(A Development Stage Company)

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three Month Period Ended March 31, 2011

Management Discussion & Analysis of Operating Results and Financial Condition for the period Ended March 31, 2011

The following discussion and analysis should be read in conjunction with the interim consolidated financial statements and notes of Grenville Gold Corp. for the period ended March 31, 2011 accompanying this report. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional information relating to the Company and other regulatory filings can be found on the SEDAR website at www.sedar.com.

This MD&A is dated May 27, 2011.

Forward-Looking Statements

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, believe”, used by any of the Company’s management, are intended to identify forward-looking statements. Such statements reflect the Company’s “forecast”, “estimate”, “expectation” and similar expressions, as they relate to the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results,
performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

OVERVIEW

Grenville Gold Corp. (the "Company" or "Grenville") is a junior natural resource issuer dedicated to developing a sustainable and profitable business by progressively procuring and developing mineral properties in South America.

Grenville was incorporated under the laws of Ontario and on June 19, 2009, the Company completed a continuance of business from Ontario to British Columbia. The Company's principal business is the acquisition, exploration and development of mineral properties. Grenville carries on mineral exploration projects in Peru.

The Company has two main mineral properties, the Silveria property and the Espanola property, both located in Peru. Early assay results show evidence of silver, gold, copper, zinc and lead on the properties, and have encouraged the Company to continue exploration efforts. Market prices for some of these commodities have improved recently and are at or near new highs, in comparison to historical prices.

The Company is a reporting venture issuer in Ontario, British Columbia and Alberta and is listed on the TSX Venture Exchange under the symbol "GVG", the Frankfurt Stock Exchange in Germany under the symbol "F9I", and pink sheets in the United States under the symbol "GVLGF".

Operating Activities

Full particulars of all projects can be found in the Company's public disclosure documents on SEDAR, the electronic data base at www.sedar.com.

Expenditures incurred on mineral properties were as follows:

	Dec. 31 2010	**Expenditures**	**Acquisition**	**Write down**	**May 31, 2011**
Silveria property, Peru	$	$	$	$	$
Acquisition	2,556,950	-	-	-	2,556,950
Exploration	996,571	57,640	-	-	1,054,211
Espanola property, Peru					
Acquisition	457,502	-	-	-	457,502
Exploration	110,377	25,030	-	-	135,407
	4,121,400	82,670	-		4,204,070

	Dec. 31 2009	**Expenditures**	**Acquisition**	**Write down**	**Dec. 31, 2010**
Silveria property, Peru	$	$	$	$	$
Acquisition	2,556,950	-	-	-	**2,556,950**
Exploration	1,453,613	20,848	-	-	**1,474,461**
JV cost recovery	(477,890)	-	-	-	**(477,890)**
Espanola property, Peru					
Acquisition	457,502	-	-	-	**457,502**
Exploration	89,874	20,503	-	-	**110,377**
	4,121,400	41,351	-	-	**4,121,400**

In 2011 the additions to the mineral properties were for geological consulting. The $57,640 was paid to a third party to secure the analysis and reports performed for a previous owner. In 2010 the expenditures were the claim fees required to maintain the Company's licenses in good standings.

Peru

Agreement for Minera Grenville S.A.C. (Formerly IMA)

To acquire all the Peruvian properties that Grenville had outlined for acquisition, in a manner consistent with Peruvian laws and tax structuring goals, it was determined in

December 2006 that IMA would be the Peruvian subsidiary into which all existing

Grenville properties would be transferred. These properties included the Rosa Maria/La Espanola, the Chorobal, and the Silveria Properties.

As a result, all properties previously announced before the ratification of an Amended Share Purchase Agreement on March 13, 2007 were acquired directly by IMA on behalf of Grenville, as the Company's operating Peruvian subsidiary. The restructured purchase of IMA, by way of the Amended Share Purchase Agreement, was approved by the TSX Venture Exchange on June 1, 2007. IMA has since been re-named Minera Grenville S.A.C. ("MG")

In 2008, the Company converted US$2,731,944 of debt into common shares of Minera Grenville S.A.C. resulting in increasing their ownership from 90% to 99.998%, and transferred the Espanola concessions into a 100% owned new Peruvian Company called Minera Espanola S.A.C.

