GUYANA PRECIOUS METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THREE AND SIX MONTHS ENDED

JUNE 30, 2011

Dated: August 12, 2011

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 three and six months ended June 30, 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, 2010 and December 31, 2009, as well as the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2011, 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 interim periods presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at August 12, 2011, unless otherwise indicated.

On January 1, 2011, Guyana adopted International Financial Reporting Standards ("IFRS"). The unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2011, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, using accounting policies consistent with IFRS. Accordingly, they do not include all of the information required for full annual financial statements by IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). 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; or (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 June 30, 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 mineral exploration company primarily focused on the acquisition, exploration and development of mineral properties in Canada and Guyana. As of the date of this MD&A, the Company holds: (i) a 100% interest in the right, title and interest in mining lease number 2797 (the "Coppermine River Project"), located in the Coronation Gulf area, west of the Coppermine River, approximately 60-75 km southwest of Kugluktuk, Nunavut, Canada; (ii) a 100% interest in the Rory Group (as defined herein), consisting of 265 staked claims located in the Yukon Territory, Canada; (iii) securities in Prophecy Coal Corp. and Prophecy Platinum Corp. (together "Prophecy"); (iv) a 100% interest in the RC Group consisting of 30 staked claims located in Nunavut; and (v) 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

On July 7, 2011, the Company announced that it has completed an acquisition of Guyana Goldfields Inc.'s ("GGI") 100% interest in the Peters property and Aremu property located in Guyana, South America, and a US$15,000 bond for US$2,415,000 was paid in cash upon closing.

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.

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.

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 June 30, 2011, the Company had assets of $9,452,181 and a net equity position of $8,795,065. This compares with assets of $10,190,471 and a net equity position of $9,536,750 at December 31, 2010. The Company has $657,116 of liabilities and no debt. The Company expensed $53,838 and $78,838, respectively, during the three and six months ended June 30, 2011, on exploration and evaluation expenditures (three and six months ended June 30, 2010 - $39,588 and $64,588, respectively).

At June 30, 2011, the Company had working capital of $8,770,035, compared to $9,507,303 at December 31, 2010, a decrease of $737,268, or approximately 8%. The Company had cash, guaranteed investment certificates ("GICs") and short-term investments of $9,272,234 at June 30, 2011, compared to $10,102,784 at December 31, 2010, a decrease of $830,550, or approximately 8%. 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 search for mineral properties in Guyana, South America.

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 available on terms favourable to the Company. See "Liquidity and Financial Position" below.

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 metal 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.

Mineral Exploration Properties

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; (ii) a 100% interest in the Rory Group; (iii) a 100% interest in the RC Group; and (iv) a 100% interest in the Peters property and Aremu property, all as further described below.

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

Effective August 12, 2002, the Company and Coppercorp Inc., a wholly owned subsidiary of GGI, entered into a definitive option agreement. Under the terms of the option agreement, the Company may earn a 50% interest in Coppercorp's right, title and 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, in consideration for the following:

- payment of $100,000 in cash (paid) and the issue of 3,000,000 common shares (issued) in the capital of the Company in 2002;
- delivery of 3,000,000 common shares (issued) in the capital of the Company on September 12, 2003, subject to receipt of regulatory and shareholders' approval;
- cash payments of $100,000 on September 12, 2003, (paid) and $100,000 on August 12, 2004, (paid); and
- incurring $1,500,000 in exploration expenditures (incurred) over three years.

On April 29, 2005, the Company and Coppercorp entered into an agreement that allows for the Company to acquire the remaining 50% of the Coppermine River project. Terms of the agreement call for the Company to issue to Coppercorp 6,000,000 common shares. Coppercorp would retain a 1.5% net smelter royalty.

On June 26, 2008, Guyana and GGI announced that they had entered into an amended agreement that allows for Guyana to acquire the remaining 50% interest of the Coppermine River project (the "Coppermine agreement"). Guyana had acquired its initial 50% in the Coppermine River project in 2002. Terms of the Coppermine agreement call for Guyana to issue 5,000,000 common shares to Coppercorp. Coppercorp will retain a 1.5% net smelter royalty over the unpatented claims only, and a right of first refusal to participate in future financing of Guyana.

