GUYANA PRECIOUS METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

DECEMBER 31, 2011

Dated: April 13, 2012

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Guyana Precious Metals Inc. (the "Company" or "Guyana") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2011. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2011 and December 31, 2010, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at April 13, 2012, unless otherwise indicated.

On January 1, 2011, Guyana adopted International Financial Reporting Standards ("IFRS"). The consolidated financial statements for the year ended December 31, 2011, have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2011. Readers of this MD&A should refer to "Changes in Accounting Policies" below for a discussion of IFRS and its effect on the Company's financial presentation.

The comparative financial information for 2010 in this MD&A has been restated to conform to IFRS, unless otherwise stated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Guyana common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or from **www.sedar.com**.

Caution Regarding Forward-looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's goal of creating shareholder value by concentrating on the acquisition of properties prospective for precious metals; its ability to meet its operating costs for the twelve-month period ending December 31, 2012; the plans, costs, timing and capital for future exploration and development of the Company's current and future property interests, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; sensitivity analysis on financial instruments that may vary from amounts disclosed; prices and price volatility for precious metals; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, price volatility for precious metals, changes in equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data, the possibility that future exploration results will not be consistent with the Company's expectations, increases in costs, environmental compliance and changes in environmental legislation and regulation, exchange rate fluctuations, changes in economic and political conditions and other risks involved in the mining industry, as well as those risk factors listed in the "Risk Factors" section below. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for the Company's exploration and development activities; operating and exploration and development costs; its ability to retain and attract skilled staff and consultants; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statement, no inference should be drawn that it will make additional updates to those or other forward-looking statements.

Description of Business

The Company is a Canadian based exploration and development company. The principal mineral assets of the Company at the date of this MD&A consist of (i) a 100% interest in the Coppermine River project, located in Nunavut, Canada; (ii) a 100% interest in the Rory Group, located in the Yukon Territory, Canada; (iii) a 100% interest in the RC Group, located in Nunavut, Canada; and (iv) a 100% interest in the Peters property and Aremu property, located in Guyana, South America.

The Company is a reporting issuer in British Columbia, Alberta, and Ontario and trades on the TSX Venture Exchange under the symbol "GPM".

Guyana's goal is to deliver superior returns to shareholders by concentrating on the acquisition of properties prospective for precious metals. The Company plans to do this by focusing on certain properties, as set out below under "Mineral Exploration Properties".

Overall Performance

There were no notable events that occurred during the reporting period other than the following:

- On July 7, 2011, the Company completed the acquisition of Guyana Goldfield Inc.'s ("GGI") 100% interest in the Peters property and Aremu property located in Guyana, South America for US$2,400,000 paid in cash upon closing. In conjunction, the Company acquired a related US$15,000 bond for US$15,000 paid in cash.

- On July 25, 2011, the Company announced that it has received TSX Venture Exchange approval for the consolidation of the Company's issued and outstanding common shares on the basis of one new common share for every two common shares issued and outstanding. The consolidation became effective July 27, 2011.

The Company's focus has been on acquiring key properties in the country of Guyana, South America. Company personnel have evaluated a number of new business opportunities, including both exploration and development properties with potential for hosting commercial deposits containing precious metals. The search for additional projects continues.

Significant uncertainty concerning the short and medium term global economic outlook persists. The Board of Directors and management of Guyana will continue to monitor these developments and their effect on Guyana's business.

As at December 31, 2011, the Company had assets of $6,209,444 and a net equity position of $5,708,397. This compares with assets of $10,190,470 and a net equity position of $9,536,749 at December 31, 2010. The Company has $501,047 of liabilities and no debt (December 31, 2010 – $653,721). The Company expensed $3,106,260 during the year ended December 31, 2011, on exploration and evaluation expenditures (year ended December 31, 2010 - $114,588).

At December 31, 2011, the Company had working capital of $5,161,282, compared to $9,507,303 at December 31, 2010, a decrease of $4,346,021, or approximately 46%. The Company had cash, guaranteed investment certificates ("GICs") and short-term investments of $5,607,798 at December 31, 2011, compared to $10,102,784 at December 31, 2010, a decrease of $4,494,986, or approximately 44%. The decrease in working capital and cash, GICs and short-term investments can be attributed to increased operating costs, primarily reflecting increased support costs for the Company's operations in Guyana and the Company's acquisition of the Peters and Aremu properties.

Trends

The Company is a mineral exploration and development entity, focused on the selection, acquisition, and exploration of mineral properties. Its current focus is to acquire new properties in Guyana prospective for mineralization. The Company's financial success will be dependent upon the extent to which it can make discoveries and on the economic viability of any such discoveries. The development of such assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. To date, the Company has not produced any revenues. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond its control, such as the market value of the commodities produced.

There are significant uncertainties regarding the prices of base and precious metals and the availability of equity financing for the purposes of exploration and development. The future performance of the Company is largely tied to the development of its property interests and other prospective business opportunities and the overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects. Unprecedented uncertainty in the credit markets has also led to increased difficulties in borrowing and raising funds. Companies worldwide have been affected particularly negatively by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of base and precious metal exploration and development, particularly without excessively diluting the interests of existing shareholders. These trends may limit the ability of the Company to develop and/or further explore its current mineral exploration properties and any other property interests that may be acquired in the future. See "Risk Factors" below.

In addition to the risks outlined in this MD&A, Guyana has identified the extreme volatility occurring in the financial markets recently as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Guyana are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for Guyana to access the capital markets in order to raise the capital it will need to fund its current level of expenditures.

Mineral Exploration Properties

The Company's exploration activities are at an early stage, and it has not yet been determined whether its properties contain an economic mineral reserve. There are no known deposits of minerals on any of the Company's mineral exploration properties and any activities of the Company thereon will constitute exploratory searches for minerals. See "Risk Factors" below.