Silveria Group of Properties

On January 17, 2007, through its proposed Peruvian subsidiary, IMA, the Company announced that it had acquired the past producing Pacococha and Milotingo Mines in the San Mateo Mining District, Province of Huarochiri, Department of Lima, Peru.

On January 18, 2007, Grenville announced the acquisition of two additional past-producing mines – the Silveria and Germania Mines, bringing the total land base of all four mines to 1650 hectares. All four of these mines were acquired directly from the Ministerio de Energia Y Minas Peru, which is the government arm responsible for mining development in Peru. The various mines and mineral concessions were amalgamated to form the Silveria Group of Properties ("Silveria").

In preparation for the production of a NI 43-101 technical report, the Company contracted Horizons South America to complete ground surveying and to provide the Company with aerial views of the property and develop topographic maps covering approximately 28 square kilometers of the Silveria and surrounding area.

Knight Piesold Ltd. was retained to conduct an interim environmental scoping study on the Silveria Property. The study involved mine site inspection, examination of waste rock dumps, and tailings dams, and making recommendations regarding the location of a new tailings facility, location of a new waste rock dump, and opinions on the reprocessing of existing tailings dams.

On July 17, 2007, Grenville announced a surface rights agreement with the Communidad De Viso (Community of Viso) covering 3,933 hectares in the area of Grenville‟s mineral claims. This land encompasses the Pacococha, Millotingo, Silveria

and Germania and captures the surface rights of the underlying mineral rights to Grenville‟s current operations on Silveria.

On July 19, 2007, Grenville acquired an additional 31 mineral concessions, comprised of 620 Hectares from various mineral title owners in the Silveria region, bringing the total mineral concessions comprising the Silveria Property to 6,122 Hectares. Of these 31 concessions, 11 concessions we owned by Sociedad Minera de Responsabilidad

Limitada Bella Rubia ("Bella Rubia"). Bella Rubia has held permits for blasting and mining in the Silveria region which are currently in the process of being renewed.

Grenville retained the services of MineFill Services Inc. to complete an independent National Instrument 43-101 Technical Report (the "Report") on the amalgamated Silveria Property and on August 28, 2007 the report on the Silveria Property was disseminated to the public. The contents of the Silveria Report can be found in its entirety on www.sedar.com.

On September 16, 2009 Grenville entered into a letter of intent (LOI) with Compania Minera Sunicancha S.A.C. to purchase 100% of 13 claims owned by Minera Sunicancha S.A.C. totaling 1,250 Ha. The purchase price is US $2,000,000. The Company paid US$25,000 upon signing the LOI. The Company had not paid the US$2,000,000 by December 27, 2009 and the US$25,000 payment was written off in 2009.

The Company continues to seek agreements with mineral concession owners in the immediate vicinity of the Silveria project.

Sliveria Joint Venture

On December 13, 2007, the Company signed a letter of intent, amended March 17, 2008, and September 26, 2008 to form a joint venture with Journey Resources ("Journey").

The Joint Venture was terminated in November 2008, due to Journey's default to fund the amounts required per the agreement.

Espanola and Rosa Maria Properties

On July 20, 2006, through its proposed Peruvian subsidiary, IMA, the Company entered into letters of intent to acquire up to 95% of the mineral rights over a contiguous six kilometer parcel of land located 100 km southeast of the city of Lima in the Province of Canete, Peru.

On April 23, 2007, the Company filed a National Instrument 43-101 Technical Report authored by Luc Pigeon, P.Eng. on the amalgamated La Espanola/Rosa Maria Properties, hereinafter referred to as the "Espanola Property." The report can be found in entirety on www.sedar.com.

On May 16, 2007, the Company announced it had completed additional underground sampling on the Espanola Property, further details of which can be found in the news release dated May 16, 2007, on www.sedar.com. In 2008 the Company made no expenditures on this property.