On November 6, 2008, Guyana acquired the remaining 50% interest in the Coppermine River project. Guyana issued 5,000,000 common shares to Coppercorp; the shares were subject to a four-month hold period that expired on March 6, 2009.

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. In addition, during the three and six months ended June 30, 2011, the Company accrued advance royalty fees on the project of $25,000 and $50,000, respectively (three and six months ended June 30, 2010 - $25,000 and $50,000, respectively).

Exploration Program and Results

The Company is in the process of reinterpreting geophysics on the Coppermine River project at a cost of $14,250.

(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.

Exploration Program and Results

Guyana did not carry out any significant further work on the Rory Group during the six months ended June 30, 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.

Exploration Program and Results

Guyana did not carry out any significant further work on the RC Group during the six months ended June 30, 2011.

(d) Guyana, South America

On July 7, 2011, the Company announced that it has completed an acquisition of GGI's100% interest in the Peters property and Aremu property located in Guyana, South America, and a US$15,000 bond for US$2,415,000 was paid in cash upon closing.

There is no assigned budget for the acquired Guyana properties.

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.

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 recoverability of the amounts shown for mineral property interests 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 other than the Peters and Aremu transaction. 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 unaudited condensed interim 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 unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim 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

For quarters ending after January 1, 2010, the quarterly results have been restated to reflect accounting policies consistent with IFRS. Quarterly results for quarters ended before January 1, 2010, have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

Three Months Ended	Accounting Policies	Total Revenue $	Profit or Loss	
			Total $	Per Share $
June 30, 2011	IFRS		(718,736) (1)	(0.01)
March 31, 2011	IFRS	-	(659,672) (2)	(0.00)
December 31, 2010	IFRS	-	137,935 (3)	0.00
September 30, 2010	IFRS	-	(72,481) (4)	(0.00)
June 30, 2010	IFRS	-	(81,470) (5)	(0.00)
March 31, 2010	IFRS	-	(157,470) (6)	(0.00)
December 31, 2009	Canadian GAAP	-	529,263 (7)	0.00
September 30, 2009	Canadian GAAP	-	(116,856) (8)	(0.00)

Notes:

(1) 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 financial assets held at fair value through profit and loss of $187,209 and amortization of $2,208. These amounts are offset by interest and other income of $8,283.

(2) 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 financial assets held at fair value through profit and loss of $26,500 and amortization of $2,209. These amounts are offset by interest and other income of $19,943.

(3) Net income of $137,935 includes an unrealized gain on financial assets held at fair value through profit and loss of $304,700 and interest income of $7,050. These amounts were offset by administrative and general expenses of $70,680, 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.

(4) Net loss of $72,481 includes salaries and benefits of $13,659, consulting fees of $36,000, property care and maintenance costs of $25,000, professional fees of $9,055, accounting fees of $3,888, insurance of $7,858, amortization of $3,155, administrative and general expenses of $17,358, reporting issuer costs of $933, an unrealized gain of $23,000 from the Company's investment in Prophecy, interest income of $17,389, other income of $6,476, and foreign exchange loss of $2,440. Prophecy Coal acquired Northern Platinum Ltd. on September 23, 2010.

(5) 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 $29,811, accounting fees of $ 3,400, insurance of $7,585, administrative and general expenses of $5,703 and reporting issuer cost of $19,340, offset by interest income of $99, foreign exchange gain of $3,503 and unrealized gain on financial assets held at fair value through profit and loss of $80,000.

(6) Net loss of $157,470 includes salaries and benefits of $34,152, consulting fees of $36,000, property care and maintenance costs 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 financial assets held at fair value through profit and loss of $15,000.

(7) Net income of $529,263 includes stock-based compensation of $47,811, property care and maintenance costs of $25,001 for the Coppermine River project, an unrealized loss of $110,000 from a mark to market adjustment using the bid price of Northern on December 31, 2009, and operating expenses related to general working capital purposes. These expenses were offset by interest of $6,121 and a future income tax recovery of $787,490.

