

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FIRST QUARTER
ENDING MARCH 31, 2012
DATED MAY 30, 2012

SearchGold Resources Inc. (« SearchGold » or the « Company ») continued to develop its portfolio of properties in West and Central Africa. The current financial uncertainties relating to sovereign debts crisis particularly throughout Europe coupled with a volatile climate in the United States and growth slowdown in China is of concern. The World economic situation has maintained the price of gold at about the \$US 1,700 per ounce mark, thereby validating SearchGold's strategy to develop promising gold projects in resource-rich Africa.

Through a series of successive innovative transactions, SearchGold was able to retain an interest in all the important assets it has acquired and developed during its existence as a public company. As a result, SearchGold is now focusing on the Mandiana project in Guinea while retaining investments in three mining companies and one near-term production gold project:

- **Bakoudou Zone A, Gabon / Managem** : 0.75% NSR
- **Concordia Resource Corp.** 1.74 million shares (see : www.concordiaresourcecorp.com)
- **Stellar Diamonds Limited:** 1.7 million shares (see : www.stellar-diamonds.com)
- **Golden Share Mining Corporation:** 2.1 million shares (see: www.goldenshare.ca)

During 2011, companies in which SearchGold holds investments all raised significant capital to pursue the development of their activities. In July 2011, the Company announced a management change and in October 2011, the Company's capital was restructured on the basis of one (1) post consolidation common share for every eight (8) pre-consolidation common shares which were issued and outstanding. Also, the Company moved its corporate office from Montreal, Quebec to Toronto, Ontario.

In January 2012 Swala Resources Inc merged with Concordia Resource Corp. Pursuant to the merger agreement, the 0.91 million shares of Swala held by SearchGold were converted to 1.74 million shares in Concordia Resource Corp.

In March 2012, the Company closed a private placement of 10,000,000 shares at a price of \$0.05 per share for aggregate gross proceeds of \$500,000.

The Company is focused on advancing the Mandiana Project in Guinea as well as identifying and acquiring properties of merit in Africa.

SEARCHGOLD MINING PROPERTIES

BAKOUDOU-MAGNIMA PROJECT, GABON

In July 2005, SearchGold signed a strategic \$4,200,000 joint venture agreement on the 2,294 km² Bakoudou-Magnima Gold Project with Managem, a successful, established African-based mining company.

Zone A, represents the project's first advanced target and the strategy for Bakoudou-Magnima is to develop the potential of the property well beyond this initial objective. Managem and SearchGold's strategy has, from day one, consisted of undertaking regional exploration in parallel with definition drilling and the execution of a feasibility study on Zone A. Thus, implementing a business plan focussed on the development of a mid-size mining operation with on-going exploration work on surrounding targets to insure long term feed for the mine.

Exploration activities on Bakoudou-Magnima have initially focussed on an area within a 10 km radius around Zone A to identify additional targets within a short distance. Managem and SearchGold also control a 40 km strike length of the Magnima greenstone belt which represents a 5 km wide volcanic sequence where previous work executed by the BRGM in the 1980's identified three soil gold anomalies up to 2.2 km in strike length were surface grab samples yielding grades of up to 7.7 g/t gold.

Feasibility study

SearchGold announced in August 2008, the results of a Feasibility Study on Zone A of the Bakoudou Project which reported an open pit gold reserve of 150,000 ounces of gold included in a new resource estimate of 230,000 ounces of gold.

Bakoudou's Zone A mining project foresees the construction of an open pit gold mine with a projected mine life of 3.5 years. It will produce approximately 40,000 ounces of gold per year over the life of the project from a gravity concentrating plant processing near surface saprolite gold mineralization.

According to the feasibility study, Bakoudou's Zone A holds a Measured and Indicated Resource of 230,000 ounces of gold including a Proven and Probable Reserve of 150,000 ounces of gold. These reported figures represent total reserves and resources contained in Zone A owned by Ressources Golden Gram Gabon SARL ("REG").

The Mineral Reserve estimate was prepared by Reminex, an independent Moroccan Engineering Firm, and is based on a Mineral Resource estimate audited by Systèmes Geostat International Inc. ("Geostat") of Montreal, Quebec, Canada. The Mineral Resource and Mineral Reserve Statement for Bakoudou's Zone A is summarized in the following table:

Table 1. Mineral Resource and Mineral Reserve Statement* for Bakoudou's Zone A, Gabon. Prepared by Reminex, April 30, 2008.

Resource and Reserves Classification	Quantity (Mt)	Grades (g/t)	Contained Metal (oz Au)
Open pit (saprolite)			
Proven Reserves	583 000	2.54	47 600
Probable Reserves	1 117 000	2.98	107 100
Total	1 700 000	2.83	154 700
Saprolite and hard rock			
Measured Resources	530 000	2.84	48 400
Indicated Resources	1 870 000	3.06	184 000
Total	2 400 000	3.01	232 400
Inferred	157 000	1.67	8 400

*Notes: Reported figures represent total reserves and resources contained in Zone A owned by Ressources Golden Gram Gabon SARL ("REG"). Mineral resources include mineral reserves. Mineral reserves are reported at a cut-off of 0.55 g/t gold within a pit shell optimized using a gold price of US\$700 per ounce and metallurgical recovery of 88 percent. Mineral resources are reported at a cut-off of 0.5 g/t gold. All figures have been rounded to reflect the relative accuracy of the estimates. Mineral resources are not reserves and do not have demonstrated economic viability.

Methodology

In June 2007, Reminex engaged Geostat to Audit the Mineral Resource estimate prepared by Reminex on Bakoudou's Zone A in the context of the bankable feasibility study.

The independent Mineral Resource and Reserves estimates are reported in accordance with Canadian Securities Administrator's National Instrument 43-101 and conforms to generally accepted Canadian Institute of Mining ("CIM") "Estimation of Mineral Resources and Mineral Reserves Best Practices" Guidelines.

The audited Mineral Resource statement is based on a total of 184 HQ-NQ diameter core holes (for a total of 11 659m) drilled over an area of 350x500m over the southern part of the Bakoudou soil anomaly in 2004-05 and 2006-08. The Mineral Resource model was constructed in Datamine Studio. A total of 4 main gold zones wireframes were constructed from interpretation of the drilling data and subdivided into two weathering profiles (saprolite and fresh rock). After geostatistical analysis and variography, gold grades were interpolated into a partial block model (parent block size of 5x5x2.5m) using ordinary kriging. An average tonnage factor of 2.28 and 2.63 was used to convert volumes into tonnages for the saprolite and hard rock, respectively. The gold mineralization is known to extend at depth beyond the drilling data.

