

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FIRST QUARTER ENDING MARCH 31, 2011 DATED JUNE 29, 2011

SearchGold Resources Inc. (« SearchGold » or the « Company ») continued to develop its portfolio of properties in West and Central Africa. Management recognizes the increased risks of conducting gold exploration and mining in today's world climate with two of the main challenges being access to capital and political uncertainty.

By relying on established partners to develop its properties, the Company minimizes the requirements to access capital and in turn dilution of the shareholder structure. Recent political turmoil in the Middle East has once again confirmed political uncertainty as an important variable. SearchGold has worked actively at reducing the political risk it faces by developing in three distinct countries to protect its shareholders by spreading its activities over several jurisdictions.

The following important milestones have highlighted the year 2010 :

- On February 22nd, the shares of Stellar Diamonds plc ("Stellar") have started trading on AIM under the symbol « STEL » while the Company concomitantly raised £5,000,000.
- On June 23rd, SearchGold did not obtain shareholder approval for the consolidation of the Company's common shares at a ratio of one new share for each tranche of ten outstanding common shares as proposed at its Special and annual Meeting.
- On July 2nd, SearchGold sealed an alliance with Swala Resources plc ("Swala") whereby Swala purchased the remaining 60% interest in the Arae-Gassel project, Burkina Faso, for 4,572,806 common shares of Swala, or 10% of its issued and outstanding capital at the time of the transaction.
- On November 23rd, SearchGold announced significant developments on Bakoudou's Zone A in Gabon with the completion of series of technical project milestones and the signature of US\$20 million credit facility with Chaabi International Bank.

Since the beginning of 2011, SearchGold's investments companies have all raised significant capital to pursue the development of their activities. Indeed, Swala completed a financing of \$4.1 million, Stellar raised £6.2 million while Golden Share Mining Corporation closed a \$3.4 million private placement towards the end of April. These financings validate SearchGold's alternative strategy to give value to its assets. Since the end of Q1 2011 the following developments took place :

- The Board of Stellar has decided that substantial value may be created by focusing its human and other resources on fast tracking the development of its hard rock kimberlite portfolio, including the Droujba kimberlite pipe in Guinea and the Tongo kimberlite dyke in Sierra Leone.
- In May 2011, SearchGold announced the signature of an agreement for the sale of its remaining 27% interest in the Bakoudou-Magnima Gold Project to the Managem Group for a cash consideration of US\$800,000 and retains a 0.75% Net Smelter Return in the project.

1. SCOPE OF MD&A AND NOTICE TO INVESTORS

This Management's Discussion & Analysis ("MD&A") of SearchGold discusses the operating results, financial situation and cash flows for the period ended March 31, 2011. These financial statements are in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been published on SEDAR at the following sites: www.sedar.com and www.searchgold.ca. Additionally, the financial statements for this quarter reflect the transition from generally accepted accounting principles (GAAP) to IFRS and the notes to the financial statements provide an explanation of the effect of the transition on the January 1, 2010 and December 31, 2010 balance sheets.

2. 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 are 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)
<i>Open pit (saprolite)</i>			
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
<i>Saprolite and hard rock</i>			
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, one month before the fall of the Lehman Brothers bank in the midst of the worst financial crisis of the past 70 years (see news release dated August 13th 2008). The prevailing economic climate had hindered the financing of the project since then. Additionally, following the death of Omar Bongo in June 2009, Gabon successfully accomplished a positive democratic transition.

The year 2010 has proven to be much more beneficial for the project and SearchGold reported the following highlights :

- April 2010 : Order placed for ball mill,
- May 2010 : Final mining convention signed with the Gabonese state,
- July 2010 : Initiation of site deforestation,
- September 2010 : Commencement of civil engineering,
- November 2010 : Signature of US\$20 million credit facility with Chaabi International Bank.

As of Q4 2010, approximately US\$20 million has already been firmly committed towards project construction, 75% of that amount being for general infrastructures, mining equipment and process equipment for the treatment plant. Managem has so far supported the costs towards project development. Plant commissioning is expected for June 2011 while July 2011 should see the official Bakoudou Zone A mine start-up.