(a) Coppermine River Project, Kugluktuk, Nunavut

Ownership interest description

The Company has a 100% interest in mining lease number 2797 located in the Coronation Gulf area, west of the Coppermine River (Coppermine River Property), approximately 60-75 km southwest of Kugluktuk, Nunavut, Canada. The Company intends to retain its ownership rights in the project by making any required payments to retain the property on a care and maintenance basis. For the year ended December 31, 2011, the Company accrued royalty fees on the project of $100,000, (year ended December 31, 2010 - $100,000).

Fiscal 2011 Exploration Program and Results

The Company reinterpreted the airborne geophysics data on the Coppermine River project and the RC Group and identified some targets that need to be investigated. The reinterpretation was done at a cost of $28,500.

During the year ended December 31, 2011, maintenance costs for the project amounted to $14,588 (year ended December 31, 2010 - $14,588).

No other field activities were carried out on this project.

(b) Rory Group, Yukon Territory

Ownership interest description

The Company has a 100% interest in the Rory Group consisting of 265 staked claims located in the Yukon Territory, Canada. The Rory Group is adjacent to the Wellgreen project in the Yukon Territory, Canada. The Rory Group claims are in good standing until 2013.

Fiscal 2011 Exploration Program and Results

Guyana did not carry out any significant further work on the Rory Group during the year ended December 31, 2011.

(c) RC Group, Nunavut

The Company has a 100% interest in the RC Group consisting of 30 staked claims located in Nunavut, Canada. The RC Group claims are in good standing until 2013.

Fiscal 2011 Exploration Program and Results

See "Coppermine River Project, Kugluktuk, Nunavut" under the subheading "Mineral Exploration Properties", above.

(d) Guyana, South America

On July 7, 2011, the Company completed the acquisition of GGI's 100% interest in the Peters property and Aremu property located in Guyana, South America for US$2,400,000 paid in cash upon closing. In conjunction, the Company acquired a related US$15,000 bond for US$15,000 paid in cash.

The Peters property is located approximately 80km west-southwest from Bartica, a town in north-central Guyana in which the Essequibo, Mazaruni, and Cuyuni rivers meet, and approximately 140km southwest of Georgetown, the capital and largest city of Guyana, located in the Demerara-Mahaica region. The Aremu property comprises ten mining permits located about 60km west of Bartica and on the right bank of the Aremu River.

Fiscal 2012 Exploration Program and Results

- The Peters property is undergoing a 10,000-metre exploration program at a budgeted cost of approximately $1.5 million. Mobilization of equipment and manpower is currently underway.

- A proposal for a modular gravity concentration plant for the Peters property has been received and is under review.

- The Company is currently waiting for the approval of a mining license application for the Peters property.

- The Aremu property is undergoing an early exploration type program consisting of soil and rock sampling estimated to cost $110,000.

GGI has agreed to provide established logistical and geological support to Guyana. GGI is a significant shareholder of Guyana and four directors act on both the boards of Guyana and GGI. In addition, the Chief Executive Officer ("CEO") is common to both companies. GGI and Guyana have signed an "area of influence" agreement, which restricts Guyana from participating in property acquisition and development within a defined area of GGI's exploration and development activities in Guyana. In addition, GGI will have a right of first opportunity to acquire advanced stage properties in which there is a defined resource.

Management is looking for and evaluating properties of merit outside the "area of influence" at the date of this MD&A.

Technical Disclosure

The technical disclosure under the heading "Mineral Exploration Properties" has been prepared under the supervision of Alexander Po, P.Geo., and a "qualified person" within the meaning of National Instrument 43-101. Alexander Po is a director of the Company.

Environmental Liabilities

The Company is not aware of any environmental liabilities or obligations associated with its mining interests. The Company is conducting its operations in a manner that is consistent with governing environmental legislation.

Selected Annual Financial Information

The following is selected financial data derived from the audited consolidated financial statements of the Company at December 31, 2011, 2010 and 2009 and for the years ended December 31, 2011, 2010 and 2009.

Description	**Year Ended December 31, 2011 ($) (IFRS)**	**Year Ended December 31, 2010 ($) (IFRS)**	**Year Ended December 31, 2009 ($) (Canadian GAAP) (1)**
Total revenues	nil	nil	nil
Total loss (2)(3)	(4,894,607)	(173,487)	(41,871)
Net loss per common share - basic (4)(5)	(0.06)	(0.00)	(0.00)
Net loss per common share – diluted (4)(5)	(0.06)	(0.00)	(0.00)

Description	**As at December 31, 2011 ($) (IFRS)**	**As at December 31, 2010 ($) (IFRS)**	**As at December 31, 2009 ($) (Canadian GAAP) (1)**
Total assets	6,209,444	10,190,470	3,142,810
Total non-current financial liabilities	nil	nil	nil
Distribution or cash dividends (6)	nil	nil	nil

(1) Canadian GAAP means Canadian generally accepted accounting principles;
(2) Loss from continuing operations attributable to owners of the parent, in total;
(3) Loss attributable to owners of the parent, in total;
(4) Loss from continuing operations attributable to owners of the parent, on a per-share and diluted per share basis;

(5) Loss attributable to owners of the parent, on a per-share and diluted per-share basis; and
(6) Declared per-share for each class of share.

- The net loss for the year ended December 31, 2011, consisted primarily of interest income of $43,184. This was offset by: (i) general and administrative of $1,491,294; (ii) exploration and evaluation expenditures of $3,106,260; and (iii) unrealized loss on short-term investments of $347,410.

- The net loss for the year ended December 31, 2010, consisted primarily of interest income of $24,594 and unrealized gain on short-term investments of $392,700. This was offset by: (i) general and administrative of $463,630; (ii) exploration and evaluation expenditures of $114,588; and (iii) foreign exchange loss of $6,419.

- As the Company has no revenue, its ability to fund its operations is dependent upon its securing financing through the sale of equity or assets. See "Risk Factors" below.