The Mineral Reserve estimate was prepared by Reminex using Whittle Pit Optimization software to model conceptual pit shells using the following assumptions: pit wall average angles of 35° for the saprolite and 50° for the hard rock, 12% mining dilution, a gold price of US\$700 per ounce, a gold recovery of 88.2%, mining costs of US\$5.44 per tonne of ore and of US\$2.06 per tonne of waste and processing costs of US\$8.86 per tonne. Based on these parameters the economic cut-off was estimated at 0.55 g/t gold.

Project development

Following the finalization of the feasibility study, a mining exploitation permit covering a surface area of 160 km² and a new mining exploration permit covering a surface area of 640 km²

(Lebombi) were granted to REG. As a result, the total area now controlled by REG covers 2,934 km².

SearchGold announced significant developments on Bakoudou's Zone A at the end of November 2010. The NI 43-101 compliant Mineral Resource and Mineral Reserve estimate for Zone A of the Bakoudou-Magnima Gold Project was released on August 13th 2008. Following the death of Omar Bongo in June 2009, Gabon successfully accomplished a positive democratic transition.

In May 2011, SearchGold announced the signature of a Purchase and Sale Agreement (the "Agreement") with Managem International A.G., Managem and Ressources Golden Gram Gabon for the sale of its remaining 27% interest in the Bakoudou-Magnima Gold Project.

Under the terms of the Agreement, SearchGold received a cash consideration of US\$800,000 and retains a 0.75% Net Smelter Return ("NSR") in Bakoudou-Magnima. The NSR will provide SearchGold with some cash directly from the first gold pour while also allowing the Company to benefit from any future expansion and discoveries. Managem has supported all the costs towards project development and given the initial mining project size, the CAPEX involved and the current share price for the Company, the financing of SearchGold's share of the project would have been too dilutive.

Managem commenced plant commissioning during Q4 2011, production is expected in early 2012.

GUÉGUÉRÉ PROPERTY, BURKINA FASO

Agreements:

On March 30 2009, SearchGold optioned 500 km² Guéguéré Gold Property ("Guéguéré") in southwestern Burkina Faso from Somika SARL ("Somika") to acquire a 100% interest through certain payments of cash and shares and committing to exploration expenditures. Somika will retain a 2% Net Smelter Return (the "NSR"). SearchGold will retain the right to purchase 50% of the NSR for \$US1,000,000 and have right of first refusal on the remaining 50% of the NSR.

During Q1 2011 SearchGold concluded a joint venture agreement with Swala Resources plc ("Swala") on Guéguéré which was acquired by Concordia Resources Corp (TSX-V: CCN); ("Concordia") in January 2012.

Concordia currently holds a 25% interest in Guéguéré and can acquire up to 80% through certain exploration expenditures and completion of a bankable feasibility study. Thereafter SearchGold must contribute its pro-rata share or be diluted.

In the event of commercial production, both parties agree to be diluted by the 10% Burkina Faso state free carry participation pro-rata their respective interest in the project.

All payments, cash and shares, due by SearchGold pursuant to the Somika agreement have been duly executed.

The Guéguéré Project:

The Guéguéré property is located 180 km west of Ouagadougou, Burkina Faso's capital, in the Boromo birimian greenstone belt between the past producing Poura mine and Orezone Resources' Bondi project. The Poura past producing mine is located approximately 35 km north-east of Guéguéré and produced over 800,000 ounces of gold before its closure in 1999. The Bondi project is located approximately 30 km south-west of the Guéguéré property and is

presently being developed by Orezone Resources Inc. which has outlined measured and indicated resources of 4.1 million tonnes @ 2.12 g/t Au for 282,000 ounces of gold.

The north-north-east trending Boromo greenstone belt consists primarily in birimian metavolcanics and metaandesites. These metavolcanic rocks are intruded by mafic and ultramafic plutonic bodies and by granitoids. On Guéguéré, these various formations hosts quartz veins and are transected by numerous lineaments.

On the Guéguéré property, geochemical and geophysical surveys executed in 2003-2004 have outlined gold geochemical anomalies over a strike length of 1,700 m and over which follow-up RC drilling in 2004-2005 confirmed significant gold grades at less than 100 m vertical depth.

- DRC007 : 15.30 g/t Au over 2 m from 14 to 16 m
- DRC004 : 13.42 g/t Au over 3 m from 59 to 62 m
- DRC002 : 1.83 g/t Au over 9 m from 56 to 65 m
- DRC013 : 1.40 g/t Au over 20 m from 2 to 22 m

No cut-off grade was reported for the calculation of the above intersections and even though exploration drilling attempts to intersect the mineralized structures at a high angle to determine exact widths, the above intersections do not represent perfect true widths.

In 2009, a first surface work program was executed by SearchGold and consisted principally in targeted geological prospection on the Domoule sector. Quartz veins and artisan workings abound and 105 rock samples were collected; 21 km of grid lines were established and a geological surface map was also executed.

A total of 20 samples returned grades above 0.56 g/t Au while, 6 of those reported grades between 5 and 10 g/t Au.

These results validate the potential of this area which underwent drilling by Orezone. Moreover the strike length of the zone has been increased and a better understanding of the control of the mineralisation was achieved.

Prior to the merger with Concordia, Swala completed an airborne geophysical survey over the entire Guéguéré property. The magnetic component of the survey outlines a tonalite intrusive in the center of the property. Clear linear features also border this intrusive body to the west and east.

In addition a compilation of historical work highlights the following:

- The eastern part of the property is transected by a multikilometer linear NNW trending structure overlapping two important ancient artisan sites at Tampour and Dakoula. Historical stream geochemistry confirms the presence of anomalous gold zones on this trend.
- In the west and southern parts of the property, the geophysical linear features show a curved pattern possibly caused by the presence of several smaller satellite intrusions.
- Around the town of Lebiele, ancient artisan workings are reported with historical surface rock samples from quartz veins assaying up to 12.25 g/t Au.
- Also in the Lebiele area, and quite possibly associated with some satellite intrusions, historical rock samples of a syenitic, alkaline granite have assayed between 0.2 and 0.4 g/t Au, clearly showing signs of gold impregnation in the host rock, a positive early sign for bulk tonnage type targets.