In February 2009, through its subsidiary, Minera Espanola S.A.C., the Company entered into a joint venture agreement with American Silver Compania Minera S.A.C., a Peruvian company, to mine copper on its 400 Ha of its 7,129 Ha Espanola property. Minera Espanola will be paid 7% of American Silver's mining revenue from mining activities on these claims. This joint venture was terminated in November 2009.

Results of Exploration Activities - Operations

The results of operations reflect the overhead costs incurred for mineral property acquisitions and expenses incurred by the Company to maintain the properties in good standing with the Peruvian authorities and to provide an administrative infrastructure to manage the acquisition, exploration, and financing activities of the Company. General and administrative costs can be expected to increase or decrease in relation to the changes in activity required as property acquisitions and exploration continues. As at March 31, 2011, the Company has not yet recorded any revenues from its exploration projects.

Business Development

Board of Directors

The current Board of Directors is comprised of Tomas Tough, Brian Thurston, Jack Bal and Sonny Janda. The directors that compose the audit committee are Jack Bal, Brian Thurston and Tomas Tough.

Operating Expenses

Comparative Overall Results

Revenue, net loss, diluted loss per common share, total assets and total long-term liabilities for the year ended December 31, 2010, with the year ended December 31, 2009, and with the year ended December 31, 2008, were as follows:

	December 31, 2010	December 31, 2009	December 31, 2008
Net Profit (Loss)	198,574	(690,418)	(1,898,072)
Net Loss per common share	0.04	(0.14)	(0.55)
Total Assets	4,268,828	4,244,723	4,270,538
Total long term Liabilities	547,595	559,715	602,914

Due to economic conditions, overall business activity in the Company has been at a slower pace in the years 2010 and 2009. Total assets in 2010 were approximately the same as in 2009, lower than 2008 due to disposal of the Chorobal property. The long term liabilities $547,595 (2009 - $559,715 and 2008 - $602,914) is for a future income tax liability. In December 2008, the Company converted debt into shares increasing its ownership in Minera Grenville S.A.C. from 90% to 99.99%.

Management, Administrative, Professional and Consulting Fees

Management and administrative fees, professional fees and consulting fees have decreased in the year ended December 31, 2010, compared to years ended December 31, 2009, and December 31, 2008, as follows:

	December 31, 2010	December 31, 2009	December 31, 2008
Mgmt. & Admin. Fees	117,221	134,927	294,025
Professional Fes	50,934	89,614	174,076
Consulting Fees	21,109	114,300	33,547

Total management and administrative fees, professional fees and consulting fees decreased in the year ended December 31, 2010, compared to the years ended December 31, 2009 and December 31, 2008, due to economic conditions resulting in reduced activity.

Investor Relations, Transfer Agent and Filing Fees

	December 31, 2010	December 31, 2009	December 31, 2008
Investor Relations	9,683	167,899	267,078
Transfer and filing fees	25,782	22,330	78,884

The Company reduced its investor relations campaigns and the use of independent investor relations personnel for the year ended December 31, 2010. This reduction resulted in the Company saving $158,216 for the year ended December 31, 2010,

compared to the year ended December 31, 2009 and a savings of $257,395 compared to the year ended December 31, 2008. Transfer agent and filing fees increased only $3,452. for the year ended December 31, 2010 compared to the year ended December 31, 2009 and were reduced by $56,554 for the year ended December 31, 2008.

Liquidity and Capital Resources

The Company's cash balance as at March 31, 2011 was $661,741 (March 31, 2010 - $14,668) and the working capital surplus was $658,648 (March 31, 2010 - $(619,531)).

The Company's ability to explore and, if warranted, develop further properties will be dependent upon its ability to obtain significant additional financing to ensure a future in mineral property exploration and development. Should the Company not be able to obtain such financing, its ability to participate in the development of further properties may be lost. The Company has limited financial resources, will have limited cash flow from operations, and will be dependent for funds based on its ability to sell its common shares and share purchase warrants, primarily on a private placement basis, pursuant to the policies of the TSX Venture Exchange. Uncertainty relating to these events and conditions cast significant doubt on the Company's ability to continue as a going concern

There can be no assurance that the Company will be able to engage in such financings in light of factors such as the market demand for its securities, the general state of financial markets and other relevant factors. If such a method of financing is employed by the Company it will result in increased dilution to the existing shareholders each time a private placement is conducted.