Overall Objective

The Company is a junior mineral exploration company with an experienced management team engaged in the acquisition, exploration and development of properties for the mining of precious metals. Guyana is in the process of exploring its mineral properties and has not yet determined whether these properties contain any economically recoverable mineral reserves. The success of the Company is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete exploration and development of its properties, the selling prices of minerals at the time, if ever, that the Company commences production from its properties, government policies and regulations and future profitable production or proceeds from the disposition of such properties.

Guyana has not discovered economically recoverable mineral reserves. While discovery of ore-bearing structures may result in substantial rewards, it should be noted that few properties that are explored are ultimately developed into producing mines.

The Company may also seek to acquire additional mineral resource properties or companies holding such properties. The Company notes that mineral exploration in general is uncertain and the probability of finding economically recoverable mineral reserves on any one of its early stage prospects is low. However, the probability that one of the many prospects acquired will host economically recoverable mineral reserves is higher. As a result, the Company believes it is able to reduce overall exploration risk by acquiring additional mineral properties. In conducting its search for additional mineral properties, the Company may consider acquiring properties that it considers prospective based on criteria such as the exploration history of the properties, their location, or a combination of these and other factors. Risk factors to be considered in connection with the Company's search for and acquisition of additional mineral properties include the significant expenses required to locate and establish economically recoverable mineral reserves, the fact that expenditures made by the Company may not result in discoveries of economically recoverable mineral reserves, environmental risks, risks associated with land title, the competition faced by the Company and the potential failure of the Company to generate adequate funding for any such acquisitions. See "Risk Factors" below.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company. The Company continues to evaluate properties and corporate entities that it may acquire in the future.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Summary of Quarterly Information

Three Months Ended	Basis Of Preparation	Total Revenue $	Profit or Loss Total $	Profit or Loss Per Share $
December 31, 2011	IFRS	-	(809,561) (1)	(0.01)
September 30, 2011	IFRS	-	(2,706,638) (2)	(0.03)
June 30, 2011	IFRS	-	(718,736) (3)	(0.01)
March 31, 2011	IFRS	-	(659,672) (4)	(0.00)
December 31, 2010	IFRS	-	137,934 (5)	0.00
September 30, 2010	IFRS	-	(72,481) (6)	(0.00)
June 30, 2010	IFRS	-	(81,470) (7)	(0.00)
March 31, 2010	IFRS	-	(157,470) (8)	(0.00)

Notes:

(1) Net loss of $809,561 includes consulting fees of $185,648, administrative and general of $36,394, reporting issuer costs of $3,294, professional fees of $3,154, insurance of $8,064, accounting fees of $15,211, exploration and evaluation expenditures of $419,400 (includes royalties of $25,000), foreign exchange loss of $112,993, unrealized loss on short-term investments of $62,903 and amortization of $39,418. These amounts are offset by interest and other income of $6,371, gain on short-term investments of $31,293 and a recovery of salaries and benefits of $36,979.

(2) Net loss of $2,706,638 includes salaries and benefits of $176,891, consulting fees of $45,000, administrative and general of $29,526, reporting issuer costs of $13,896, professional fees of $20,087, insurance of $7,064, accounting fees of $4,587, exploration and evaluation expenditures of $2,608,022 (includes royalties of $25,000), unrealized loss on short-term investments of $70,798 and amortization of $2,209. These amounts are offset by interest and other income of $8,587, gain on sale of short-term investments of $3,135 and foreign exchange gain of $259,720.

(3) Net loss of $718,736 includes salaries and benefits of $264,125, consulting fees of $45,000, administrative and general of $35,769, reporting issuer costs of $34,815, professional fees of $79,845, insurance of $7,338, accounting fees of $5,962, foreign exchange loss of $10,910, exploration and evaluation expenditures of $53,838 (includes royalties of $25,000), unrealized loss on short-term investments of $187,209 and amortization of $2,208. These amounts are offset by interest and other income of $8,283.

(4) Net loss of $659,672 includes salaries and benefits of $390,597, consulting fees of $36,000, administrative and general of $37,705, reporting issuer costs of $16,220, professional fees of $11,142, insurance of $12,139, accounting fees of $2,800, foreign exchange loss of $119,303, royalties of $25,000, unrealized loss on short-term investments of $26,500 and amortization of $2,209. These amounts are offset by interest and other income of $19,943.

(5) Net income of $137,934 includes an unrealized gain on short-term investments of $304,700 and interest income of $7,050. These amounts were offset by administrative and general expenses of $70,681, consulting fees of $36,000, royalties of $25,000, professional fees of $16,441, accounting fees of $8,699, insurance of $3,085, salaries and benefits of $4,555, reporting issuer costs of $2,824, foreign exchange loss of $3,376 and amortization of $3,155.

(6) Net loss of $72,481 includes salaries and benefits of $13,659, consulting fees of $36,000, exploration and evaluation expenditures of $25,000, professional fees of $24,330, accounting fees of $3,888, insurance of $7,858, amortization of $3,155, administrative and general expenses of $2,083, reporting issuer costs of $933, an unrealized gain of $23,000 from the Company's investment in Prophecy (as defined below), interest income of $17,389, other income of $6,476, and foreign exchange loss of $2,440. Prophecy Coal Corp. ("Prophecy Coal") acquired Northern Platinum Ltd. on September 23, 2010.

(7) Net loss of $81,470 includes salaries and benefits of $20,490, consulting fees of $36,000, property care and maintenance costs of $39,588 for the Coppermine River project, professional fees of $14,536, accounting fees of $3,400, insurance of $7,585, administrative and general expenses of $20,978 and reporting issuer cost of $19,340, offset by interest income of $99, foreign exchange gain of $3,503 and unrealized gain on short-term investments of $80,000.

(8) Net loss of $157,470 includes salaries and benefits of $34,152, consulting fees of $36,000, royalties of $25,000 for the Coppermine River project, professional fees of $10,690, reporting issuer costs of $12,560, accounting fees of $3,356, administrative and general expenses of $5,817, insurance of $7,690, foreign exchange loss of $4,106, interest income of $56 and unrealized loss on short-term investments of $15,000.