- The Lebiele area is located approximately 5 km to NW of the historical 1.7 km gold geochemical soil anomaly which yielded grades of 15.30 g/t Au over 2 m and 1.40 g/t Au over 20 m at shallow depths in follow-up 2004-2005 RC drilling.
- In April 2011, Indigo Exploration Inc. (TSXV:IXI) reported an RC drilling intersection of 29.67 g/t Au over 7 m on their adjoining Moule Property, just across the southern border from Guéguéré where SearchGold's recent geological prospection on the Domoule sector outlined quartz veins and ancient artisan workings with surface rock samples yielding up to 10 g/t Au.

MANDIANA PROPERTY, GUINEA

SearchGold signed an option agreement in January 2006 with Bouré Gold Fields SARL to acquire a 100% interest in the 475 km² Mandiana Gold Property located in Guinea, West Africa.

Historical work on Mandiana yielded some significant preliminary drill results by previous operators with intercepts of 3.68 g/t Au over 10 m on the Karfakolo Prospect, and 1.89 g/t Au over 20 m and 0.94 g/t Au over 47 m on the Intercolonial Prospect.

Following a phase # 1 termite mound geochemical sampling SearchGold executed a 54-hole, 4,300 m drilling program to proceed with a first pass evaluation of four distinct targets in early 2007. This campaign yielded very encouraging results, the highlight being the N'Diambaye prospect which hosts a north-south trending mineralized structure containing high grade intersections, the N'Diambaye North-South zone. A preliminary interpretation suggests that this mineralized structure, recognized so far over 400 m, have been intersected on all seven drilling sections. Highlights of the drilling program include:

- Section 1189450 - hole NDI-02 : 12.23 g/t Au over 22 m from 50 to 72 m
- Section 1189200 - hole NDI-39 : 9.63 g/t Au over 6 m from 33 to 39 m

Additional encouraging results were obtained from the Stockwork target. The results of hole STO-03, drilled on this new structure, are particularly significant as two mineralized zones were intersected with the principal one returning an interval of 4.29 g/t Au over 9 m from 39 to 48 m.

In order to better characterize the geology of the N'Diambaye target following the important drill discovery, a thorough surface exploration program was executed over the summer of 2007 in parallel with the finalization of a property wide termite mound survey with detailed follow-up.

Surface work on N'Diambaye

A 1/2000 detailed geological map was executed to cover the N'Diambaye North-South zone and its northern extension. Two principal lithologies were mapped: A volcanoclastic unit consisting in a quartz-crystal tuff and feldspathic fine tuffs and a sedimentary unit comprising detrital terrigenous rocks such as arkoses, sandstones, siltstones and phyllites.

Trenching work resulted in the identification of the northern extension of the N'Diambaye North-South zone in the volcanoclastic package. A 15 m wide silicified shear zone returned an anomalous value of 100 ppb Au approximately 850 m north of hole NDI-02. This shear zone is interpreted as the northern extension of the N'Diambaye North-South zone.

Two sub-parallel shear zones 5 m in width yielded intercepts of 190 ppb Au over 2 m and 1914 ppb Au over 1 m in the first case and 260 ppb Au over 2 m and 1860 ppb Au over 1 m in the second. Gold mineralization appears to be hosted by north-south trending, west dipping shear

zones located in fold hinge zones in an environment of volcanoclastic rocks in contact with the birimian turbiditic sedimentary sequences.

Property-wide termite mound surveys

The regional geochemical termite mound sampling of the entire Mandiana property was completed and resulted in the identification of 10 new targets. Their detail follow-up lead to the discovery of the Fadaninda gold anomaly; a strong geochemical anomaly located in the southern part of the property. It shows an orientation of 330°, an approximate length of 500 m and a width of up to 75 m. This anomaly is defined at the +50 ppb Au level, shows an average grade of 190 ppb with a peak at 1960 ppb. It follows the direction of numerous ancient artisan gold pits. It is hosted in a geological context similar to N'Diambaye with the observed lithology being quartz crystal tuffs. Results of the check sampling of the area confirmed this anomaly as well as its extension northward.

Ground geophysics

In order to follow-up on this surface work and in preparation for the next phase, SearchGold contracted Terratec Geophysical Services to conduct a compilation of geophysical airborne data over the Mandiana area and, more specifically, to execute ground geophysics on N'Diambaye and Fadaninda. On these two targets Gradient Array was carried out while HIRIP profiles have also been executed in addition on N'Diambaye. A total of 45 km of profiles were executed and the results clearly define the depth extensions of the N'Diambaye and Fadaninda targets.

In spite of a turbulent political situation which culminated in the death of President Lansana Conté in December 2008, SearchGold has advanced the development of the Mandiana property, albeit at a slower pace than originally expected.

The Mandiana permits have been renewed a first time, in November 2008, since the signature of the original agreement with Bouré Gold Fields SARL. These permits were renewed in the name of SearchGold's local wholly-owned subsidiary, SearchGold Guinée SARL.

Subsequently, in 2009, SearchGold conducted a short follow-up surface campaign. The company has been approached by potentially interested third parties and preliminary negotiations have been held for an association to develop the project.

A ground follow-up campaign was executed in Q3 2010 to verify a few sites on the property.

The Ministerial Decree confirming the renewal of the Mandiana permits for a second two year period was obtained on November 5th 2010. The permits are now valid until November 5th 2012.

Several technical and strategic field visits were carried out in June 2011 to further develop the project.

Current development:

During the three months ended March 31, 2012 a compilation of all known exploration on the property was underway. In addition efforts to find a suitable joint venture partner were being made simultaneously with planning an exploration program in the event a partner was not identified.

SearchGold's exploration programs are executed under the supervision of Mr. Moussa Keita, Ph.D., P. Geo. and Vice-president Exploration of SearchGold. Moussa Keita is a « Qualified Person » as defined in National Instrument 43-101. Stanley Robinson, P. Geo., President and CEO of SearchGold Resources Inc. also act as Qualified Person for SearchGold.

SEARCHGOLD INVESTMENT ASSETS

CONCORDIA RESOURCES CORP:

In January 13, 2012 Concordia Resources Corp. acquired Swala Resources plc (“Swala”), on the basis of each Swala share being exchanged for 1.9 Concordia shares. The acquisition creates a diversified mineral exploration company in Africa and the Americas.

“Concordia is a well-financed junior explorer seeking to identify large-scale mineral resources in Africa and South America. Concordia's 2012 focus is on generating a NI 43-101 standard resources on its Kerboulé gold project in Burkina Faso and its Providencia silver mine in northwestern Argentina”. (www.concordiaresourcecorp.com May 29, 2012)

Concordia also holds property in Zimbabwe, Gabon and the Democratic Republic of the Congo for PGM, Nickel and base metals.