The Company has no assurance that additional funding will be available to it for the exploration and development of future projects. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of any projects with the possible loss of such properties.

In the first quarter of 2011, the Company raised additional funds of approximately $1.3 million through the completion of two private placements. The proceeds from those offerings will be used for working capital purposes as well continued exploration of the Company's properties in Peru.

Financing Activities

On January 21, 2011, the Company completed a non-brokered private placement consisting of 4,000,000 units, each unit consisting of one common share at a price of $0.23 and one Common Share purchase warrant exercisable to purchase one additional Common Share at a price of $0.31 for a period of two years from closing of the Private Placement for an aggregate total amount raised of $920,000. A finder's fee of $83,000 was paid in relation to this Private Placement.

On March 25, 2011, the Company completed a second non-brokered private placement consisting of 1,050,000 units, each unit consisting of one common share at a price of $0.40 and one Common Share purchase warrant exercisable to purchase one additional Common Share at a price of $0.47 for a period of three years from closing of the Private Placement for an aggregate total amount raised of $420,000. Units and the warrants were subject to a statutory hold period expiring on June 26, 2011.

Grenville Gold Corporation expects that until it receives substantial revenues from newly acquired mineral assets, it will be required to fund its operating activities from the sale and issuance of equity securities.

Related Party Transactions

During the period ended March 31, 2010, the Company entered into the following transactions with related parties:

Incurred expenses of $22,952 (March 31, 2010 – $58,086) for management and administration costs to directors, and officers.

These transactions were in the normal course of operations and have been recorded at the exchange amount, which is the amount agreed to by the related parties

Off Balance Sheet Arrangements

The Company is not a party to any off balance sheet arrangements or transactions.

Proposed Transactions

Although the Company is not contemplating business transactions other than those disclosed herein, project and transaction reviews are ongoing as part of regular business and the possibility of undertaking new business may arise from time to time.

Stock Based Compensation

There were 900,000 stock options granted to employees, directors and consultants in the period ended March 31, 2010.

The valuation of stock options is a result of the adoption of fair value accounting and the Company uses the Black-Scholes Option Pricing Model to determine the fair value of options granted

Shares Options and Warrants Outstanding

On March 31, 2011, the Company had 10,620,389 common shares outstanding.

Undiluted total common shares outstanding at March 31, 2011 are as follows:

Shares	Category
10,620,389	Common shares without par value

The fully diluted common shares are as follows:

Shares	Category	Expiry Date
500,164	Warrants priced at $1.00	April 23, 2011
353,700	Warrants priced at $1.00	July 27, 2011
148,358	Warrants priced at $1.00	September 8, 2011
4,000,000	Warrants priced at $0.31	January 21, 2013
1,050,000 *	Warrants priced at $0.47	March 25, 2014
11,000	Options priced at $4.00	October 17, 2011
5,000	Options priced at $5.00	January 9,2012
2,500	Options priced at $5.20	February 15, 2012
14,500	Options priced at $6.00	June 4, 2012
13,000	Options priced at $6.00	August 27, 2012
72,000	Options priced at $3.00	January 14, 2013
45,000	Options priced at $1.00	August 8, 2013
45,000	Options priced at $1.00	December 8, 2013
25,000	Options priced at $1.00	April 20, 2014
900,000	Options priced at $0.50	April 20, 2016
7,207,722	Total Warrants and options	
17,828,111	Fully diluted shares outstanding	

* Statutory hold period expiring on June 26, 2011.

If the outstanding warrants and options as at March 31, 2011 were all exercised immediately, this would provide a total of $3,387,222 cash to the Company.

During the period ended March 31, 201 the Company issued, 4,000,000 shares with a two year warrant excisable at $0.31 and 1,050,000 shares with a three year warrant excisable at $0.47.

