GoldStandard VENTURES CORP.

Management Discussion and Analysis
For the three and six months ended
June 30, 2011

General

The purpose of this Management Discussion and Analysis ("MD&A") is to explain management's point of view of Gold Standard Ventures Corp.'s (the "Company") past performance and future outlook. This report also provides information to improve the reader's understanding of the financial statements and related notes, and should therefore be read in conjunction with the interim consolidated financial statements of the Company and notes thereto for the quarter ended June 30, 2011. Additional information on the Company is available on SEDAR and at the Company's website, www.goldstandardv.com. The date of this MD&A is August 29, 2011.

Forward Looking Statements

Certain sections of this MD&A may contain forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results. The risks, uncertainties and other factors that could influence actual results are described in the "Risks and Uncertainties" section of this report. The forward looking statements contained herein are based on information available as of August 29, 2011.

Nature of Business

The Company was incorporated on February 6, 2004 under the Business Corporations Act of British Columbia and is listed for trading on the TSX Venture Exchange. On November 18, 2009, the Company consolidated its share capital on the basis of one new common share for every four existing common shares outstanding and changed its name from Devonshire Resources Ltd. to Gold Standard Ventures Corp.

Pursuant to an agreement dated May 26, 2010, on July 13, 2010, the Company acquired 100% of the issued and outstanding shares of JKR Gold Resources Inc. (the "JKR") in exchange for 24,784,571 common shares and 1,410,000 units, with each unit entitling the holder to one common share and one share purchase warrant, of the common stock of the Company. Legally, the Company is the parent of JKR; however, as a result of the share exchange described above, the former shareholders of JKR acquired 89% of the total issued and outstanding shares of the Company, and the control of the combined entity passed to the former shareholders of JKR.

The acquisition has been accounted for as a capital transaction in substance using accounting principles applicable to reverse acquisitions, with JKR being treated as the accounting parent (acquirer) and the Company being treated as the accounting subsidiary (acquiree). The value of the shares on acquisition is based on the fair value of the net assets acquired of $3,141,153 with the net costs for recapitalization in the amount of $163,016 charged to equity.

Nature of Business - *continued*

Prior to the acquisition, the Company had issued 5,564,176 subscription receipts for proceeds of $3,616,715, which were held in escrow and released upon the completion of the acquisition. Upon completion of the acquisition, the Company issued 5,564,176 units comprising of one common share of the Company and one share purchase warrant, entitling the holder to purchase an additional common share at a price of $1.00 for a period of two years. These units along with the 24,784,571 common shares exchanged equal the total shares issued of 30,348,747.

For accounting purposes, JKR is considered to be the continuation of the consolidated entity, with the exception that the authorized and issued capital is that of the legal parent, the Company. Therefore, the interim consolidated statements of financial position as at June 30, 2010 and the interim consolidated statement of comprehensive loss and cash flows for the quarter ended June 30, 2010 are those of JKR and its subsidiaries.

As a result of the acquisition, the Company currently holds a portfolio of projects totalling approximately 30,000 acres of prospective ground within North Central Nevada, US of which 12,545 acres comprise the flagship Railroad Gold Project. In August 2010, the Company acquired an additional mineral project, subject to a 4% net smelter royalty, a 100% interest in the Camp Douglas project consisting of 246 unpatented and 18 patented mineral claims comprising approximately 9,231 acres in the Walker Lane trend in Mineral County, Nevada US.

The Company now focuses on district-scale gold discoveries in Nevada, USA.

Results of Operations

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian ("CDN") dollars unless otherwise indicated. This is the second quarter that IFRS has been adopted and as such, some of the Company's accounting policies have changed and the presentation, financial statement captions and terminology used in this MD&A and the accompanying unaudited interim consolidated financial statements differ from those used in all previously issued financial statements and quarterly and annual reports. The new policies have been consistently applied to all of the years presented in this MD&A and all prior period information has been restated or reclassified for comparative purposes unless otherwise noted. Further details on the conversion to IFRS are provided in this MD&A and in the notes to our unaudited interim consolidated financial statements for the quarter ended June 30, 2011. All information contained in this MD&A is current as of August 29, 2011 unless otherwise stated.