SearchGold holds 1.74 million shares of Concordia Resource Corp. Please see: www.concordiaresourcecorp.com for additional information.

Kerboulé Project

The Kerboulé Project covers 400 square kilometres and includes the Araé and Gassel Manéré Licences. The Inata mine is situated 20 kilometres south of Kerboulé.

A 3% Net Smelter Return (the “NSR”) is payable to SOMIKA, the initial vendor. SearchGold has the right to purchase up to half of the NSR held by Somika (or 1.5%) for \$US500,000 per 0.5% NSR bracket, or for a total of \$US1,500,000

Arae-Gassel structure

The Kerboulé Project, directly adjoins the southern boundary of Avocet Mining's Belahouro property, host of the 3.36 million ounce Inata gold deposit (Mineral Resources of 71,435,000 tonnes @ 1.46 g/t Au at 0.5 g/t Au cut off). Mineralization at Inata is hosted in a northeast trending shear zone which extends onto the Arae-Gassel property.

In late June 2009, Avocet acquired the Inata gold mine (“Inata”) in northern Burkina Faso through acquisition of Wega Mining ASA (“Wega”) on a share for share basis. Gold production commenced at Inata in December 2009 and reached its target rate of over 10,000 ounces per month ahead of forecast in May 2010.

“The deposit at Inata presently comprises a Mineral Resource of 3.46 million ounces and a Mineral Reserve of 1.85 million ounces. Inata poured its first gold in December 2009 and produced approximately 167,000 ounces of gold in 2011”. (www.avocet.co.uk May 29, 2012)

The gold mineralisation at Inata can be traced over a continuous 4 km strike length and occurs within silicified volcanoclastic rocks, porphyries and vein quartz that occur within a large shear zone. The 1,081,500 ounces of proven and probable reserves will be mined from three principal pit areas: Inata North, Central and South. Three smaller pits will be developed during the life of the project.

The 5 km Kerboulé-Yaléma Auriferous Structure (“KYAS”) recognized on Arae-Gassel is characteristic of important subsidiary shears structures. It is here part of a typical larger scale auriferous system hosted in a classic volcano-sedimentary package. The compilation work and preliminary sampling has highlighted the high grade nature of veins hosted in the KYAS with

surface rock samples which yielded grades of up to 95.33 g/t and previous RC drilling intersections of 24.48 g/t Au over 4 m from 42 m to 46 m in historical hole RCK99-86.

An initial surface mapping program executed in March 2009 targeted a 5 km by 2 km area of the KYAS and 32% of all samples collected, yielded significant values above 0.40 g/t Au and up to 37.79 g/t Au. These mineralized systems host quartz veins with apparent widths comprised between 0.25 m and 1.50 m as well as quartz veinlets bearing stockworks forming mineralized zones with apparent widths varying between 15.00 and 30.00 m.

The fall 2009 work program was aimed at developing the most promising early-stage targets in preparation for an AC / RC drilling campaign. Regolith mapping was executed and ground follow-up of high potential targets resulted in the collection of a total of 333 rock samples and 4 294 termite mound samples. Geophysical surveys of high-resolution ground magnetics over the top eighteen prioritized target areas for a total of 378 km were executed.

Following this preparatory work, a 4,400 m drilling program was initiated on December 19th 2009 and consisted in a joint RC / AC program with the underlying fundamental objective to investigate some of the most promising early-stage targets as well as to increase the level of definition in the Kerboulé South area.

On the Kerboulé South target, a total of 48 RC holes with individual depths of 50 m and totalling 2,400 m were drilled. Kerboulé South is situated on the northern extension of the Inata-Kerboulé shear zone which contains the main gold mineralization of Inata gold deposit. This area is directly adjoining Avocet Mining plc's licence hosting the Inata deposit. Significant intervals above 40 m in length include:

- G09003 : 1.45 g/t Au over 50 m from 0 m to 50 m,
- G09004 : 1.69 g/t Au over 50 m from 0 m to 50 m,
- G09011 : 1.07 g/t Au over 46 m from 0 m to 46 m,
- G09016 : 1.01 g/t Au over 50 m from 0 m to 50 m,
- G09037 : 1.73 g/t Au over 46 m from 1 m to 47 m,
- G09038 : 1.29 g/t Au over 44 m from 6 m to 50 m,
- G09039 : 1.17 g/t Au over 50 m from 0 m to 50 m,
- G09040 : 1.19 g/t Au over 47 m from 3 m to 50 m.

Drilling was performed at high angle to the mineralized structures but exact true widths are unknown and eight of the aforementioned drill holes ended in mineralization. The drilling program covered the Kerboulé South anomaly over a surface area of approximately 140 m by 140 m and holes were drilled on 20 m centres. This is the first drill program to be carried out since historical drilling work was executed by previous operators about 10 years ago; it was aimed at validating previous data as well as provide tighter information for proper geological modelling.

On the rest of the property, 7 targets (Kerboulé S NE, Yaléma, Yaléma E, MK, Gassel-Haissa N, Galo-Diomour and Ariel) were investigated by 66 AC drill holes with individual depths of mostly 30 m and totalling 2,000 m. The drilling strategy was to execute sections of 2 to 6 overlapping holes to cover the targeted areas. The detailed results of the program are presented below.

Kerboulé S NE target / 6 holes totalling 180 m. Significant intervals include :

- G09041 : 3.92 g/t Au over 3 m from 4 to 7 m (including 11.51 g/t Au over 1 m)
- G09045 : 2.34 g/t Au over 1 m from 2 to 3 m

Yaléma / 16 holes totalling 500 m. Significant intervals include :

- A09012 : 1.53 g/t Au over 6 m from 35 to 41 m
- A09014 : 1.18 g/t Au over 1 m from 4 to 5 m

- A09021 : 1.08 g/t Au over 2 m from 17 to 19 m
- A09022 : 1.23 g/t Au over 1 m from 2 to 3 m

Yaléma E / 11 holes totalling 330 m. Significant intervals include :

- G09050 : 1.12 g/t Au over 1 m from 27 to 28 m
- G09051 : 1.00 g/t Au over 5 m from 20 to 25 m (including 2.97 g/t Au over 1 m)

Ariel / 11 holes totalling 330 m. Significant intervals include :

- G09028 : 0.93 g/t Au over 8 m from 19 to 27 m
- G09029 : 0.92 g/t Au over 3 m from 5 to 8 m and 1.37 g/t Au over 3 m from 19 to 22 m (including 3.57 g/t Au over 1 m)
- G09031 : 0.54 g/t Au over 25 m from 5 to 30 m (including 1.16 g/t Au over 4 m and 1.77 g/t Au over 1 m)

Galo-Diomour / 3 holes totalling 90 m. Significant intervals include:

- G09054 : 1.23 g/t Au over 1 m from 0 to 1 m, 1.07 g/t Au over 2 m from 28 to 30 m

Gassel-Haïssa N / 17 holes totalling 510 m. Significant intervals include:

- A09042 : 0.65 g/t Au over 13 m from 12 to 25 m (including 2.71 g/t Au over 1 m), 1.11 g/t Au over 1 m from 20 to 21 m and 1.99 g/t Au over 1 m from 24 to 25 m
- A09047 : 2.46 g/t Au over 3 m from 26 to 29 m (including 6.45 g/t Au over 1 m)

In January and February 2011, Xcalibur carried out a high-resolution airborne geophysical survey over the property. A provisional data set has been made available and numerous structures can be observed that will aid the identification of mineralised zones.