As of March 31, 2011 the Company fully diluted shares are:

Common shares no par value	10,620,389
Warrants outstanding	6,052,222
Options	1,155,500
Fully diluted shares outstanding	17,828,111

SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and/or generate continued financial support in the form of share issuances. Management is of the opinion that sufficient working capital will be obtained from public share offerings to meet the Company's liabilities and commitments as they come due. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material. These consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada.

The audit committee of the Board of Directors has reviewed the corporate disclosures in this MD&A.

Adoption policies

a. Principles of consolidation

The Company applies consolidation principles to those entities that are subject to control on a basis other than voting interests. A variable interest entity (“VIE”) is defined as any legal structure not controlled by voting equity, but rather by contractual or other financial arrangements. Where the Company is considered the primary beneficiary of a

VIE, consolidation is required. As at December 31, 2010, the Company has determined that it does not have any VIEs which require to be consolidated.

b. Foreign currency translation

The accounts of integrated foreign operations are translated into Canadian dollar equivalents using the temporal method whereby all monetary assets and liabilities are translated at the rate of exchange at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates. Income and expenses are translated at rates approximating those at the transaction dates. Gains and losses are recognized in the statement of operations

c. Mineral properties

The Company capitalizes mineral property acquisition costs on a property-by-property basis. Mineral property acquisition costs include cash consideration and the fair market value of common shares issued for mineral property interests, based on the trading price of the shares at the time the acquisition is closed and shares issued pursuant to the terms of the relevant agreement. Payments relating to a property acquired under and option or joint venture agreement, where such payments are made at the sole discretion of the Company, are recorded in the accounts upon payment. The Company defers exploration expenses relating to mineral properties and areas of geological interest until the properties to which they relate are placed into production, sold or abandoned. These costs will be amortized over the proven reserves available on the related property following commencement of production. Development expenditures incurred subsequent to a development decision, to increase production, or to extend the life of existing production are capitalized. Acquisition costs and deferred development expenditures are amortized over the estimated life of the property, or written off to operations if the property is abandoned, allowed to lapse, or if there is little prospect of further work being carried out by the Company or its option to joint venture partners. The amount presented for mineral property interests represents costs incurred to date and accumulated acquisition costs, less write-downs, and does not necessarily reflect present or future values.

d. Measurement of uncertainties

The preparation of financial statements in accordance with Canadian generally accepted accounting principles (“GAAP”) requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of environmental obligations, valuation of mineral properties, valuation of amounts payable, rates for

depletion and amortization and stock-based compensation. Actual results could differ from those estimates. The Company had significant discussions with debtors during the year and as a result certain amounts which had been outstanding previously were settled for less than the carrying value which has resulted in a recovery during the year.

e. Asset retirement obligation

The Company records a liability for legal obligations associated with the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. A liability for an asset retirement obligation is recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made. Furthermore, a corresponding asset retirement cost should be recognized by increasing the carrying amount of the related long-lived asset. The asset retirement cost is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated future value. The Company has no asset retirement obligation at March 31, 2011 (2010 - $Nil).

f. Equipment and machinery

Equipment and machinery are carried at cost less accumulated amortization. Amortization is calculated using a rate of 20% per year for office equipment

g. Future income taxes

The Company follows the asset and liability method of accounting for income taxes whereby future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the substantively enacted tax rates expected to be in effect when the temporary differences are likely to reverse. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized

h. Share issue costs

Professional, consulting and regulatory fees as well as other costs that are directly attributable to financing transactions are deferred until such time as the transactions are completed. Share issue costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed are charged to operations.

i. Impairment of long-lived assets

Long-lived value assets are assessed for impairment when events and circumstances warrant. The carrying value of a long-lived asset is impaired when the carrying amount exceeds the estimated undiscounted net cash flows from use or disposal. In the event that a long-lived asset is determined to be impaired, the amount by which the carrying value of an impaired long-lived asset exceeds its fair value is charged to earnings.