Results of Operations - *continued*

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company's unaudited interim consolidated financial information for the quarter ended June 30, 2011 and 2010:

	2011 $	2010* $
Revenues (interest income)	30,862	-
Total assets	24,965,847	5,439,387
Total liabilities	541,086	855,420
General and administrative expenses	(1,158,849)	(423,348)
Loss and comprehensive loss	(1,127,987)	(423,348)
Basic and diluted loss per common share	(0.02)	(0.02)

*Restated in accordance with IFRS

The Company's projects are at the exploration stage and have not generated any revenues other than interest earned.

At June 30, 2011, the Company had not yet achieved profitable operations and has accumulated losses of $6,145,086 (June 30, 2010 – $1,122,740) since inception. These losses resulted in a net loss per share for the quarter ended June 30, 2011 of $0.02 (June 30, 2010 - $0.02).

Expenses

The operating and administrative expenses for the quarter ended June 30, 2011 totalled $1,158,849 (June 30, 2010: $423,348), including share-based compensation issued during the quarter, valued at $608,630 (June 30, 2010: $nil) calculated using the Black Scholes option pricing model. Comparatively, the major expenses for the quarter ended June 30, 2011 were management fees of $90,000 (June 30, 2010 - $nil), professional fees of $103,677 (June 30, 2010 - $111,558), office expenses of $49,502 (June 30, 2010 - $8,624), consulting fees of $31,200 (June 30, 2010 - $199,404), investor relations of $50,386 (June 30, 2010 - $59,247) and regulatory and shareholder service of $14,311 (June 30, 2010 - $7,529).

<u>Expenses - *continued*</u>

The table below details the changes in major expenditures for the quarter ended June 30, 2011 as compared to the quarter ended June 30, 2010.

Expenses	**Increase / Decrease in Expenses**	**Explanation for Change – Quarter Ended June 30, 2011 as Compared to Quarter Ended June 30, 2010**
Management fees	Increase of $90,000	More activities during the quarter, including financing, acquisition, negotiating of contracts and agreements. More management as a result of the RTO.
Consulting fees	Decrease of $168,204	Full time management took over after the RTO. Fewer activities during the quarter with respect to mineral properties leases, exploring various acquisition opportunities. The Company has also decreased the number of consultants.
Professional fees	Decrease of $7,881	Decrease due to lower legal fees related to potential mineral properties acquisition.
Office expense	Increase of $40,878	Increased administration costs, office supplies and website development. Additional office in Nevada.
Regulatory and shareholders services	Increase of $6,782	Increased level of activity related to the private placements and share issuances.
Investor relations	Decrease of $8,861	More investor relations performed in-house
Travel expense	Increase of $101,929	Increased level of travel for mineral properties, site visits, and marketing
Share-based compensation	Increase of $608,630	Issued 505,000 stock options to directors, officers, consultants and employees, with an average exercise price at $1.36 per share for a period of five years.

Summary of Quarterly Results

The following selected quarterly consolidated financial information is derived from the financial statements of the Company.

	2nd Quarter	1st Quarter	4th Quarter*	3rd Quarter*
Three Months Ended	Jun 30, 11	Mar 31, 11	Dec 31, 10	Sep 30, 10
	$	$	$	$
Total Revenue	30,862	296	26	548
Net Loss	(1,127,987)	(1,515,060)	(1,015,720)	(1,601,011)
Loss per share-basic and diluted	(0.02)	(0.03)	(0.03)	(0.05)

	2nd Quarter*	1st Quarter*	4th Quarter	3rd Quarter
Three Months Ended	Jun 30, 10	Mar 31, 10	Dec 31, 09	Sep 30, 09
	$	$	$	$
Total Revenue	0	0	14,602	14,786
Net Loss	(423,348)	(407,707)	(191,172)	(87,481)
Loss per share-basic and diluted	(0.02)	(0.02)	(0.01)	(0.00)

* Restated in accordance with IFRS

Summary of Exploration Activities

For the quarter ended June 30, 2011, the Company incurred $687,022 in deferred exploration and development costs. The total cumulative deferred exploration costs to date are summarized as follows:

	Crescent Valley	Railroad	Camp Douglas	Total
Property acquisition and staking costs	$ 457,830	$ 3,816,094	$ -	$ 4,273,924
Exploration expenses				
Assessment/Claim fees	147,473	113,553	57,523	318,549
Consulting	110,239	478,604	3,340	592,183
Data Analysis/Geological	18,223	67,315	81,494	167,032
Drilling/Site development	372,555	2,775,919	-	3,148,474
Lease payments	224,669	110,312	47,457	382,438
Legal fees for property acquisition	16,535	21,931	17,910	56,376
Sampling and processing	15,444	59,335	11,360	86,139
Travel	2,609	54,019	-	56,628
Cumulative deferred exploration costs at June 30, 2011	**$ 1,365,577**	**$ 7,497,082**	**$ 219,084**	**$ 9,081,743**

Overview of Projects

General Overview

The Company intends to spend $8 million on exploration in 2011 using as many as five drills (three of them core) to advance the Company's projects. The plan includes 20-25,000 meters of drilling in 40 to 45 holes with about 80% of the total directed to targets on the Company's flagship Railroad project on the Carlin Gold Trend.