The following developments were reported for the month of April 2011 by Managem, the operator of the project:

- Completion of construction for housing, social facilities and offices,
- Acceleration of the foundation works for the plant's main equipments,
- Delivery of the main mill to the site,
- Delivery of other equipment in accordance with the initial planning,
- Launching of the order for erection works,
- Visit by an important ministerial delegation for on-site update.

In late March, the capital expenditures expensed to date represented 70% of the total budget for the project and Managem maintained the provisional date for start of July 2011.

Latest Developments

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. While several options have been considered by the Company since the June 2010 annual meeting, the board of directors is of the opinion that the Agreement will provide the best situation for SearchGold in the short to long term.

GUÉGUÉRÉ PROPERTY, BURKINA FASO

On March 30 2009, SearchGold entered into an option agreement with Somika SARL ("Somika") to acquire a 100% interest in the 500 km² Guéguéré Gold Property ("Guéguéré") located in southwestern Burkina Faso; at the following conditions :

- Paying Somika a total of \$US50,002 as follows: \$US2 upon signature; \$US20,000 two years after the date of signature and \$US30,000 three years after the date of signature;
- By issuing Somika a total of 500,000 SearchGold shares as follows: 200,000 shares upon signature; 100,000 shares on the first anniversary date; 100,000 shares on the second anniversary date and 100,000 shares on the third anniversary date;
- By incurring a total of \$US800,000 in exploration expenditures as \$US400,000 during the second year ; \$US400 000 during the third year.

Following SearchGold's acquisition of a 100% interest, Somika will retain a 2% Net Smelter Return (the "NSR"). SearchGold will have the right to purchase up to half of the NSR held by Somika (or 1%) for \$US500,000 \$ US per 0.5% NSR bracket, or for a total of \$US1,000,000 for 1% of the NSR held by Somika. Moreover, SearchGold holds a right of first refusal on the remaining 1% NSR corresponding to the second half of the 2% NSR.

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 granitoïds. 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.

During Q1 2011 SearchGold announced the signature of a joint venture agreement with Swala Resources plc ("Swala") on Guéguéré.

Swala can acquire an interest of up to 80% in Guéguéré by meeting the following conditions :

- Swala can earn 25% upon paying SearchGold the sum of US\$50,000 and agreeing to take over SearchGold's exploration expenditure commitments for the two Guéguéré exploration licences.
- Swala can earn a further 26%, for a total of 51%, upon the completion of a Phase 1 program entailing exploration expenditures of US\$400,000 on each of the exploration licences, for total of US\$800,000 over the entire property, prior to March 29th 2012.
- Providing positive results from the Phase 1 exploration program, Swala can earn a further 9%, for a total of 60%, upon the completion of a Phase 2 program entailing the execution of a NI 43-101 compliant report demonstrating the existence of indicated and inferred resources. Phase 2 will be executed within such time frame and with the necessary associated expenditures to insure full compliance with the Burkina Faso Mining Code.
- Providing positive results from the Phase 2 program, Swala can earn a further 20%, for a total of 80%, upon the completion of a Phase 3 program entailing the execution of a NI 43-101 compliant preliminary feasibility study, followed by a NI 43-101 compliant bankable feasibility study concerning any promising targets identified on the Property.

Thereafter SearchGold will participate in the development costs or will be diluted pro-rata its interest. Swala will be project operator and a technical committee will be established to overview the development work to be executed on the property. 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.

Immediately after the signature of the joint venture agreement with Swala, an airborne geophysical survey with the same specifications as those used at Araé-Gassel was executed. Data processing is in progress and provisional results are expected shortly. Limited previous exploration work has been undertaken on the Guéguéré property. However, some regional geochemical sample results are available and a mapping programme is planned to complement the geophysical data. Further geochemical and stream sampling will be carried out in identified target areas.

As of today, all cash and share payments due by SearchGold in compliance with the March 30th 2009 option agreement with Somika have been duly executed.

Latest developments

In June 2011, SearchGold provided the following update on the project.