A geochemical sampling programme was executed to complete the areas not previously covered by previous operator Orezone Gold Corporation ("Orezone"). The Orezone work proved very effective in identifying mineralized areas. The property has been subdivided according to the regolith conditions, overburden thickness and prioritised so that the most critical data is available prior to the drilling programme. The "pit loam" geochemical sampling programme has been completed over most of the 400 km² Arae-Gassel property surface area, notably covering significant ground previously unsampled by past operators. The "auger" geochemical sampling programme has been rescheduled to take place in September this year after the rainy season.

A specialist structural geologist has completed the fieldwork and numerous trenches were excavated to facilitate structural measurements and geological mapping. These data are now being integrated with the geophysical interpretation and the final report on this work is expected at the end of June.

A RAB drilling programme of 15,000 metres is testing four new anomalous areas where limited previous work and artisanal digging indicate gold mineralization of significance. These anomalies indicate new and potentially important mineralization up to 10 km west of the principal primary target ("Kerboulé-Yaléma") that was identified by previous operators and on which most of the work has been done to date.

On April 11, 2012 Concordia released gold results from RC drilling including 1.0 m @ 188 g/t Au within a 29 m @ 7.4 g/t Au. Additional reported intersections returned gold values of 9 m @ 3.7 g/t Au, 11 m @ 2.7 g/t and 20 m @ 2.4 g/t Au.

STELLAR DIAMONDS PLC

Stellar Diamonds plc ("Stellar" - AIM:STEL) is a diamond mining and exploration company focussed on the renowned, yet under-developed, diamond region of West Africa. The Company has two alluvial projects in production in Guinea, Mandala and Bomboko, as well as 100% rights over four high-grade kimberlite projects in Sierra Leone and Guinea that are at various stages of development from drilling through bulk sampling to trial mining.

Following the reverse takeover transaction with West African Diamonds Limited ("WAD"), Stellar became a publicly listed company on February 22, 2010 by announcing its admission to the AIM market of the London Stock Exchange ("AIM"). In March 2011, Stellar announced the completion of a £6.2 million financing through a placing of 77,500,000 new Ordinary Shares at 8 pence per share. Post financing Stellar has 216,766,659 issued and outstanding shares.

At Mandala production has exceeded 106,000 carats (to end December 2010) and generated sales of \$3.2 million since mining commenced in mid-2009. Trial mining is ongoing at the Bomboko project where over 5,100 carats have been produced as part of an evaluation programme.

The kimberlite portfolio is comprised of the Kono and Tongo projects in Sierra Leone and the Droujba and Bouro projects in Guinea.

At Kono underground trial mining has yielded over 4,200 carats of diamonds, however the project was placed on care and maintenance in mid-2009 during the economic crisis.

Bulk sampling is currently ongoing at Tongo where diamond grades of between 100cpht and 380cpht were yielded from previous sampling exercises. A 1,000 to 2,000 carat sample is currently being sampled to determine diamond grade and value of this kimberlite.

Stellar is currently drilling the Droujba kimberlite pipe. The programme is intended to model the pipe to depth as well as assay selected kimberlite core for microdiamond analysis and macrodiamond grade forecasting.

The Bouro project is located in proximity to the Mandala diamond mine. Previous testing yielded grades of up to 500cpht for the Bouro North kimberlite. Stellar is planning to collect and process a bulk sample from this kimberlite in 2011.

Strategic focus on kimberlite portfolio

In light of the strong rebound in diamond prices as evidenced by the record diamond prices achieved from the recent sale of a parcel of diamonds from the Company's Bomboko project, as well as those achieved by other diamond producers, the Board of Stellar has decided that substantial value may be created by focusing the Company's human and other resources on fast tracking the development of its hard rock kimberlite portfolio. These projects include the Droujba kimberlite pipe in Guinea and the Tongo kimberlite dyke in Sierra Leone. If proven economic, the Board considers that these projects have the potential to generate substantial revenues over long mine lives and in turn have the potential to transform Stellar into a significant diamond production company in Africa.

Recent highlights from the High Grade Diamond Bulk Sampling Results at Tongo Kimberlite in Sierra Leone include:

- 566 tonnes processed for an in-situ grade of 109 cpht,
- 90% of diamonds classified as gem quality,
- Historic diamond valuations show Tongo Dyke 1 ore at potential value of over \$200/t,

- Sample taken from 70m section of 2,500m total length of Dyke 1,
- 3,000m resource definition drilling programme planned to commence in June,
- Bulk sampling programme continuing using on site processing plant.

In July 2011 Stellar reported the following update on the Tongo Kimberlite:

- 639 carats of diamonds exported and valued at an average price of \$191 per carat
- 752 carats from 687 dry tonnes for undiluted grade of 109.5 carats per hundred tonnes ('cpht')
- Potential in-situ kimberlite value of \$209 per tonne
- 6,000m drill programme scheduled to commence in August

Recent highlights from the Droujba Kimberlite Pipe work program in Guinea include :

- Phase-1 programme completed with 18 holes for a total of 3,031 metres drilled,
- Surface area of pipe delineated at 3 hectares,
- Deepest kimberlite intersection to date of 222 m from surface, remains open at depth,
- New blind discovery associated with geophysical anomaly intersected to southeast and west of main pipe,
- Encouraging microdiamond analysis results from third sample batch :
 - 462 diamonds recovered from 204.15kg of kimberlite drill core sample
 - Three commercial sized diamonds recovered with the largest being 3.3mm x 2.4mm x 1.8mm
 - High percentage of diamonds described as white, colourless and transparent
- Resource definition drill programme continuing.