(8) Net loss of $116,856 includes stock-based compensation of $75,132, professional fees of $27,176, property care and maintenance costs of $25,000 for the Coppermine River project and operating expenses related to general working capital purposes. These expenses were offset by interest and other income of $4,816 and an unrealized gain of $65,000 from a mark to market adjustment using the bid price of Northern on September 30, 2009.

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.

<u>Six months ended June 30, 2011, compared with six months ended June 30, 2010.</u>

Guyana's net loss totaled $1,378,408 for the six months ended June 30, 2011, with basic and diluted loss per share of $0.02. This compares with a net loss of $238,940 with basic and diluted loss per share of $0.00 for the six months ended June 30, 2010. The increase in net loss of $1,139,468 was principally because:

- Office expense increased to $73,474 for the six months ended June 30, 2011 (six months ended June 30, 2010 - $26,795). Office expense increased by $46,679 due to higher office rental and administrative costs.

- Consulting increased to $89,750 for the six months ended June 30, 2011 (six months ended June 30, 2010 - $72,000). Consulting fees of $60,000 were paid to the CEO (six months ended June 30, 2010 - $60,000) and $12,000 to the Chief Financial Officer ("CFO") (six months ended June 30, 2010 - $12,000) to maintain the day-to-day operations of the Company. Refer to "Transactions with Related Parties", below. The remaining balance of $17,750 was paid to a service provider for corporate communications.

- Salaries and benefits increased to $654,722 for the six months ended June 30, 2011 (six months ended June 30, 2010 - $54,642). Salaries and benefits increased by $600,080 due to the vesting of options issued in the current and prior periods.

  During the six months ended June 30, 2011, 3,125,000 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) 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. 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 six months ended June 30, 2011, the impact on salaries and benefits was $592,478.

(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 six months ended June 30, 2011, the impact on salaries and benefits was $44,245.

(3) 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 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 as at the date of the grant of the stock options. The risk-free interest rate varies depending on the date of the 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. Also,

the Company does not expect to pay dividends in the foreseeable future because it does not expect to bring its mineral properties into production and earn significant revenue any time soon. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

In addition, included in salaries and benefits were director fees of $18,000 for the six months ended June 30, 2011 (six months ended June 30, 2010 - $nil).

- Interest and other income increased by $28,071 during the six months ended June 30, 2011, compared to the six months ended June 30, 2010. This increase is due to the Company investing in investment-grade short-term deposit certificates.

- Unrealized loss on financial assets held at fair value through profit and loss during the six months ended June 30, 2011, was $213,709 (six months ended June 30, 2010 – gain of $65,000). The difference of $278,709 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 six months ended June 30, 2011, were $78,838 (six months ended June 30, 2010 – $64,588). These expenses relate to accrued advance royalty payments, reinterpreting geophysics and holding costs for the Coppermine River project.

- All other expenses related to general working capital.

<u>Three months ended June 30, 2011, compared with three months ended June 30, 2010.</u>

Guyana's net loss totaled $718,736 for the three months ended June 30, 2011, with basic and diluted loss per share of $0.01. This compares with a net loss of $81,470 with basic and diluted loss per share of $0.00 for the six months ended June 30, 2010. The increase in net loss of $637,266 was principally because:

- Office expense increased to $35,769 for the three months ended June 30, 2011 (three months ended June 30, 2010 - $20,978). Office expense increased by $14,791 due to higher office rental and administrative costs.

- Consulting increased to $45,000 for the three months ended June 30, 2011 (three months ended June 30, 2010 - $36,000). Consulting fees of $30,000 were paid to the CEO (three months ended June 30, 2010 - $30,000) and $6,000 to the CFO (six months ended June 30, 2010 - $6,000) to maintain the day-to-day operations of the Company. Refer to "Transactions with Related Parties", below. The remaining balance of $9,000 was paid to a service provider for corporate communications.

- Salaries and benefits increased by $243,635 for the three months ended June 30, 2011, compared to the three months ended June 30, 2010, due to the vesting of options issued in the current and prior periods.