The anticipated low-altitude airborne geophysical survey has now been finalized and completely covers Gueguere. The magnetic component of the survey outlines an important tonalite intrusive in the center of the property. Clear linear features also border this intrusive body to the west and east.

The simultaneous historical work compilation 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 syentic, 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 Gueguere 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.

Swala Resources plc.; SearchGold's partner on the project, reports that following the finalization of the geophysical survey and the historical works compilation, a follow-up surface program is now in preparation and will be carried out immediately after the 2011 rainy season.

DOU, TAUREMBA AND ZITENGA II PROPERTIES, BURKINA FASO

In 2008, SearchGold announced the acquisition of three new exploration permits for gold in Burkina Faso in West Africa. These three permits have been obtained through direct application with the Ministry of Mines of Burkina Faso and SearchGold holds a 100% interest in these three properties.

The two first new permits, Dou and Taouremba, have respective surface areas of 241 km² and 211 km² for a total of 452 km². They are located in the Sanmatenga and Seno provinces, approximately 300 km north of Ouagadougou, Burkina Faso's capital, and are directly accessible by road. The third permit, Zitenga II, has a surface area of 184 km² and is located approximately 40 km northeast of Ouagadougou.

The Dou and Taouremba permits are located on the regional structure transecting the permits of the Inata project and show a similar geological context highlighted by structural features such as faults and major shear zones. Moreover, these two new permits are located on a volcano sedimentary sliver between the Essakan deposit (probable reserves of 4.5 Moz Au : 46.4 Mt @

1.78 g/t Au), Taparko and Kalsaka (proven and probable reserves of 0.3 Moz Au : 5.1 Mt @ 2.00 g/t Au, measured resources of 0.3 Moz Au : 6.2 Mt @ 1.70 g/t Au, indicated resources of 0.3 Moz Au : 5.9 Mt @ 1.5 g/t Au).

Compilation work and reconnaissance visits were carried out on these properties during 2008. The properties were inactive in 2010.

Latest developments

There are no recent developments to report.

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 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, has 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 led 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 has 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 has been performed 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 once, 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 two year period was obtained on November 5th 2010. The permits are now valid until November 5th 2012.

Latest developments

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

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. Philippe Giaro, P. Geo., President and CEO of SearchGold Resources Inc. also act as Qualified Person for SearchGold.

3. SEARCHGOLD INVESTMENTS ASSETS

SWALA RESOURCES PLC

Swala Resources plc. ("Swala") is a private African explorer with a focus on Burkina Faso where Swala owns 100% of the Arae-Gassel project directly adjoining Avocet's 2.12 million ounce Inata

gold deposit*. In Zimbabwe, Swala has a joint venture with other parties for the exploitation of high-grade alluvial deposits that have been identified as a consequence of Swala's proprietary GIS program to identify and rank high potential deposits using an extensive database for its source production. In addition, the Company owns a carried joint venture interest in an exploration project with AngloGold Ashanti that is located in Gabon. Swala also owns 7,500 km² of exploration licences in the Democratic Republic of the Congo for PGM, Nickel and base metals.

**NI 43-101 compliant total resources of 41,847,000 tonnes @ 1.57 g/t Au at 0.7 g/t Au cut off*

Arae-Gassel transaction history

In Q4 2008, SearchGold entered into an option agreement with Somika SARL ("Somika") to acquire 100% interest in the 400 km² Arae-Gassel Gold Property located in northern Burkina Faso, West Africa; at the following conditions :

- Paying Somika a total of \$US110,000 as follows: \$US50,000 upon signature; \$US30,000 six months after the date of signature; and \$US30,000 twelve months after the date of signing;
- By issuing Somika a total of 800,000 SearchGold shares as follows: 200,000 shares upon signature and 600,000 shares on the first anniversary date; and
- By incurring a total of \$US750,000 in exploration expenditures over the first year.

Somika retained a 3% Net Smelter Return (the "NSR") and 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 for 1.5% of the NSR held by Somika.

During Q1 2009, SearchGold entered into an initial agreement with Swala on Arae-Gassel whereby Swala could acquire an interest of up to 65% in the Arae-Gassel property over five years. On July 6, 2010 SearchGold announced a transaction with Swala whereby Swala purchased the remaining 60% interest in Arae-Gassel for 4,572,806 common shares of Swala, or 10% of its issued and outstanding capital at the time of the transaction. These shares have being issued at a deemed price of \$0.31 each.