Discussion of Operations

The Company has chosen to expense its exploration and evaluation expenditures as incurred instead of capitalizing these costs to the consolidated statement of financial position. The Company has chosen this policy because management has not yet determined that there will be a future benefit from its exploration properties.

Year ended December 31, 2011, compared with year ended December 31, 2010.

Guyana's net loss totaled $4,894,607 for the year ended December 31, 2011, with basic and diluted loss per share of $0.06. This compares with a net loss of $173,487 with basic and diluted loss per share of $0.00 for the year ended December 31, 2010. The increase in net loss of $4,721,120 was principally because:

- Administrative and general expenses increased to $139,394 for the year ended December 31, 2011 (year ended December 31, 2010 - $99,559). Office expense increased by $39,835 due to higher office rental, administrative costs and support costs for Guyana operations.

- Consulting increased to $311,648 for the year ended December 31, 2011 (year ended December 31, 2010 - $144,000). Consulting fees of $120,000 were paid to the CEO (year ended December 31, 2010 - $120,000) and $24,000 to the Chief Financial Officer ("CFO") (year ended December 31, 2010 - $24,000) to maintain the day-to-day operations of the Company. Refer to "Transactions with Related Parties", below. The remaining balance of $167,648 was paid to a service provider for corporate communications. Of this, $35,750 was paid in cash and $131,898 in stock options.

- Salaries and benefits increased to $794,634 for the year ended December 31, 2011 (year ended December 31, 2010 - $72,856). Salaries and benefits increased by $721,778 due to the vesting of options issued in the current and prior periods.

  During the year ended December 31, 2011, 4,675,000 stock options were granted, as follows:

Number of Stock Options Issued	Exercise Price ($)	Expiry date
2,875,000 (1)	0.36	January 28, 2016
250,000 (2)	0.48	April 28, 2016
1,550,000 (3)	0.28	November 7, 2016

(1) On January 28, 2011, the Company granted 2,875,000 options to certain directors, officers and consultants of the Company at a price of $0.36 per share for services rendered. The fair value of the service provided by consultants are not reliably estimable as these services are traditionally transacted in options, making measurement of that service impractical. The fair value of these options at the date of grant of $0.324 was estimated using the Black-Scholes option valuation model with the following assumptions: a five year expected term; 145% expected volatility based on historical trends; risk free interest rate of 2.24% per annum; share price on the date of grant of $0.36; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $931,500. These options, which will vest by 25% upon date of grant and by 25% on each of the 6, 12 and 18 month anniversaries of the date of grant, will expire on January 28, 2016. For the year ended December 31, 2011, the impact on salaries and benefits was $824,232.

(2) On April 28, 2011, the Company granted 250,000 options to a director of the Company at a price of $0.48 per share. The fair value of these options at the date of grant of $0.434 was estimated using the Black-Scholes option valuation model with the following assumptions: a five year expected term; 145% expected volatility based on historical trends; risk free interest rate of 2.61% per annum; share price on the date of grant of $0.48; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $108,500. These options, which will vest by 25% upon date of grant and by 25% on each of the 6, 12 and 18 month anniversaries of the date of grant, will expire on April 28, 2016. For the year ended December 31, 2011, the impact on salaries and benefits was $84,760.

(3) On November 7, 2011, the Company granted 1,550,000 options to a director and consultants of the Company at a price of $0.28 per share for services rendered. The fair value of the service provided by consultants are not reliably estimable as these services are traditionally transacted in options, making measurement of that service impractical. The fair value of these options at the date of grant of $0.2519 was estimated using the Black-Scholes option valuation model with the following assumptions: a five year expected term; a 145% expected volatility based on historical trends; risk free interest rate of 1.5%; share price at the date of grant of $0.28; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $390,445. These options, which will vest by 25% upon date of grant and by 25% on each of the 6, 12 and 18 month anniversaries of the date of grant, will expire on November 7, 2016. For the year ended December 31, 2011, the impact on salaries and benefits and consulting fees was $25,365 and $131,898 respectively.

Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- The expected term: the Company used the expected term of five years, which is the maximum term ascribed to these stock options, for the purposes of calculating their value. The Company chose the maximum term because of historical trends. In addition, it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
- Volatility: the Company used historical information on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options are granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term at the date of grant of the stock options. The risk-free interest rate varies depending on the date of grant of the stock options and their expected term.
- Dividend yield: the Company has not paid dividends in the past because it is in the development stage and has not yet earned any significant income. It does not expect to pay dividends in the foreseeable future because it does not expect to earn significant revenue any time soon. Therefore, a dividend rate of 0% was used for the purpose of valuing the stock options.

In addition, included in salaries and benefits were director fees of $54,000 for the year ended December 31, 2011 (year ended December 31, 2010 - $nil).

- Professional fees increased to $114,228 for the year ended December 31, 2011 (year ended December 31, 2010 - $40,880). Professional fees increased by $73,348 due to higher support costs for property acquisitions in Guyana, South America.

- Interest and other income increased by $18,590 during the year ended December 31, 2011, compared to the year ended December 31, 2010. This increase is due to the Company investing in investment-grade short-term deposit certificates during the year.

- Unrealized loss on short-term investments during the year ended December 31, 2011, was $347,410 (year ended December 31, 2010 – a gain of $392,700). The difference of $740,110 is due to the estimated fair market value of securities of Prophecy Coal and Prophecy Platinum Corp. (together "Prophecy"). Gains or losses will vary depending on the date the estimated fair market value is determined.

- Mineral exploration expenses (acquisition costs, holding costs and royalties) for the year ended December 31, 2011, were $3,106,260 (year ended December 31, 2010 – $114,588). These expenses relate to accrued advance royalty payments, reinterpreting geophysics and holding costs for the Coppermine River project and acquisition and expediting costs for the Peters property and Aremu property.

- Miscellaneous income for the year ended December 31, 2011 decreased by $4,201 compared to the year ended December 31, 2010.

- All other expenses related to general working capital.

Three months ended December 31, 2011, compared with three months ended December 31, 2010.