During the three months ended June 30, 2011, there were 250,000 stock options granted, as follows:

Number of Stock Options Issued	Exercise Price ($)	Expiry date
250,000 (1)	0.48	April 28, 2016

(1) 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 three months ended June 30, 2011, the impact on salaries and benefits was $44,245.

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 11 and 12.

In addition, included in salaries and benefits were director fees of $6,000 for the three months ended June 30, 2011, compared to $nil for the three months ended June 30, 2010.

- Interest and other income increased by $8,184 during the three months ended June 30, 2011, compared to the three months ended June 30, 2010. This increase is due to the Company investing in investment-grade short-term deposit certificates.

- Unrealized loss on financial assets held at fair value through profit and loss during the three months ended June 30, 2011, was $187,209 (three months ended June 30, 2010 – gain of $80,000). The difference of $267,209 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 June 30, 2011, were $53,838 (three months ended June 30, 2010 – $39,588). These expenses relate to accrued advance royalty payments, reinterpreting geophysics and holding costs for the Coppermine River project.

- 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 June 30, 2011, the Company had 87,147,845 common shares issued and outstanding, 35,000,000 warrants outstanding that would raise $9,100,000 and 7,050,000 options outstanding that would raise $2,523,000 if exercised in full. This is not anticipated in the immediate future. See "Trends" above.

Accounts payable and accrued liabilities increased to $657,116 at June 30, 2011, compared to $653,721 at December 31, 2010. Accounts payable and accrued liabilities remained relatively stable. The Company's cash as of June 30, 2011, is sufficient to pay these liabilities.

Cash used in operating activities was $486,628 for the six months ended June 30, 2011. Operating activities were affected by a net change in non-cash working capital balances of $93,282 because of an increase in amounts payable and other liabilities of $3,395 and an increase of accounts receivable and other assets of $96,677. The Company also recorded share-based payments of $636,723, amortization of $4,417, unrealized loss on financial assets at fair value through profit and loss of $213,709 and an unrealized foreign exchange loss of $130,213.

Cash used for investing and financing activities was $nil for the six months ended June 30, 2011.

The Company's liquidity risk from financial instruments is minimal as excess cash is invested in investment grade short-term deposit certificates. As of June 30, 2011, excess cash was invested in GICs that amounted to $2,801,645.

The Company's investment in Prophecy as of June 30, 2011, was estimated to be $338,991. The Company could sell 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 these shares or liquidity concerns necessitate such sale.

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 June 30, 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 search for properties of merit in Guyana, South America. There is no assigned budget for this search.

On July 7, 2011, the Company announced that it has completed an acquisition of GGI's 100% interest in the Peters property and Aremu property located in Guyana, South America, and a US$15,000 bond for US$2,415,000 was paid in cash upon closing. A budget is being developed for these properties at the date of this MD&A.

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.

There are currently no plans for the Company's Canadian properties. The Company's cash at June 30, 2011, is sufficient to fund its operating expenses for the twelve-month period ending June 30, 2012.

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:

	Three months ended June 30, 2011 $	Three months ended June 30, 2010 $	Six months ended June 30, 2011 $	Six months ended June 30, 2010 $
Marrelli CFO Outsource Syndicate Inc. ("Marrelli") (i)	6,000	6,000	12,000	12,000
Marrelli Support Services Inc. ("MSSI") (ii)(v)	7,462	3,400	8,762	6,756
Marrelli Tax Compliance Services Inc. ("MTCS") (iii)(v)	nil	nil	1,500	nil
Bruce Rosenberg (iv)	7,523	2,751	12,213	4,478
J. Patrick Sheridan (vi)	30,000	30,000	60,000	60,000
GGI (vii)	nil	2,823	nil	5,624
DSA Corporate Services Inc. ("DSA") (viii)	2,098	nil	3,762	nil
D & R Filing Corp. ("D & R") (ix)	375	nil	375	nil
Total	**53,458**	**44,974**	**98,612**	**88,858**

(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.