j. Income (loss) per share

Basic income (loss) per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to calculate diluted income (loss) per share. Diluted loss per share considers the dilutive impact of the exercise of outstanding stock options, warrants and similar instruments as if the events had occurred at the beginning of the period or at time of issuance, if later. For the period ended March 31, 2011, and the period ended March 31, 2010, this calculation was not presented separately as the effect of outstanding stock options and warrants was anti-dilutive.

k. Financial instruments

Financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are initially measured in the balance sheet at fair value. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost; Held-for-trading financial assets and liabilities are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings. The Company designated financial instruments as follows: cash as held-for-trading, sundry receivables as loans and receivables and accounts payable as other financial liabilities. The Company also designated its marketable securities as available-for-sale investments, which are measured at fair value and any unrealized gains and losses are recognized in other comprehensive income ("OCI") unless the impairment is other than temporary.

l. Stock-based compensation

The Company accounts for stock options using the fair value method. Under the fair value method, options granted to employees and non-employees are charged against income over the period of vesting. The fair value of each option granted is estimated on the date of the grant using the Black-Scholes options pricing model. The Company has a stock-based compensation plan as disclosed in Note 6 whereby stock options are granted in accordance with the policies of regulatory authorities. Any consideration paid by employees and non-employees upon exercise of stock options is credited to share capital. The contributed surplus balance is reduced as the options are exercised and the amount initially recorded is credited to share capital. The effect of forfeitures of stock-based compensation for non-vested options is recorded as an adjustment to stock-based compensation expense in the period the stock-based compensation is forfeited. There is no adjustment made to stock-based compensation expense for forfeitures where the options have vested.

m. Changes in accounting policies

In January 2009, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 1582, Business Combinations ("Section 1582"), 1601, Consolidated Financial Statements ("Section 1601"), and 1602, Non-Controlling Interests ("Section 1602"), which replaced CICA Handbook Sections 1581, Business Combinations, and 1600, Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that are equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 and Sections 1601 and 1602 are applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011 with early adoption of these sections permitted, provided all three sections are adopted at the same time. The Company has adopted these sections effective January 1, 2010. The adoption of these sections did not have a material impact on the Company.

n. Future changes in accounting standards

International Financial Reporting Standards ("IFRS")

As required by IFRS 1 "First-time Adoption of International Financial Reporting Standards", January 1, 2010 has been considered to be the date of transition to IFRS by the Group. Therefore, the comparative figures that were previously reported under previous Canadian GAAP have been restated in accordance with IFRS

Exemptions applied

The Group has applied the following optional transition exemptions to full retrospective application of IFRS:

- IFRS 3 "Business Combinations" has not been applied to acquisitions of subsidiaries or of interests in associates and joint ventures that occurred before January 1, 2010.
- IAS 21 "The Effects of Changes in Foreign Exchange Rates" has not been applied to cumulative translation differences that existed at the date of transition to IFRS. The Group has eliminated the cumulative translation difference and adjusted retained earnings by the same amount at the date of transition to IFRS. If, subsequent to adoption, a foreign operation is disposed of, the translation differences that arose before the date of transition to IFRS will not affect the gain or loss on disposal.
- IFRS 2 "Share-based Payment" The Group has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010, which have been accounted for in accordance with Canadian GAAP.
- IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" has been applied prospectively to all provisions for restoration and environmental obligations that are within the scope of International Financial Reporting Interpretations Committee ("IFRIC") "Changes in Existing Decommissioning, Restoration and Similar Liabilities". The Group has:
    - re-measured the liabilities as at January 1, 2010 in accordance with IAS 37;
    - estimated the amount that would have been included in the cost of the related asset when the liability first arose, by discounting the liability to that date using its best estimate of the historical risk-adjusted discount rates that would have applied for that liability over the intervening period; and
    - calculated the accumulated depreciation on that amount, as at January 1, 2010, on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the entity.
- The Group has applied the transitional provision in IFRIC 4 "Determining whether an Arrangement contains a Lease" and has assessed all arrangements as at January 1, 2010.