Guyana's net loss totaled $809,561 for the three months ended December 31, 2011, with basic and diluted loss per share of $0.01. This compares with net income of $137,934 with basic and diluted income per share of $0.00 for the three months ended December 31, 2010. The increase in net loss of $947,495 was principally because:

- Administrative and general expenses decreased to $36,394 for the three months ended December 31, 2011 (three months ended December 31, 2010 - $70,681). Office expense decreased by $34,287 due to lower administration costs.

- Consulting increased to $185,648 for the three months ended December 31, 2011 (three months ended December 31, 2010 - $36,000). Consulting fees of $30,000 were paid to the CEO (three months ended December 31, 2010 - $30,000) and $6,000 to the CFO (three months ended December 31, 2010 - $6,000) to maintain the day-to-day operations of the Company. Refer to "Transactions with Related Parties", below. The remaining balance of $149,648 was paid to a service provider for corporate communications. Of this, $9,000 was paid in cash and the remaining $131,898 in stock options.

- Salaries and benefits decreased by $41,534 for the three months ended December 31, 2011, compared to the three months ended December 31, 2010, due to a write-off of management fees from prior periods of $221,300.

  During the three months ended December 31, 2011, stock-based compensation was $270,643 including $97,865 for the 2,875,000 options granted on January 28, 2011, $15,514 for the 250,000 options granted on April 28, 2011, and $157,264 for the 1,550,000 options granted on November 7, 2011.

  Several variables are used, including the expected term, volatility, risk-free interest rate and dividend yield, when determining the value of stock options using the Black-Scholes valuation model, as described on pages 12 and 13.

  In addition, included in salaries and benefits were director fees of $18,000 for the three months ended December 31, 2011, compared to $nil for the three months ended December 31, 2010.

- Interest and other income decreased by $679 during the three months ended December 31, 2011, compared to the three months ended December 31, 2010.

- Unrealized loss on short-term investments during the three months ended December 31, 2011, was $62,903 (three months ended December 31, 2010 – a gain of $304,700). The difference of $367,603 is due to the estimated fair market value of Prophecy common shares and warrants. Gains or losses will vary depending on the date the estimated fair market value is determined.

- Mineral exploration expenses (holding costs and royalties) for the three months ended December 31, 2011, were $419,400 (three months ended December 31, 2010 – $25,000). These expenses relate to accrued advance royalty payments for the Coppermine River project and expediting costs for the Peters and Aremu properties.

- Miscellaneous income for the three months ended December 31, 2011 increased by $2,275 compared to the three months ended December 31, 2010. This was due to the write-off of a liability which was deemed to have expired.

- All other expenses related to general working capital.

Liquidity and Capital Resources

The activities of the Company, principally the acquisition and exploration of properties prospective for precious metals, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Risk Factors" below.

The Company has no operating revenues and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants and stock options and other financing transactions to maintain its capacity to meet ongoing operating activities. As of December 31, 2011, the Company had 87,147,845 common shares issued and outstanding, 35,000,000 warrants outstanding that would raise $9,100,000 and 8,600,000 options outstanding that would raise $2,957,000 if exercised in full. This is not anticipated in the immediate future. See "Trends" above.

Amounts payable and other liabilities decreased to $501,047 at December 31, 2011, compared to $653,721 at December 31, 2010. Amounts payable and other liabilities were higher on December 31, 2010 compared to December 31, 2011, primarily due to additional accounts payable for costs associated with a financing completed in December 2010. The Company's cash as of December 31, 2011, is sufficient to pay these liabilities.

Cash used in operating activities was $3,634,805 for the year ended December 31, 2011. Operating activities were affected by a net change in non-cash working capital balances of $148,965 because of a decrease in amounts payable and other liabilities of $152,674, and a decrease of accounts receivable and other assets of $3,709. The Company also recorded share-based payments of $1,066,255, amortization of $46,044, unrealized loss on short-term investments of $347,410, a gain on sale of marketable securities of $34,428 and an unrealized foreign exchange gain of $16,514.

Cash used for investing activities for the year ended December 31, 2011, was $528,409 including purchase of property and equipment of $548,458, proceeds from disposition of marketable securities of $34,428, and the acquisition of a US $15,000 (CAD $14,379) bond related to the Company's property acquisitions in Guyana, South America.

Financing activities were $nil for the year ended December 31, 2011. Cash provided by financing activities was $6,942,564 for the year ended December 31, 2010.

The Company's liquidity risk from financial instruments is minimal as excess cash is held in current bank accounts.

The Company's investment in Prophecy as of December 31, 2011, was estimated to be $205,290. The Company could sell its investment in Prophecy to access funds to settle its obligations as they arise. However, management intends to maintain the Company's investment in Prophecy until it becomes advantageous to sell the investment or liquidity concerns necessitate such sale.

On July 7, 2011, the Company completed the acquisition of GGI's 100% interest in the Peters property and Aremu property located in Guyana, South America for US$2,400,000 paid in cash upon closing. In conjunction, the Company acquired a related US$15,000 bond for US$15,000 paid in cash.

The Company's use of cash is currently and is expected to continue to be focused on two principal areas, namely the funding of its general and administrative expenditures and the funding of its investment activities. Investing activities include the cash components of the cost of acquiring and exploring the Company's mineral claims. For the twelve-month period ending December 31, 2012, corporate head office costs are estimated to average less than $250,000 per quarter. The $250,000 covers salaries and benefits, consulting fees, administrative and general, reporting issuer costs, accounting fees, professional fees and insurance. In addition, the Company plans to spend $1.5 million on a 10,000-metre exploration program on the Peters property. Mobilization of equipment and manpower is currently underway. The Company also plans to perform an early exploration type program consisting of soil and rock sampling estimated to cost $110,000 on the Aremu property.

While the Company has no source of revenue, it believes it has sufficient cash resources to meet its administrative overhead and maintain its mineral investments for the next two to three years, depending on future events. In order to meet future expenditures and cover administrative and exploration costs beyond that point, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or under terms favourable to the Company. See "Risk Factors" below.