(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.

(v) As at June 30, 2011, MSSI was owed $1,243 (December 31, 2010 - $7,243) and these amounts were included in amounts payable and other liabilities.

(vi) CEO fees. As at June 30, 2011, the CEO was owed $21,200 (December 31, 2010 - $30,000), and these amounts were included in amounts payable and other liabilities.

(vii) Office expenses paid on behalf of Guyana. GGI and Guyana have common management and directors. Included in amounts payable and other liabilities is $3,939 (December 31, 2010 - $3,939) payable to GGI.

(viii) The CFO of Guyana is an officer of DSA. Fees related to corporate secretarial services provided by DSA. As at June 30, 2011, DSA was owed $866 (December 31, 2010 - $622) and these amounts were included in amounts payable and other liabilities.

(ix) The CFO of Guyana is an officer of D & R. Fees related to filing services provided by D & R. As at June 30, 2011, D & R was owed $254 (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.

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

Salaries and benefits	**Three months ended June 30, 2011 $**	**Three months ended June 30, 2010 $**	**Six months ended June 30, 2011 $**	**Six months ended June 30, 2010 $**
Alan Ferry	nil	nil	3,000	nil
Daniel Noone	nil	nil	3,000	nil
Alexander Po	3,000	nil	6,000	nil
Bruce Rosenberg	3,000	nil	6,000	nil
Total	**6,000**	**nil**	**18,000**	**nil**

Share-based payments	Three months ended June 30, 2011 $	Three months ended June 30, 2010 $	Six months ended June 30, 2011 $	Six months ended June 30, 2010 $
Patrick Sheridan	37,196	5,187	103,040	13,833
Alan Ferry	18,599	2,594	51,520	6,917
Daniel Noone	18,598	2,593	51,519	6,916
Alexander Po	18,599	2,594	51,520	6,917
Carmelo Marrelli	9,299	nil	25,760	nil
Bruce Rosenberg	18,598	2,594	51,519	6,917
Douglas Lewis	44,245	nil	44,245	Nil
Total	**165,134**	**15,562**	**379,123**	**41,500**

Critical Accounting Estimates

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

- the recoverability of accounts receivable included in the unaudited condensed consolidated interim statements of financial position;
- the recoverability of exploration and evaluation expenditures incurred on the Company's property interests. The Company expenses the exploration and evaluation expenditures in the statements of comprehensive profit or loss;
- the estimated useful lives and residual value of property and equipment included in the unaudited condensed consolidated interim 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 financial assets at fair value through profit or loss;
- management's judgment in determining the functional currency of the Company as Canadian dollars;
- management's assumption of no material restoration, rehabilitation and environmental costs, based on the facts and circumstances that existed during the period; and
- management's position that there is no income tax considerations required within the unaudited condensed consolidated interim financial statements.

Critical accounting judgments

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

Changes in Accounting Policies

Impact of Adopting IFRS on the Company's Accounting Policies

The Company's condensed interim 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 20 "Conversion to IFRS" of the unaudited condensed interim 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 Company has changed certain accounting policies to be consistent with IFRS as it is expected to be effective on December 31, 2011, the Company's first annual IFRS reporting date. The changes to the Company's accounting policies have resulted in certain changes to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements.

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. Current Canadian GAAP requires 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 unaudited condensed consolidated interim financial statements.

(b) Decommissioning Liabilities (Asset Retirement Obligations)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current 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 unaudited condensed consolidated interim 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 the generally accepted method under US GAAP whereby flow-through proceeds are 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 future tax liability is recognized for the premium paid by the investors and is then recognized as a future income tax recovery in the period of renunciation. If flow-through shares are sold at a discount, this policy does not apply and the flow-through shares issued follow applicable IFRS guidance.

Previously, the Company's Canadian GAAP policy was to adopt the recommendations of EIC 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 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, 2010. 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, 2013. IASB has proposed to move the effective date of IFRS 9 to 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 period 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 June 30, 2011, totaled $8,795,065 (December 31, 2010 - $9,536,750).

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 of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three and six months ended June 30, 2011.