Arae-Gassel geological history

The Arae-Gassel property is directly adjoining on its southern boundary Avocet Mining's Belahouro property, host of the 1.8 million ounce Inata gold deposit (P+P Mineral Reserves of 16.3 million tonnes @ 2.06 g/t Au for 1,081,500 ounces of gold contained in M+I+I Mineral Resources of 34.2 million tonnes @ 1.67 g/t Au for 1,837,900 ounces of gold). Mineralization at Inata is hosted in a northeast trending shear zone which extends onto the Arae-Gassel property.

In late June 2009, Avocet completed the recommended, share for share, acquisition of Wega Mining ASA ('Wega'). The main asset of Wega was the 90% owned Inata gold mine ('Inata') in northern Burkina Faso. Gold production commenced at Inata in December 2009. A successful ramp up to design capacity meant that gold production reached its target rate of over 10,000 ounces per month in May 2010; ahead of forecast. By the end of the third quarter, the plant had demonstrated its ability to run for extended periods at mill throughput rates in excess of the design capacity of 287 tonnes per hour. Inata remains on track to produce over 120,000 ounces in 2010.

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 with 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)

Q1 2011 Arae-Gassel Operational Update

Xcalibur carried out a high-resolution airborne geophysical survey over the property during January and February 2011. 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 is currently underway 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.

A RAB drilling programme of 15,000 metres is scheduled to commence at the end of April 2011 after a full analysis and interpretation of the airborne magnetic data and sampling is concluded. Four anomalous areas have been identified from previous mapping, sampling and drilling programmes. Additional data from the airborne geophysical survey and the current soil geochemical sampling programmes will also assist in defining mineralisation trends and new anomalous areas for drilling. The drilling will be a combination of angled holes drilled across the strike of the mineralisation and short vertical holes designed to sample the saprolite layer at shallow depths.

Swala focus for 2011 / Arae-Gassel project

The Arae-Gassel Project is directly adjoining to the north Avocet's 1.8 million ounce Inata gold deposit in a highly prospective rock sequence and Swala's initial results have been extremely conclusive. Swala intends on developing the project very aggressively this year, both on the exploration and resource definition fronts. With 21% of West Africa's total greenstone belt exposure, Burkina Faso provides a world-class geological environment for gold discoveries as demonstrated by the pace of recent discoveries which are being announced every six months. Swala, being part of this rapidly developing region, looks forward to a very promising future.

In early 2011 Swala raised \$4,100,000 at a price of C\$0.35 per share by way of private placement. In addition, Swala has advanced its listing process with the identification of a suitable TSX Venture listed shell.

Latest developments

The following latest developments are reported since the end of Q1 2011.

Finance and listing of Swala

Swala's application to the TSX Venture Exchange remains scheduled for September or October of 2011.

Mr. John Turner and Mr. Peter Jones have accepted to join Swala's Board of Directors. They both bring a wealth of experience to Swala; John Turner being the Leader of Fasken Martineau's Global Mining Group while Peter Jones has served as President and CEO of Hudson Bay Mining and Smelting, President and COO of Inco, and until recently, CEO of Iamgold.

Swala has retained the services of Dundee Securities to lead their planned Initial Public Offering ("IPO") in Canada while Haywood Securities and Jennings Capital have been selected to join the syndicate for the IPO offering.

Arae-Gassel project / Burkina Faso

The money raised by Swala in early 2011 was immediately put to use on the Arae-Gassel project in Burkina Faso.

Airborne magnetic surveys were completed and Swala is now well into a 15,000 metre drilling program which is due to end in mid July, the purpose of which is to investigate new areas of mineralization. Swala's focus at this stage is not to delineate a resource yet but rather ensure that proper targeting and prioritising is achieved.

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.