On August 10th 2011 Stellar announced the appointment of CAE Mining ("CAE") of South Africa as independent technical consultant to prepare the first resource estimates at its Droujba and Tongo kimberlite projects in Guinea and Sierra Leone respectively.

- Dr. Matthew Field of CAE Mining appointed as independent consultant
- Resource statements and economic scoping studies expected Q1 2012
- Resource definition drilling underway at the Droujba pipe with over 6,000m completed to date
- Resource drilling at the Tongo dyke project expected to commence shortly

On August 16th 2011 Stellar announced the commencement of resource drilling at the high-grade Tongo kimberlite diamond project in eastern Sierra Leone.

- Commencement of 6,000m diamond core drilling programme
- Objective is to define a maiden inferred resource estimate to at least 200m below surface
- Bulk sampling yielded 926 carats for undiluted grade of 115 carats per hundred tonnes ('cpht')
- Potential in-situ kimberlite value of up to \$220 per tonne

On September 13th 2011 Stellar provided an operational update on the Company's diamondiferous Droujba kimberlite pipe project located in eastern Guinea.

- 31 holes completed to date for 6,425 metres
- Independent geological modelling indicates potential for 15 million tonnes to 350m depth
- Main pipe and southern blind pipe coalesce giving increased size with depth
- Construction of bulk sampling plant and dewatering of historic workings underway

- Deeper drilling to extend Droujba pipe with at least 2 holes planned to 400m depth
- On track for bulk sampling to commence in December and JORC resource estimate in Q1 2012

Proceeds from Diamond Sale

A 10,048 carat parcel of diamonds from Stellar's operations was recently sold in Antwerp for \$361,000. This parcel comprised 9,767 carats from Mandala and 281 carats from Bomboko. The Mandala goods were sold for an average price of \$31 per carat (2010 average \$32 per carat). The Bomboko goods, however, sold for a record average price for the project at \$201 per carat (2010 average \$116 per carat). The lower than average price at Mandala is a reflection of a weaker diamond parcel based on the lower than normal gem diamond content from the area mined. However, the excellent value achieved at Bomboko was driven by some high value gem stones in the 2 to 4 carat range.

Mandala alluvial diamond project, Guinea

For the period of October 2010 to January 2011 mining and production processed 86,534 tons of gravel which yielded 13,566 carats at an average grade of 15.7 cpht. Recent mining has been testing areas in an adjacent valley to the Mandala valley and this has yielded lower grades than projected. Although the production levels at Mandala have realised the expected increase in tonnage throughput since the end of the rainy season, the mining grade has not achieved past averages of 30 cpht. This has impacted negatively on forecast cash flow from the project and as a consequence the project has not realised an operational profit for this period. Once the current Bouro bulk sample is completed, Stellar intends to focus its efforts on an as yet un-mined area in the N'Keliyani River valley, once access has been established. This extensive area has modelled higher grades based on previous evaluation work. However, should this area not realise a significant increase in grade then the Mandala project will be placed on care and maintenance and the plant will be modified to process bulk samples from the high-grade Bouro North kimberlite, if warranted by results.

Bomboko alluvial diamond project, Guinea

Bulk sampling of the lower Bomboko valley resumed in December 2010 after a prolonged rainy season. An extensive area was identified for testing with the objective of establishing a potential future mineable resource. A number of sampling trenches were excavated and the underlying gravel hauled to the Bomboko processing plant. Some 360 carats were recovered at grades ranging between 1 cpht to over 6 cpht, with an average grade of 2 cpht. The diamond sale that realised \$201 per carat was comprised of diamonds from this particular area. Further areas remain to be tested and a final report will be assembled within two months on the delineated resource, the results of which will determine whether or not the area is subjected to future commercial scale mining.

Hard rock assets at Droujba, Tongo and Bouro

Over the last three years Stellar has established an exciting portfolio of key kimberlite diamond projects in Guinea and Sierra Leone, in line with the Company's long term strategy. With the recovery in global diamond prices, the Board of Stellar considers that superior and potentially transformational value may be created for the Company's shareholders by focusing on the exploration and development of its hard rock assets, which include potentially some of the highest grade and highest value kimberlites globally.

Since the beginning of 2011, further encouraging results were reported from Droujba Kimberlite Pipe in Guinea while high grade diamond bulk sampling results were reported at Tongo Kimberlite, Sierra Leone.

SearchGold holds 1.7 million shares of Stellar Diamonds plc. Please see: www.stellar-diamonds.com for additional information.

GOLDEN SHARE MINING CORPORATION

Golden Share Mining Corporation (TSXV:GSH) (“Golden Share”) is a Canadian-based mining exploration company whose primary mission is to target, explore and develop gold deposits in Canada.

Golden Share was created through the reorganization of SearchGold’s Canadian gold assets. The underlying objective behind the creation of Golden Share is to unlock the value of SearchGold’s Canadian projects as well as to capitalize on management’s experience and contacts in Canada by creating a new company focused on an area recognized for its mining potential. Golden Share is developing a promising portfolio of properties in the greenstone belts of eastern Canada, namely in the Val d’Or-Malartic, Red Lake and Shebandowan areas.

The Company is led by a technically focused management team relying on a strong network of high quality contacts and consultants, including SRK Consulting Canada in Toronto and InnovExplo in Val d’Or. Golden Share is further strengthened by an experienced board of directors and a proven advisory board including successful geologists Roy Corrans and Sethu Raman as well as seasoned financier Anthony Frizelle.

Golden Share’s development strategy involves advancing a well balanced portfolio of gold properties in a politically stable environment with a history of gold endowment through systematic exploration, resource definition and acquisitions. Highlights of the current portfolio include:

- NI 43-101 and historical resources on Shebandowan Gold Play (150,699 oz Au Inferred* and 251,271 oz historical**),
- Past producing high grade Au-Ag Berens River Mine to be redeveloped,
- NI 43-101 compliant resources on Forsan (35,000 oz Au Inferred Resources***),
- New discoveries in the Cadillac break environment.

* 2,857,200 MT @ 1.64 g/t Au at 1.00 g/t Au cut off

** These estimates were executed prior to the introduction of National Instrument 43-101; hence they should be treated as historical data and therefore not be relied upon.