The Company is not subject to any external capital requirements.

Financial Instruments

The Company's financial instruments consist of:

	As at June 30, 2011 $	As at December 31, 2010 $	As at January 1, 2010 $
Financial assets:			
Loans and receivables			
Cash and cash equivalents	8,933,243	9,550,084	2,872,044
Financial assets at fair value through profit and loss	338,991	552,700	160,000
Financial liabilities:			
Other financial liabilities			
Amounts payable and other liabilities	657,116	653,721	447,991

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency and commodity 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 accounts receivable. Cash and cash equivalents 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 June 30, 2011, the Company had cash and cash equivalents of $8,933,243 (December 31, 2010 - $9,550,084) to settle current liabilities of $657,116 (December 31, 2010 - $653,721). 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) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As of June 30, 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 and Barbados. The Company is subject to gains and losses from fluctuations in the US dollar.

(c) 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 is 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 six-month period:

(i) Cash and cash equivalents include investment-grade short-term deposit certificates with fixed interest rates. Sensitivity to a plus or minus one percentage point change in interest rates would not have a material impact on the reported net loss and comprehensive loss.

(ii) The Company holds balances in US dollars, which could give rise to foreign exchange risk. Sensitivity to a plus or minus 10% change in the US dollar exchange rate against the Canadian dollar, with all other variables held constant, would affect the reported loss and comprehensive loss for the six months ended June 30, 2011, by approximately $576,000.

(iii) The Company's investment in the common shares of Prophecy is subject to fair value fluctuations (included in 'financial assets at fair value through profit and loss'). As at June 30, 2011, sensitivity to a plus or minus 10% change in the quoted market price of Prophecy common shares, with all other variables held constant, would affect reported loss and comprehensive loss for the six months ended June 30, 2011, by approximately $33,000.

(iv) The Company's investment in the warrants of Prophecy Coal (included in 'financial assets at fair value through profit and loss') is subject to fair value fluctuations. As at June 30, 2011, sensitivity to a plus or minus 10% change in the fair value of Prophecy Coal warrants, with all other variables held constant, would affect reported loss and comprehensive loss for the six months ended June 30, 2011, by approximately $800.

Outlook

The Company's long-term goal is to develop properties and achieve production on new acquisitions in Guyana, South America.

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

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

Subsequent events

(a) On July 7, 2011, the Company announced that it has completed an acquisition of GGI's 100% interest in the Peters property and Aremu property located in Guyana, South America, and a US$15,000 bond for US$2,415,000 was paid in cash upon closing.

(b) 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 share consolidation has been reflected in these condensed interim consolidated financial statements and all applicable references to the number of shares and per share information have been restated.

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
7,050,000		

Additional Disclosure for Venture Issuers Without Significant Revenue

General and administrative

Detail	Three months ended June 30, 2011 $	Three months ended June 30, 2010 $	Six months ended June 30, 2011 $	Six months ended June 30, 2010 $
Salaries and benefits	264,125	20,490	654,722	54,642
Consulting fees	45,000	36,000	89,750	72,000
Administrative and general	35,769	20,978	73,474	26,795
Reporting issuer costs	34,815	19,340	51,035	31,900
Accounting fees	5,962	3,400	8,762	6,756
Professional fees	79,845	14,536	82,237	25,226
Insurance	7,338	7,585	19,477	15,275
Total	**472,854**	**122,329**	**979,457**	**232,594**

Exploration and evaluation expenditures

Detail	Three months ended June 30, 2011 $	Three months ended June 30, 2010 $	Six months ended June 30, 2011 $	Six months ended June 30, 2010 $
Coppermine River project				
Advance royalty	25,000	25,000	50,000	50,000
Lease payments	14,588	14,588	14,588	14,588
Reinterpretation of geophysics	14,250	nil	14,250	nil
Total	**53,838**	**39,588**	**78,838**	**64,588**

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's management's discussion and analysis for the fiscal year ended December 31, 2010, available on SEDAR at **www.sedar.com**. There have been no significant changes to such risk factors since the date thereof.