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. All of the samples have been submitted to the ALS laboratory in Ouagadougou. The mining rush to Burkina Faso has been significant, and the demand on drilling rigs and laboratory much greater than normal. As a result sample analysis backlogs at this laboratory are about one month and the last sample results are expected before the end of June. The "auger" geochemical sampling programme has been rescheduled to take place in September this year after the rainy season.

A RAB drilling programme of 15,000 metres is in progress. The purpose of this programme is to test 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 kms 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. The first of these, "Ariel", has been completed and the drill is now in operation on the "Gassel-Haïssa" target. These samples are also being consigned to the ALS laboratory in batches and the first results should be available mid-July.

SearchGold holds 4.5 million shares of Swala Resources plc. Please see: www.swalaresources.com for additional information.

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 million 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.

Q1 2011 Strategic and Operational Update

- Stellar to focus on the development of its kimberlite diamond projects,
- Bomboko sale realises record average price of \$201/ct,
- Mandala diamond production of 10,264 carats in Q4 2010, average grade of 16 cpht,

- 10,048 carats sold in February realising \$361,500.

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.

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.

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.

Stellar focus for 2011 / 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.

Latest developments

The following latest developments are reported since the end of Q1 2011.

Further Encouraging Results were reported from Droujba Kimberlite Pipe in Guinea:

- 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 222m from surface and remains open at depth,
- New blind discovery associated with geophysical anomaly intersected to southeast and west of main pipe,
- 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,
- 3,000m Phase-2 drilling programme underway at Droujba with 10 holes planned and Resource definition drill programme continuing.

High Grade Diamond Bulk Sampling Results were reported at Tongo Kimberlite, Sierra Leone

- 66 tonnes processed for an in-situ grade of 109 cpht,
- 90% of diamonds classified as gem quality,

- Historic diamond valuations indicate Tongo Dyke 1 ore has 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.

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

- Past producing high grade Au-Ag Berens River Mine to be redeveloped,
- NI 43-101 compliant resources on Pistol Lake (150,699 oz Au Inferred Resources*),
- 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*

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

As the price of gold keeps firming, the year 2010 has fully validated the Golden Share's strategy to develop a vibrant portfolio of resource and blue-sky projects in Northern Quebec and Ontario, two of the world's best mining jurisdictions. Recent political turmoil in the Middle East has once again confirmed the validity of a business plan focussed on developing mining projects in a politically stable mining jurisdiction.

The year 2010 was highlighted by the finalization of a resource calculation on the Pistol Lake Property. This is the second property on which Golden Share announces NI 43-101 standard resources. Significant achievements have accelerated towards the end of the year with first the acquisition of the Berens River Property in the Red Lake district of Northwestern Ontario, host to the past producing Berens River Mine which was operated by a subsidiary of Newmont Mining from 1939 to 1948 and produced notably 158,000 ounces of gold and 5.8 million ounces of silver. Moreover, the share price appreciation of the last quarter has also allowed Golden Share to close a \$ 1.7 million financing. Drill target definition commenced immediately thereafter through first pass surface evaluation and historical information compilation on Berens River, detailed IP surveys on Elwood and Forsan and a structural study on Malartic Lakeshore. Golden Share's follow-up diamond drilling program on Malartic Lakeshore is due to start by the end of April 2011.

Q1 2011 Strategic and Operational Update

Highlights

- Appointment of Mr. Anthony Frizelle and Dr. K. Sethu Raman as Strategic Advisors to the Company,
- Signature of option agreement to acquire a 100% interest in the Conacher gold property located in the Shebandowan belt of northwestern Ontario,
- Signature of a letter of intent to acquire Lake Shore Gold Corp.'s 100% interest in the Band Ore gold property located in the Shebandowan belt of northwestern Ontario,
- Closing of a \$3,400,000 financing with Dundee Corporation and Libra Advisors.

Appointment to Advisory board

The nomination of Mr. Frizelle and Mr. Raman to the Advisory Board of Golden Share is an extremely important development as their remarkable financial and technical track record with junior companies has earned them a much respected position in the mining industry. Their experience and contacts will prove extremely valuable for the strategic development of the Company and their acceptance of this mandate further underpins the quality of Golden Share's property portfolio and management.

