or because the Company has elected not to purchase such insurance due to high premium costs or other reasons. The realization of any significant liabilities in connection with our exploration activities as described above could negatively affect our results of operations and the price of our common stock.

Need for Additional Key Personnel; Reliance on Officers and Directors

The Company relies in large part on the personal efforts of its officers and directors. The success of the Company's proposed business will depend, in part, upon the ability to attract and retain qualified employees. The Company believes that it will be able to attract competent employees, but no assurance can be given that the Company will be successful in this regard. If the Company is unable to engage and retain the necessary personnel, its business would be materially and adversely affected.

RISKS RELATING TO OUR COMMON STOCK:

Our Stock Price Can Be Extremely Volatile

The trading price of our common stock has been and could continue to be subject to wide fluctuations in response to announcements of our business developments and drill results, progress reports, the metals markets in general, and other events or factors. In addition, stock markets have experienced extreme price volatility in recent years. This volatility has had a substantial effect on the market prices of companies, at times for reasons unrelated to their operating performance. Such broad market fluctuations may adversely affect the price of our common stock.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.