There are currently no plans for the Company's Canadian properties. The Company's cash at December 31, 2011, is sufficient to fund its operating expenses and its exploration program in Guyana, South America, for the twelve-month period ending December 31, 2012.

Critical Accounting Estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the estimated useful lives and residual value of property and equipment which are included in the consolidated financial statements and the related depreciation included in profit or loss;
- the inputs used in accounting for share based payment transactions and in valuation of warrants included in short-term investments;
- management assumption of no material restoration, rehabilitation and environmental, based on the facts and circumstances that existed during the period; and
- management's position that there is no income tax asset recognized within these consolidated financial statements.

Critical accounting judgments

The categorization of financial assets and liabilities is an accounting policy that requires management to make judgments or assessments.

Management applied judgment in determining the functional currency of the Company as Canadian Dollars.

Transactions with Related Parties

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

(a) Guyana entered into the following transactions with related parties:

	Year ended December 31, 2011 $	Year ended December 31, 2010 $
Marrelli CFO Outsource Syndicate Inc. ("Marrelli") (i)	24,000	24,000
Marrelli Support Services Inc. ("MSSI") (ii)	19,719	19,344
Marrelli Tax Compliance Services Inc. ("MTCS") (iii)	1,500	nil
Bruce Rosenberg (iv)	34,895	9,208
GGI (v)	2,455,640	14,825
DSA Corporate Services Inc. ("DSA") (vi)	6,963	6,630
D & R Filing Corp. ("D & R") (vii)	4,417	4,095
1140301 Ontario Ltd. (viii)	12,000	nil
2260200 Ontario Inc. (viii)	12,000	nil
Lewis Downey Tornosky Lassaline & Timpano (ix)	6,000	nil
Total	**2,577,134**	**78,102**

(i) The CFO of Guyana is the president of Marrelli. Fees related to the CFO function performed.

(ii) The CFO of Guyana is the president of MSSI. Fees related to accounting services provided by MSSI. As at December 31, 2011, MSSI was owed $7,243 (December 31, 2010 - $7,243) and these amounts were included in amounts payable and other liabilities.

(iii) The CFO of Guyana is the president of MTCS. Fees related to tax services provided by MTCS.

(iv) Bruce Rosenberg is a director of Guyana. Fees related to legal services provided by Mr. Rosenberg and director fees.

(v) On July 7, 2011, the Company completed the acquisition of GGI's 100% interest in the Peters property and Aremu property located in Guyana, South America for US$2,400,000 paid in cash upon closing. In conjunction, the Company acquired a related US$15,000 bond for US$15,000 paid in cash. The 2010 balance represents office expenses paid on behalf of Guyana. GGI and Guyana have common management and directors. During the year, the Company transferred $155,000 (2010 – nil) to GGI to be held in trust and used for expenditures on the Peter's property. As at December 31, 2011, a balance of $55,000 was held in trust by GGI and is included in cash and cash equivalents. As at December 31, 2011, amounts payable and other liabilities includes $18,605 (December 31, 2010 - $3,939) payable to GGI.

(vi) The CFO of Guyana is an officer of DSA. Fees related to corporate secretarial services provided by DSA. As at December 31, 2011, DSA was owed $622 (December 31, 2010 - $622) and these amounts were included in amounts payable and other liabilities.

(vii) The CFO of Guyana is an officer of D & R. Fees related to filing services provided by D & R. As at December 31, 2011, D & R was owed $nil (December 30, 2010 - $339) and these amounts were included in amounts payable and other liabilities.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(viii) Director's fees paid to a company controlled by a director of the Company.

(ix) Director's fees paid to a firm at which a director of the Company is a partner.

(b) Remuneration of directors and key management personnel of the Company was as follows:

Salaries and benefits	**Year ended December 31, 2011** **$**	**Year ended December 31, 2010** **$**
Total Salaries and benefits [1]	**174,000**	**120,000**

[1] Salaries and benefits include director fees. The board of directors and select officers do not have employment or services contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services.

Share-based payments	Year ended December 31, 2011 $	Year ended December 31, 2010 $
Patrick Sheridan	143,345	18,455
Alan Ferry	71,672	9,222
Daniel Noone	71,672	9,222
Alexander Po	71,672	9,222
Carmelo Marrelli	35,836	nil
Bruce Rosenberg	71,672	9,222
Douglas Lewis	110,124	Nil
Total	**575,993**	**55,343**

(c) On December 10, 2010, insiders and affiliates of the Corporation subscribed for an aggregate of 10,400,000 Units at $0.10 per Unit for total gross proceeds of $20,800.

Changes in Accounting Policies

Impact of Adopting IFRS on the Company's Accounting Policies

The Company's consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB. Reconciliations, descriptions and explanations of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company are provided in Note 22 "Conversion to IFRS" of the consolidated financial statements. This note also includes reconciliations of equity and comprehensive loss for comparative periods reported under Canadian GAAP with those reported for those periods under IFRS.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

(a) Impairment of (non-financial) assets

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Prior Canadian GAAP required a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There was no impact on the consolidated financial statements.

(b) Decommissioning Liabilities (Asset Retirement Obligations)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while prior Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. There is no impact on the consolidated financial statements.

(c) Exploration and evaluation

On transition to IFRS, the Company elected to expense exploration and evaluation expenditures as incurred. Previously, the Company's Canadian GAAP policy was to capitalize exploration and evaluation expenditures as incurred.

(d) Flow-through shares

On transition to IFRS, the Company elected to follow a policy whereby flow-through proceeds should be allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A flow-through premium liability is recognized for the premium paid by the investors. If flow-through shares are sold at a discount, there is no premium. Any premium liability is reduced with a corresponding increase in deferred income tax recovery in the period of renunciation. A deferred tax liability is recognized in accordance with IAS 12, Income Taxes, for the tax base of the mineral properties less the amount renounced.