Mr. Frizelle was the Founder and Managing Director of Merchant Banks, Resource Management & Finance Company Ltd. and RMF (UK) Ltd. Following a 20 year career spanning key management positions including the major international mining group Anglo American and Managing Director of Trade and Structured Finance at Philipp Brothers Inc./Salomon Inc., Mr. Frizelle founded, listed and promoted 11 junior mining companies including Mutual Resources, Golden Knight Resources, Jubilee Platinum plc, Nu Energy Corporation and Pan African Resources. In the process, these companies and their successors raised in excess of \$750 million dollars of capital and lucrative exit strategies were implemented for early stage investors.

Dr. Raman is a professional geologist with over 40 years of international experience in all phases of exploration, mine development, acquisitions and operations including financial and legal areas. He spent 13 years with Campbell Chibougamau Mines, Campbell Resources and Royex Gold Group (now Barrick Gold) in various management positions including Vice President (1980-86) where he played a key role in the discovery and development of six operating gold mines. Dr. Raman was particularly instrumental in the resurgence of the West Timmins camp where he discovered the Timmins Gold Deposit for which he later negotiated a business combination with Lake Shore Gold Corporation. Dr. Raman is currently a director of Red Crescent Resources Limited, Moneta Porcupine Mines and Altai Resources Inc.

Signature of option agreement on Conacher gold property

The Conacher property is situated approximately 70 km west of Thunder Bay, is accessible by road and located in the Shebandowan greenstone belt on northwestern Ontario. The property ties in both Golden Share's Pistol Lake and Lake Shore Gold Corp.'s Band Ore properties in one cohesive land package.

The most systematic work completed on the Conacher property was performed by Noranda Exploration in the early 1980's and a follow-up drilling program by North Coast Industries was executed towards the end of the decade. The property has been unexplored since that period.

A geological context similar to the Pistol Lake property has been recognized on the Conacher property where a mafic to intermediate Archean metavolcanic sequence has been intruded by felsic intrusives displaying shearing and alteration. The property also straddles the contact between the volcanic sequence and the synvolcanic Shebandowan Felsic Intrusive Complex which bears similarities to other prolific synvolcanic gold bearing complexes such as the

Bourlamaque batholith and the Kirkland Lake stock of the Val d'Or and Kirkland Lake mining camps.

The presence of both lower grade and higher grade mineralization have been demonstrated on the Conacher property with historic diamond drilling returning 0.93 g/t Au over 12 m and 12.09 g/t Au over 4.03 m. These intercepts were obtained in close association with sheared and altered felsic intrusives.

Signature of letter of intent with Lake Shore Gold Corp.

Golden Share signed a letter of intent dated March 25th, 2011 (the "LOI") to acquire Lake Shore Gold Corp.'s 100% interest in the Band Ore gold property, located in the Shebandowan belt of northwestern Ontario. Under the terms of the LOI, and if the Band Ore transaction (the "Transaction") is successfully completed, Lake Shore Gold Corp. would in return obtain a 19.99% interest in Golden Share, which may be increased to as much as 30% under certain conditions, and thereby become the Company's single largest shareholder.

Lake Shore Gold Corp.'s Band Ore property is immediately adjacent to Golden Share's recently optioned Conacher property and hosts the Band Ore deposit. Following completion of the Transaction, Golden Share will control an 18 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 (2,857,200 MT @ 1.64 g/t Au at 1.00 g/t Au cut off / NI 43-101 compliant).
- Band Ore deposit : 251,271 oz Au in historical resources within two principal zones (706,000 tonnes at a grade of 6.86 g/t Au* in the Main zone and 616,000 tonnes at a grade of 4.83 g/t Au* in the #4 zone).

**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*

Under the terms of the LOI, Lake Shore Gold Corp. has agreed to sell its 100% interest in the Band Ore property in exchange for a 19.99% ownership interest in Golden Share. The number of shares to be issued to Lake Shore Gold Corp. as a result of the Transaction will be established upon completion of a financing for no less than \$2.5 million from third party investors to be executed by Golden Share following the signing of the LOI. Closing of the Transaction is conditional upon completion of the financing. In addition, Golden Share has agreed to grant Lake Shore Gold Corp. warrants to purchase 50% of the number of shares to be issued pursuant to the Transaction.