Controls and Procedures

The internal controls and procedures of the Company have problems similar to many small venture companies. The size and location of the Company's offices makes the maintenance of desirable internal controls difficult. The Company regularly reviews its

disclosure and procedures; however, it cannot provide an absolute level of assurance because of the inherent limitations in control systems to prevent or detect all misstatements due to error or fraud. Given the size of the Company and the number of staff it has, the Company does not have the resources to monitor and maintain in-depth and up-to-date understanding of all changes to financial and regulatory reporting. The Company reviewed its internal controls and procedures in 2009 to enhance their effectiveness on a cost effective basis.

Due to the limited number of staff, it is not possible to achieve complete segregation of duties, nor does the Company currently maintain written policies and procedures at its international offices. Similarly, the Company must engage accounting assistance with respect to complex, non-routine accounting issues, tax compliance and reporting for its international operations. Notwithstanding these weaknesses, the Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements and that information is timely and accurately disclosed consistent with Canadian securities laws and regulations. Although the identified weaknesses may be considered to increase the risk that a material misstatement in the Company's financial statements would not be prevented or detected, neither has resulted in a material misstatement in the financial statements. At the present time, the Company has no plans to increase the size of its staff, however, the CEO and the CFO oversee all material transactions and related accounting records and the audit committee of the Company reviews with management on a quarterly basis the financial statements of the Company. While management and the board of directors of the Company work to mitigate the risk of a material misstatement in the Company's financing reporting, the Company's control system, no matter how well designed or implemented, can only provide reasonable, but not absolute, assurance of detecting, preventing and deterring errors and fraud.

No material changes in the Company's internal control over financial reporting were identified by management during the most recent interim period.

Environmental Protection and Rehabilitation Costs

Liabilities related to environmental protection and rehabilitation costs are accrued and charged to income when their likelihood of occurrence is established. This includes future removal and site restoration costs as required due to environmental law or contracts.

Quantitative and Qualitative Risks

Credit

The Company has no long-term debt, with accounts payable and accrued liabilities being short-term and non-interest bearing. The Company's credit risk is limited to exploration advances and other receivables. The Company is not exposed to short-term interest rates through the interest earned on cash advances.

Foreign Exchange Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Financial instruments that impact the Company's net earnings due to currency fluctuations include: U.S. dollar denominated cash, exploration advances and other receivables and accounts payable and accrued liabilities. The Company holds certain financial instruments in Peruvian Soles. However, due to the insignificant balances, the Company is exposed to minimal risk in those currencies.

The Company currently only maintains two bank accounts in Canada, one denominated in Canadian dollars and the other denominated in US dollars. Transactions between the accounts are converted from or to US dollars on the date of the transaction and the total of the account balances is adjusted to reflect any gain or loss on foreign exchange at the end of each month.

Hedging, Sales Contracts, Commodity and Derivative Instruments

The Company is not engaged in any commodity price hedging and has no sales contracts, commodity or derivative instruments in place.

Business Risk

Grenville's financial results may be significantly influenced by its business environment. Business risks include, but are not limited to:

- Cost to find, develop, produce and deliver commodities;
- Relationships with any current or potential joint venture partners;
- Satisfactory title to property it has agreed to develop;
- Government regulations; and
- Cost of capital.

Joint Ventures

Grenville has terminated all previous joint ventures.

Uncertainty of Exploration and Development Programs

Mineral exploration involves a high degree of risk and there is no assurance that expenditures made on exploration by the Company will result in discoveries or production of minerals in commercial quantities. It is difficult to project the costs of

implementing an exploratory drilling program due to the inherent uncertainties of drilling unknown formations and the costs associated with encountering various drilling conditions. The long-term success of the Company's mineral programs depends on its ability to find, acquire, develop and commercially produce mineral properties. There is no assurance that the Company will be able to locate satisfactory properties for acquisition or participation. Even if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. Future mineral exploration may involve unprofitable efforts, not only from unsuccessful exploration drilling, but also from deposits that do not produce sufficient net revenues to return a profit after mining, operating and other costs. In addition, mining hazards or environmental damage could greatly increase the costs of operations, and various field operating conditions, such as delays in obtaining any necessary governmental consent or approvals, extreme weather conditions or insufficient transportation capacity, may adversely affect the production from successful mines. Mineral exploration and development activities are also dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities.