*** 536,500 MT @ 2.03 g/t Au at 1.00 g/t Au cut off

Shebandowan Gold Project

The Southern part of northwestern Ontario is increasingly being recognized as an emerging gold province. In the Fort Frances area, Rainy River has so far defined over 5 M oz Au in Indicated and Inferred Resources on their Rainy River Project. In the Atikokan area, Osisko Mining Corporation acquired Brett Resources Inc. following the discovery of the 6.7 M oz Au Hammond Reef deposit. The Shebandowan greenstone belt lies at the eastern end of this prolific province and is the object of intensifying exploration. Foundation Resources Inc. and Alto Ventures reported diamond drilling results of 8.39 g/t Au over 11.0 m and 4.88 g/t Au over 27.3 m on the East Coldstream Deposit located 15 km west of Golden Share’s Shebandowan Project. In July 2010, Moss Lake Gold Mines Ltd. provided an upgraded NI 43-101 resource estimate for its + 1 M oz Au Moss Lake deposit.

In early 2011 Golden Share acquired Lake Shore Gold Corp.’s (“Lake Shore Gold”) 100% interest in the Band Ore Gold property (“Band Ore”), located in northwestern Ontario. In 2012 Lake Shore Gold increased its holding in Golden Share’s from 19.99% to 27.2 % (Golden Share PRs dated Jan 24, 2012 and May 23, 2012). Golden Share now controls 25 km of strike length along the northern part of the Shebandowan belt highlighted by two advanced gold targets: Pistol Lake JF’s West zone (150,699 oz Au Inferred Resource) and the Band Ore deposit (251,271 oz Au in

historical resources within two principal zones). The Conacher property, acquired in March 2011, ties in both the Pistol Lake and Band Ore properties in one cohesive land package. The resulting property is referred to as the “Shebandowan Project”.

The sampling of old trenches in 2011 yielded grades of up to 31.70 g/t Au in a sub-parallel shear system in to the main felsic intrusive where 93.30 g/t Au were reported hosted in pyrite bearing shear and numerous new gold showings have been found along the belt. Sampling and detailed mapping on the eastern and western extensions of Pistol Lake yielded grades of up to 25.80 g/t Au and open up potential extensions of the mineralisation towards the east.

On September 19th, 2011 Golden Share reported that trench GSH-11-14, excavated in the immediate eastern extension of Pistol Lake's JF West zone intersected 0.68 g/t Au over its total length of 36 m wide. The gold is hosted in east-west striking, very intensely sheared, felsic intrusive with intense carbonatization and hematization and locally up to 15% quartz-carbonate veins that contain up to 20% pyrite and chalcopyrite.

In press released dated n January 24, 2012 and March 5, 2012 Golden Share reported 2.70 m @ 17.85 g/t Au, 5.50 m @ 2.80 g/t Au, 2.70 m @ 18.27 g/t Au and 1.70 m @ 1.39 g/t Au in drill holes on the Band Ore target.

On February 20, 2012 Golden Share reported gold results for drill hole BO-11-09 collared on the eastern end of the project. Reported gold intersections are: 18.0 m @ 0.89 g/t Au, 1.0 m @ 1.98 g/t and 1.0 m @ 1.38 g/t Au.

In March 29, 2012 Golden Share reported that the 2011 exploration program on the Pistol Lake sector defined;

- a 3 kilometre long gold bearing zone namely the “Pistol Lake Corridor”
- 28 m @ 0.90 g/t Au in a trench 150 m east of the NI43-101 compliant 150,699 ounce inferred resource estimate in the JF West Zone
- 1.0 m @ 1.03 g/t Au in a trench 2.2 km east of the JF West resource
- Confirmation of sub-parallel anomalies within the Pistol Lake corridor by induced polarisation
- The drilling of eight holes on the eastern extension of the JF West resource intersected 32.59 m @ 0.54 g/t Au and 6.45 m @ 1.28 g/t Au.

In April 11, 2011 Golden Share reported that the 2011 exploration program on the Conacher sector defined;

- 4 km long gold bearing zone namely the “Conacher corridor” comprised of two sub-parallel trends
- A drill hole collared in Zone 4-Conacher, the southern parallel trend of the Conacher corridor, intersected 3.40 m @ 1.36 g/t Au and 16.70 m @ 0.26 g/t Au.

In May 23, 2012 Golden Share reported results for an additional eight holes on the Band Ore Main target. These holes intersected; 2.0 m @ 7.21 g/t Au, 1.0 m @ 1.38 g/t Au, 1.0 m @ 1.74 g/t Au and 1.0 m @ 2.93 g/t Au.

Larose Gold Project

In February 2012 Golden Share reported that trenching returned 3.1 m @ 45.93 g/t Au and 1.4 m @ 54.21 g/t on the Larose property.

Golden Share has the right to earn a 50% interest in the Larose Gold Property (“Larose”) under terms of an option agreement with Viking Gold Exploration Inc. The Larose project is situated about 40 kilometres west of the Shebandowan Gold Project, underlain predominantly with

metasedimentary rocks and gold is associated with the Larose shear zone ("LSZ"). The LSZ, up to 25 metres in width, trends northwest across the entire 9 km of the property and has been observed in outcrop over 4 km.

SearchGold holds 2.1 million shares of Golden Share Mining Corporation. Please see: www.goldenshare.ca for additional information.

FINANCIAL INFORMATION

RESULTS:

THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011 COMPARISON

Net loss for the three-month period ended March 31, 2012 amounts to \$156,445 (\$0.007 per share) compared to \$343,138 (\$0.018 per share) for the three-month period ended March 31, 2011.

The variation between the two periods is due to the following important variations:

Management fees

The variation of \$18,012 is due to fees paid to its President and to a director.

Professional services

The variation of \$64,856 is due in part to an increase of \$24,500 in legal fees, to an increase of \$13,200 in audit fees and to an increase of \$23,500 paid to African consultants for the Mandiana project and for corporate development.

Consultants

The increase of \$11,623 is related to the 250,000 options granted to consultants for the three-month period ended March 31, 2012 compared to no grant for the same period in 2011.

Other expenses

The variation of \$16,622 is due to the rental of administrative offices in Toronto for \$6,000 and to travel expenses of \$8,300 for corporate development.

Impairment on exploration and evaluation assets

For the three-month period ended March 31, 2011, the Company recognized an impairment on its advance to a private company of \$240,533 to reflect the terms of the Purchase and Sale Agreement (the "Agreement") entered between Managem International A.G., Managem and Ressources Golden Gram Gabon for the sale of its remaining 27% interest in the Bakoudou-Magnima Gold Project.

Under the terms of the Agreement, SearchGold received a cash consideration of US\$800,000 and retained a 0.75% Net Smelter Return ("NSR") in Bakoudou-Magnima.