The LOI also specifies that Lake Shore Gold Corp. will retain certain rights so long as its interest in Golden Share remains above 9.9%. For a period of five years, Lake Shore Gold will also have the right to increase its shareholding in Golden Share to up to 30% by purchasing additional shares from Golden Share. Lake Shore Gold will also retain a 1% Net Smelter Return Royalty ("NSR") on all minerals produced from the Band Ore property.

This transaction is subject to the negotiation and execution of a definitive agreement as well as to the approval of relevant stock exchanges and other regulatory authorities as necessary.

Closing of a \$3,400,000 private placement

Golden Share closed a \$3,400,000 private placement on April 21st, 2011. Under this private placement, Golden Share has issued a total of 17,000,000 common shares at a price of \$0.20 per share and 17,000,000 warrants, each warrant entitling its holder to purchase one share at a price of \$0.32 per share at any time during the 24-month period from the closing date.

Having Dundee Corporation and Libra Advisors, world recognized resource investors, as key participants to this private placement represents an additional significant milestone for Golden Share. These two institutions provide firm underlying financial support to develop the key gold project in the underexplored Shebandowan greenstone belt of northwestern Ontario which includes the Band Ore property currently the object of an on-going transaction with Lake Shore Gold Corp.

Golden Share focus for 2011 / Shebandowan 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.

Given the emergence of this new gold province and the renewed importance of the Shebandowan project for the Golden Share, important exploration work will be undertaken in by the Company this region. At the end of April 2011, Golden Share closed a \$3,400,000 private placement for the development of the Shebandowan project.

Latest developments

The following latest developments are reported since the end of Q1 2011.

- In May 2011, some additional key terms of the Transaction were established and Golden Share announced it would issue Lake Shore Gold 21,690,000 common shares and 10,845,000 common share purchase warrants, each entitling the holder to acquire one common share of Golden Share at a price of \$0.20 during the 36-month period following its issuance.
- In June 2011, the Company announced the signature of a definitive purchase agreement with Lake Shore Gold and circulated the corporate documentation to seek the approval of the Company's shareholders to at its June 28th Annual General Meeting.
- In early June 2011, the Golden Share team started its Shebandowan summer surface program with a team of 8 geologists assisted by several prospectors. The team is first targeting the Pistol Lake - Band Ore trend to update the geological data base and uncover mineralized showings with an anticipated drilling start-up date in the late summer.

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

4. FINANCIAL INFORMATION

FIRST-TIME ADOPTION OF IFRS

These are the Company's first consolidated interim financial statements prepared in accordance with IFRS. The date of transition to IFRS is January 1, 2010.

The Company's accounting policies presented in Note 4 in accordance with IFRS, have been applied in preparing the consolidated financial statements for the reporting period ended March 31, 2011, the comparative information and the opening consolidated statement of financial position at the date of transition.

The effects of the transition to IFRS on equity, total comprehensive loss and reported cash flows already established are presented in Note 21 and are further explained in the tables that accompany this note.

There has been no impact following the transition to IFRS.

RESULTS:

Net loss for the three-month period ended March 31, 2011 amounts to \$343,139 (\$0.002 per share) compared to a net loss of \$13,599 (\$0.000 per share) for the three-month period ended March 31, 2010.

The variation of \$329,540 between the two periods is due to the following important variations:

Gain of disposal of exploration and evaluation assets

The Company entered into an agreement with Swala Resources PLC ("SWALA"), modified on December 6, 2009, for the development of its Arae-Gassel mining properties. Swala can acquire an interest up to 65%, over a five-year period, at certain conditions, of which the payment of an amount of \$US 150,000. The payment was recognized against mining properties for an amount of \$63,004 and to the net loss for an amount of \$92,457.

Impairment on exploration and evaluation assets

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

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

Expenses recovered

Following the agreement with SWALA Resources PLC (SWALA) on its 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. Fees for \$27,030 were charged for the three-month period ended March 31, 2011 compared to \$27,600 for the same period in 2010.