Future Acquisitions

Grenville undertakes evaluations of potential opportunities to acquire additional mining assets from time to time. Any resultant acquisitions or joint ventures may be significant in size, may change the scale of Grenville Gold’s business and may expose the Company to new geographic, political, operating, financial and geological risks. Grenville Gold’s success in its growth strategies depends on its ability to identify suitable acquisitions, acquire them on acceptable terms and integrate them successfully into those already in existence. Any future acquisitions would be accompanied by risks, such as changes in commodity prices, reserves proving to be below expectations; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of Grenville Gold’s ongoing business; the inability of management to maximize the financial and strategic position of Grenville Gold through the successful integrations of acquired assets; the maintenance of uniform standards, controls, procedures and policies; the potential unknown liabilities associated with acquired assets and businesses. In addition, Grenville Gold may need additional capital to finance new acquisitions of assets. Equity financing may expose the Company and its existing shareholders to dilution. There can be no assurance that Grenville Gold would be successful in overcoming these risks or any other problems encountered in connection with such acquisition of assets.

Regulatory Risk

The operations of all mineral explorers and producers, are subject to extensive controls and regulations imposed by various levels of government. The Company monitors and adheres to all regulations which could affect its operations and has established standards of operating practice which are designed to minimize risk to our employees, the community and the environment. Changes to regulations could have an adverse effect on the Company's results of operations and financial condition.

Safety and Environmental Risks

Mineral Exploration

The mineral exploration business is subject to extensive regulation pursuant to various state, national and international conventions and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on mine size, mill size and overburden and tailings management. Grenville Gold is committed to meeting its environmental and safety policy that is designed, at minimum to comply with current governmental regulations set for the mineral exploration industry. Changes to government regulations are monitored to ensure compliance. Environmental reviews are completed as part of the due diligence process when evaluating acquisitions and developments

Mitigation of Risks

Directors & Officers

Directors and officers have a duty to exercise due diligence in overseeing the activities of the Company. They are required to act in "good faith" and in the best interest of the Company.

Summary of Quarterly Results

	Q1 - Mar 31, 2011	**Q4 – Dec 31, 2010**	**Q3- Sept 30, 2010**	**Q2- June 30, 2010**
Revenue	-	-	-	-
Gain (Loss)	(478,254)	475,564	(57,695)	(150,763)
Loss per share	(0.07)	0.09	(0.01)	(0.03)

	Q1 - Mar 31, 2011	**Q4 – Dec 31, 2009**	**Q3- Sept 30, 2009**	**Q2- June 30, 2009**
Revenue	-	-	-	-
Gain (Loss)	(68,532)	11,564	(211,265)	(231,425)
Loss per share	(0.01)	(0.00)	(0.00)	(0.00)

First Quarter Results

The period ending March 31, 2011 shows a loss of $(478,254). Most of this can be attributed to $388,737 of stock based compensation. No options were granted during the similar period in 2010.

Management compensation was $20,952 as compared with $58,086 for the period ending March 31, 2010.

Professional fees increased by $21,377 in 2011 when compared with the same quarter in the previous year.

The treasury benefited from two private placements during the quarter receiving $1,237,000, which is net of share issue costs of $83,000.

A sum of $393,182 was used from the new cash to pay off debt settlements which had been accrued in the 2010 audit.

In addition, $82,670 was spent on geological consulting in Peru during the quarter.

Subsequent events

- Management has made modifications to the Company Web site to comply with established standards.
- Management has re-issued stock options at $0.50 that previously been granted at $0.40 to directors, officers and employees of the Company, in accordance with the Company's stock option Plan
- Following the announcement that the Company and Newton Gold Corp have agreed to end the litigation between them, management is now reviewing its options with regards to its Bella Rubia concessions.

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