Previously, the Company's Canadian GAAP policy was to adopt the recommendations of Emerging Issues Committee 146 with respect to the accounting for flow-through shares. This resulted in the Company reducing the net proceeds of the flow-through share issuance by the future income tax liability of the Company resulting from the renunciation of the exploration and development expenditures in favour of the flow-through share subscribers. This future income tax liability was calculated net of any benefit resulting from unrecorded income tax loss carry forwards and income tax pools in excess of the accounting value available for deduction.

Impact of Adopting IFRS on the Company's Business

The adoption of IFRS has resulted in some changes to Guyana's accounting systems and business processes. However, the impact has been minimal. The Company has not identified any contractual arrangements that are significantly impacted by the adoption of IFRS.

The Company's staff and advisers involved in the preparation of financial statements have been appropriately trained on the relevant aspects of IFRS and the changes to accounting policies.

The Board of Directors and Audit Committee have been regularly updated throughout the Company's IFRS transition process, and are aware of the key aspects of IFRS affecting the Company.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2011. Many are not applicable to, or do not have a significant impact on, the Corporation and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on the Corporation.

(i) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

(ii) IFRS 10 – Consolidated financial statements ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard that identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control consists of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. IFRS 10 is effective for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted.

(iii) IFRS 11 – Joint arrangements ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard that focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(iv) IFRS 12 – Disclosure of interests in other entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard that provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off-balance-sheet vehicles. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(v) IFRS 13 – Fair value measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard that provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRSs. The key points of IFRS 13 are as follows:

- fair value is measured using the price in a principal market for the asset or liability, or in the absence of a principal market, the most advantageous market;
- financial assets and liabilities with offsetting positions in market risks or counterparty credit risks can be measured on the basis of an entity's net risk exposure;
- disclosure regarding the fair value hierarchy has been moved from IFRS 7 to IFRS 13, and further guidance has been added to the determination of classes of assets and liabilities;
- a quantitative sensitivity analysis must be provided for financial instruments measured at fair value;
- a narrative must be provided discussing the sensitivity of fair value measurements categorized under Level 3 of the fair value hierarchy to significant unobservable inputs;
- and information must be provided on an entity's valuation processes for fair value measurements categorized under Level 3 of the fair value hierarchy.

IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(vi) IAS 1 – Presentation of financial statements ("IAS 1") was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

Management of Capital

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserves and deficit, which at December 31, 2011, totaled $5,708,397 (December 31, 2010 - $9,536,749).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2011. The Company is not subject to any external capital requirements.

Financial Instruments

The Company's financial instruments consist of:

	As at December 31, 2011 $	As at December 31, 2010 $	As at January 1, 2010 $
Financial assets:			
Financial assets at FVTPL			
Cash and cash equivalents	5,402,508	9,550,084	2,872,044
Restricted cash	15,255	nil	nil
Short-term investments	205,290	552,700	160,000
Financial liabilities:			
Other financial liabilities			
Amounts payable and other liabilities	501,047	653,721	447,991

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and restricted cash. Cash and cash equivalents and restricted cash are held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2011, the Company had cash and cash equivalents of $5,402,508 (December 31, 2010 - $9,550,084; January 1, 2010 - $2,872,044) to settle current liabilities of $501,047 (December 31, 2010 - $653,721; January 1, 2010 - $447,991). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity prices.

(a) Foreign currency risk

The Company's functional and reporting currency is the Canadian Dollar and major purchases are transacted in Canadian Dollars. As of December 31, 2011, the Company funds certain operations, exploration and administrative expenses in Guyana and Barbados on a cash call basis using US Dollar currency converted from its Canadian Dollar bank accounts held in Canada. The Company maintains US Dollar bank accounts in Canada, Barbados, and Guyana and Guyanese Dollar bank accounts in Guyana. The Company is subject to gains and losses from fluctuations in the US Dollar and Guyanese Dollar against the Canadian Dollar.

(b) Equity price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's investment in the common shares and warrants of Prophecy Coal are subject to fair value fluctuations arising from changes in the equity market.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

(i) The Company holds balances in foreign currencies which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rate against the Canadian Dollar would affect the reported loss and comprehensive loss by approximately $276,000.

(ii) The Company's investment in the common shares of Prophecy Coal is subject to fair value fluctuations (included in 'short-term investments'). As at December 31, 2011, sensitivity to a plus or minus 10% change in the quoted market price of Prophecy Coal common shares, with all other variables held constant, would affect reported loss and comprehensive loss for the year ended December 31, 2011 by approximately $21,000.

(iii) The Company's investment in the warrants of Prophecy Coal (included in 'short-term investments') are subject to fair value fluctuations. As at December 31, 2011, sensitivity to a plus or minus 10% change in the fair value of Prophecy Coal warrants, with all other variables held constant, would not have a material impact on the reported net loss and comprehensive loss.

Outlook

The Company's long-term goal is to develop properties and achieve production on new acquisitions in Guyana, South America. In particular, the Company will attempt to develop the Peters and Aremu properties.

The Company's Canadian properties are under care and maintenance.

There is no guarantee that the Company will discover a viable mineral deposit.

Share Capital

As at the date of this MD&A, the Company had 87,147,845 issued and outstanding common shares.

Warrants outstanding for the Company as at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
35,000,000	December 10, 2012	$0.26
35,000,000		

Stock options outstanding for the Company as at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
1,900,000	May 11, 2012	$0.20
1,850,000	June 24, 2013	$0.50
175,000	August 26, 2013	$0.36
2,875,000	January 28, 2016	$0.36
250,000	April 28, 2016	$0.48
1,550,000	November 7, 2016	$0.28
8,600,000		

Additional Disclosure for Venture Issuers Without Significant Revenue

General and administrative

Detail	Year ended December 31, 2011 $	Year ended December 31, 2010 $
Salaries and benefits	794,634	72,856
Consulting fees	311,648	144,000
Administrative and general	139,394	99,559
Reporting issuer costs	68,225	35,657
Accounting fees	28,560	44,460
Professional fees	114,228	40,880
Insurance	34,605	26,218
Total	**1,491,294**	**463,630**

Exploration and evaluation expenditures

Detail	**Year ended December 31, 2011 $**	**Year ended December 31, 2010 $**
Guyana, South America		
Acquisition costs	2,598,640	nil
Supplies	119,884	nil
General	75,113	nil
Contractors	58,900	nil
Drilling	47,151	nil
Geophysical	35,608	nil
Transportation	14,601	nil
Wages and salaries	9,537	nil
Repairs and maintenance	3,738	nil
	2,963,172	**nil**
Canada		
Exploration activities	28,500	nil
Advance royalty payments	100,000	100,000
Maintenance costs	14,588	14,588
	143,088	**114,588**
Total	**3,106,260**	**114,588**

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below.