Share of loss and loss on dilution from equity-accounted investments

SearchGold Resources Inc. has a 3.2% interest in the outstanding shares of Golden Share Mining Corporation. Given that the majority of the directors of both companies are the same, the Company must recognize this interest as an investment in a company subject to significant influence. SearchGold Resources Inc. must therefore present the change in the earnings of Golden Share Mining Corporation according to its share and any dilution gain or loss on its interest when there are capital stock transactions.

During the three-month period ended March 31, 2011, the Company recorded a share in the net loss of Golden Share Mining Corporation of \$6,996 compared to a share in the earnings \$6,404 for the same period in 2010. A loss on dilution of \$688 was recorded for the three-month period ended March 31, 2011 compared to no loss for the same period in 2010.

Available-for-sale-financial assets

To reflect the fair value attributed to Stellar's shares listing on the London Stock Exchange, the Company recognized an impairment loss of \$91,045 in Other comprehensive loss for the three-month period ended March 31, 2011. The Company has reallocated, in profit and loss, an amount of \$64,766 representing the fair value of the 300,000 shares disposed. A gain on disposal of \$15,359 was recognized in profit and loss.

CASH FLOWS AND OUTLOOK:

As at March 31, 2011, the Company had total cash of \$20,652 and a working capital deficiency of \$292,456.

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

The Company is showing signs of weakness at the level of its working capital, notably to cover administrative costs. Since its current share price does not allow the Company to obtain additional financing, it has cut its operating costs until further fund raising can be achieved. The Company is presently looking for a partnership to secure these commitments.

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

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

This inflow of funds will enable the Company to secure its administrative needs and further develop its property.

OUTSTANDING SHARE DATA

As of March 31, 2011, the Company had 148,730,171 shares issued and outstanding with a paid in value of \$17,929,122. A number of 2 700 000 stock options are outstanding.

The authorized share capital of the Company consists of an unlimited number of shares and of which 148,730,171 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.

For the three-month period ended March 31, 2011, the Company paid professional services for a total amount of \$7,488 to its Vice-President Finance.

CHOSEN ANNUAL INFORMATION (IN THOUSAND OF \$)

	December 31, 2010	December 31, 2009	December 31, 2008
Net earnings (net loss)	1,020	(2,592)	(3,319)
Basic net earnings (net loss) per share	0.01	(0.02)	(0.03)
Diluted net earnings (net loss) per share	0.01	(0.02)	(0.03)
Total assets	4,339	3,666	5,865
Long term debt	0	0	0
Dividend per share	N/A	N/A	N/A

As at December 31, 2009, the decrease in total assets of \$2,199,238 is due to an investment impairment of \$2,164,175 taken on Stellar Diamonds Limited interest.

QUARTERLY RESULTS TREND (IN THOUSANDS OF DOLLARS)

	Under IFRS	Under Canadian GAAP before the transition to IFRS							
	2011	2010				2009			
	March	Dec	Sept	June	March	Dec	Sept	June	March
Revenue	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Net loss (net earnings)	\$343	\$184	(\$1,290)	\$73	\$14	\$2,310	\$85	\$130	\$67
Basic and diluted net loss (net earnings) per share	\$0.002	\$0.001	(\$0.009)	\$0.000	\$0.000	\$0.019	\$0.000	\$0.000	\$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 3 to the Annual Financial Statements for the year ended December 31, 2010.

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) Stock-based compensation plan:

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. In the absence of its own share history, the Company used the share volatility of three companies with comparable activities and estimated the probable life of stock options and warrants granted and the time of exercise of those stock options and warrants. The model used by the Company is the Black-Scholes valuation model.

2) Impairment of property and equipment, exploration equipment and exploration and evaluation assets:

Determining if there are any facts and circumstances indicating impairment loss 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 during the period 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 considerable 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.

3) Deferred taxes

The assessment of availability of future taxable profits involves judgment. A deferred tax asset is recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

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 financial statements and any information included in this quarterly report.

The financial statements were prepared compliant to the Canadian generally accepted accounting principles. 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 quarterly report complies with the financial statements.

The management of SearchGold Resources Inc.