Expenses recovered

Following the signature with SWALA Resources PLC (Swala) of an agreement concerning the Arae-Gassel properties and given his experience and knowledge acquired since the initial properties acquisition, the fees of the Vice-president exploration were charged to Swala to ensure a proper transition. As at March 31, 2012, the agreement was terminated. Fees for \$42,047 were charged for the three-month period ended March 31, 2012 compared to \$27,030 for the same period in 2011.

Other comprehensive income (loss)

The Corporation has designated their investments in mining exploration companies as Available-for-sale financial assets. Available-for-sale financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income (loss) and reported within the available-for-sale reserve within equity. When the asset is derecognized, the cumulative gain or loss recognized in other comprehensive income is reclassified to net earnings (loss) in Gain or loss on available-for-sale assets recycled in net earnings (loss) if applicable and presented as a reclassification adjustment within other comprehensive income (loss).

During the three-month period ended March 31, 2011, the Company recognized a net change in fair value of \$75,680 in other comprehensive income of which an amount of \$49,404 was reallocate to net loss within Loss on disposal of other long-term financial assets regarding the 300,000 Stellar Diamond Limited's shares disposed.

During the three-month period ended March 31, 2012, the Company recognized a net change in fair value of \$156,354 in other comprehensive income.

CASH FLOWS AND OUTLOOK:

As at March 31, 2012, the Company had total cash of \$378,406 and a working capital of \$116,854.

The Company will have to incur an amount of US\$964,000 in exploration and evaluation expenses before November in 2012 in relation with its Mandiana mining property. The Company is presently looking for a partnership to secure these commitments.

In March 2012, the Company finalized a private placement of \$500,000. The net proceeds will be used to resume the work program on the Mandiana project as well as for working capital and general administrative purposes.

The company is currently evaluating the possibility of expanding its property portfolio and will therefore need additional funds.

The Company retains a 0.75 % NSR in the near-term Bakoudou-Magnima Gold Project which may provide the Company with potential near term cash flow. The Company also retains equity investments in three quoted mining companies which can also provide cash flow.

OUTSTANDING SHARE DATA

As of March 31, 2012, the Company had 28,591,271 shares issued and outstanding with a paid in value of \$18,396,122. A number of 437,500 stock options are outstanding.

The authorized share capital of the Company consists of an unlimited number of shares and of which 28,591,271 were outstanding as of the date hereof.

RELATED PARTY TRANSACTIONS

The Company's related parties its joint key management and other related parties, as described below.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

For the three-month period ended March 31, 2012, the Company paid management fees of \$15,000 to its President and \$3,012 to a director and professional services of \$41,703 to its Vice-President Finance.

CHOSEN ANNUAL INFORMATION (IN THOUSAND OF \$)

	Under IFRS		Under Canadian GAAP before the transition to IFRS
	December 31, 2011	December 31, 2010	December 31, 2009
Net earnings (net loss)	(1,482)	1,020	(2,592)
Basic net earnings (net loss) per share	(0.08)	0.05	(0.02)
Diluted net earnings (net loss) per share	(0.08)	0.05	(0.02)
Total assets	2,590	4,339	3,666
Long term debt	0	0	0
Dividend per share	N/A	N/A	N/A

As at December 31, 2011, the decrease in total assets of \$1,749,810 is due to the disposal of its remaining 27% interest in the Bakoudou-Magnima and to an investment impairment of \$661,685 taken of its Swala Resources Inc. shares.

QUARTERLY RESULTS TREND (IN THOUSANDS OF DOLLARS)

	Under IFRS					Under Canadian GAAP before the transition to IFRS		
	2012	2011			2010			
	March	Dec	Sept	June	March	Dec	Sept	June
Revenue	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Net loss (net earnings)	\$156	\$889	\$134	\$116	\$343	\$185	(\$1,290)	\$73
Basic and diluted net loss (net earnings) per share	\$0.007	\$0.040	\$0.001	\$0.001	\$0.002	\$0.010	(\$0.060)	\$0.000

ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

A detailed summary of the entire Company's significant accounting policies and the estimates derived there from is included in Note 4 to the Consolidated Financial Statements for the year ended December 31, 2011.

Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below:

1) Share-based payments:

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own share, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model.

2) Impairment of property and equipment and evaluation assets:

Determining if there are any facts and circumstances indicating impairment losses or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of exploration and evaluation assets requires management's judgment, among others, regarding the following: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of

mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs must be determined. Identifying the cash generating units requires management judgment. In testing an individual asset or cash generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

RISKS

All of the resource properties in which the Company has are at the exploration stage only and are without a known body of commercial ore or minerals. Substantial expenditures are required for our exploration programs and the development of reserves.

In the absence of cash flow from operations, the Company relies on capital markets to fund its exploration and evaluation activities. Capital market conditions and other unforeseeable events may impact the Company's ability to finance and develop its projects.

While discovery of reserves may result in substantial rewards, few exploration properties ultimately evolve into producing mines. Major expenditures are required to identify, confirm reserves and to construct mining and processing facilities. It is impossible to know whether the Company's current exploration programs will ultimately result in a profitable commercial mining operation.

A number of factors determine the economic viability of a property. They include the size of the deposit; the quantity, quality and average unit of the reserves; the proximity of the deposit to existing infrastructure; the estimated development and operating costs; the financing costs and the project cash flows; the prevailing prices and markets and the competitive nature of the industry. Also of key importance are governmental regulations, including those relating to taxes, royalties, land use, the environment, and interests and socio-economic impacts on affected communities.

In addition, although the Company has taken steps to verify that it holds good title to its mineral properties, there can be no guarantee that the Company's title may not be subject to unregistered prior agreements, encumbrances or adverse regulatory requirements. The consequences of these risks cannot be accurately predicted, but any combination of them may impair the development of a deposit or render it uneconomic.

The Company intends to continue the evaluation and exploration of its properties subject to the availability of financing on acceptable terms. The Company intends to finance these activities either through existing financial resources or through additional equity or quasi-equity financing. However, there can be no assurance that the Company will be able to raise such additional equity.

Additional information on the Company can be found on SEDAR (www.sedar.com).

MANAGEMENT RESPONSIBILITY WITH REGARDS TO FINANCIAL INFORMATION

Management is accountable for the Company's Consolidated Financial Statements and any information included in this interim report.

The Consolidated Financial Statements were prepared compliant to the International Financial Reporting Standards ("IFRS"). These statements include certain amounts based on estimates and assumptions. Management established these amounts in a reasonable way to make sure that the financial statements reflect the situation accurately, with all important matters. The financial information presented anywhere else in the interim report complies with the financial statements.

The management of SearchGold Resources Inc.