Exploration, Development and Operating Risks

Mining and exploration operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which may not be eliminated even with a combination of careful evaluation, experience and knowledge. While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations on prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company on the search and evaluation of precious metals and other minerals will result in discoveries of commercial quantities of ore or other minerals.

Land Title

Although the title to the properties in which the Company holds an interest was reviewed by or on behalf of the Company, no formal title opinions were delivered to the Company and, consequently, no assurances can be given that there are no title defects affecting such properties. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects.

Competition May Hinder Corporate Growth

The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies for the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties or skilled resources on terms it considers acceptable or at all. Consequently, the Company' revenues, operations and financial condition could be materially adversely affected.

Additional Capital

The development and exploration of the Company's properties may require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Company' properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Commodity Prices

The price of the common shares, the Company' financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of gold. Gold prices fluctuate widely and are affected by numerous factors beyond the Company' control such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold has fluctuated widely in recent years, and future serious price declines could cause continued development of the Company' properties to be impracticable. Future production from the Company' properties is dependent on gold prices that are adequate to make these properties economic.

In addition to adversely affecting the Company' reserve and/or resource estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Exchange Rate Fluctuations

Exchange rate fluctuations may affect the costs that the Company incurs in its operations. The appreciation of non-U.S. dollar currencies against the U.S. dollar can increase the cost of gold production in U.S. dollar terms. Most of the Company's expenditures that occur in Guyana are paid in U.S. currency. Accordingly, a strengthened U.S. dollar relative to the Canadian dollar would negatively impact the Company.

Government Regulation

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters.

Exploration may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both the Company's ability to undertake exploration and development activities on present and future properties in the manner contemplated, and its ability to continue to explore, develop and operate those properties in which it has an interest or for which it has obtained exploration and development rights to date.

Although the Company believes that its exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Political Risks

All of the Company' current operations are conducted in Guyana, South America, and as such, are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; and changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political actions cannot be predicted and may adversely affect the Company. Changes, if any, in mining or investment policies or shifts in political attitude in the country of Guyana may adversely affect the Company's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

Labour and Employment Matters

While the Company has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities in whose jurisdictions the Company carries on business. Adverse changes in such legislation may have a material adverse effect on the Company' business, results of operations and financial condition.

Subsidiaries

The Company conducts certain of its operations through its subsidiaries, and holds certain of its assets through its subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the Company and its subsidiaries could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

Market Price of Common Shares

Securities of micro- and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in gold prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company' performance that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning the Company' business may be limited if investment banks with research capabilities do not continue to follow the Company; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the Company's securities to be delisted from the exchange on which they trade, further reducing market liquidity.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company' long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares. The Company has previously completed private placements at prices per share which are from time to time lower than the market price of the common shares. Accordingly, a significant number of shareholders of the Company have an investment profit in the Common Shares that they may seek to liquidate.

Key Executives

The Company is dependent on the services of key executives, including the CEO of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the Company' inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the Canada Business Corporations Act and other applicable laws.

Permitting Matters

The Company's operations are subject to receiving and maintaining permits and licences from appropriate governmental authorities from time to time. Although Guyana currently has all required permits and licences for its operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits and licences for the existing operations or additional permits or licences for all future new operations. Prior to any development on any of its properties, Guyana must receive permits and licences from appropriate governmental authorities. There can be no assurance that Guyana will receive and/or continue to hold all permits and licences necessary to develop or continue operating at any particular property, or that any such licences or permits awarded will not be cancelled pursuant to applicable legislation.

Insurance and Uninsured Risks

Guyana's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Guyana's properties or the properties of others, delays in exploration, development, monetary losses and possible legal liability.

The Company currently maintains director's and officer's liability insurance and general liability insurance in such amounts as it considers to be reasonable. Accordingly, the insurance of the Company does not cover the potential risks associated with a mineral exploration company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production may not be generally available to Guyana or to other companies in the mineral exploration industry on acceptable terms. Guyana might also become subject to liability for pollution or other hazards which may not be insured against or which Guyana may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Guyana to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of Guyana's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Guyana's operations. Environmental hazards may exist on the properties on which Guyana holds interests which are unknown to Guyana at present and which have been caused by previous or existing owners or operators of the properties. Government approvals and permits are currently, and may in the future be required in connection with Guyana's operations. To the extent such approvals are required and not obtained, Guyana may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and/or mineral exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new mineral exploration properties.

Infrastructure

Mineral exploration, processing, development and related activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Guyana's operations, financial condition and results of operations.

No History of Mineral Production

Guyana has never had any interest in mineral producing properties. There is no assurance that commercial quantities of minerals will be discovered at any of the properties of Guyana or any future properties, nor is there any assurance that the exploration programs of Guyana thereon will yield any positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any property of Guyana will ever be brought to a stage where mineral resources can profitably be produced thereon. Factors which may limit the ability of Guyana to produce mineral resources from its properties include, but are not limited to, the price of the mineral resources which are currently being explored for, availability of additional capital and financing and the nature of any mineral deposits.

Contingencies and commitments

Occupancy Lease Agreement

The Company is committed to minimum annual rent payments of $129,639 until the end of the underlying lease on June 30, 2013.