Highlights include:

- **Primary target**: $6.5 million to be spent at Railroad. The main objective is to follow up the **North Bullion Fault zone discovery** announced January 20, 2011. This drill target has the potential to blossom into a major, high-grade, Carlin-style deposit. Promising drill targets have also been located in the Railroad Fault zone and the historic Bullion Mining district. Exciting new target possibilities have also emerged in the data acquired from recent detailed gravity and soil sample programs. Targets generated by the same methods have resulted in major discoveries elsewhere in Nevada.
- **Secondary targets**: An initial 4 to 6 holes are planned for a bonanza vein gold-silver target and a shallow, bulk disseminated gold zone at East Camp Douglas located near Mina, Nevada; 2 to 4 holes are planned for the early-stage Safford silver project, southwest of Carlin, Nevada; and 2 to 3 holes are planned to provide a preliminary test of a Rain district-like target south of Railroad.

Subsequent to 2nd quarter:

The Company announced on June 2, 2011 the first hole to be drilled will be the completion of RR10-16 in the North Bullion Fault Zone which was partially drilled in late 2010 to a depth of 900 feet using a reverse circulation (RC) rig. This hole has been completed with core to 1601 feet. Five additional RC pre-collared holes have been drilled and cased for core hole completion. Five more sites are pending RC pre-collar drilling. The core portion of Hole RR11-01 is in progress. The RC rig is being used to drill more quickly and inexpensively to the target depth where the hole will be re-entered and completed using the coring method which provides more geological information and more accurate assay data.

Newly obtained data from 1,500 soil samples taken in 2010 have been compiled with results from 9,000 earlier soil samples. This work has confirmed and further defined new target opportunities in the western and southern portions of the Railroad project area. Detailed gravity work has also been completed on the four new Railroad project sections acquired by lease in early May of this year and new target opportunities have emerged.

During the period of time waiting for ground conditions at Railroad to improve, the Company conducted an early-stage drill test of targets at its nearby, wholly-owned Safford project in Eureka County, Nevada. Safford has untested characteristics which suggest bulk-mineable silver potential. Several hundred tons of ore reported to grade about 50 ounces of silver per ton were mined in the 1880's from the Onondago mine on the property.

General Overview - continued

Surface sampling has identified widespread breccia-hosted silver mineralization ranging from 1 to 10 ounces of silver per ton. The initial drill hole was designed to test the downward extension of mineralization below the 1880's mining that reached a maximum of 150 feet below surface, assays are awaited. The Company's Safford and nearby North Crescent Valley projects are located within the volcanic rock hosted gold-silver bonanza vein belt immediately west of the Carlin Gold Trend.

Crescent Valley North Project (CVN)

The CVN Project is an early exploration stage low-sulfidation epithermal, quartz vein and stockwork gold property located in Eureka County, Nevada. The CVN Project is located 17 miles south-southwest of the town of Carlin and 35 miles southwest of Elko within volcanic rock hosted bonanza vein belt between the Carlin and Batlle Mtn- Eureka gold trends in north-central Nevada. Most of the property is on the south and west sides of Iron Blossom Mountain in the northern Cortez Range and covers the western range front. The claim block encompasses about 5.3 square miles and is 19 miles south-southwest of Barrick's Goldstrike pit and 30 miles northeast of Barrick's Pipeline pit. A technical report dated November 9, 2009 (revised March 4, 2010 and May 11, 2010) in compliance with NI-43-101 on the Crescent Valley Project and authored by Dwight S. Juras, P.G., M.S., Ph. D, and Michael B. Jones, Ph.D is available on SEDAR at www.sedar.com.

In September 2009, JKR entered into an option agreement to acquire a 100% interest in four lease agreements, collectively known as the Crescent Valley North property ("CVN") from Aurelio Resources Corporation ("Aurelio"). In order to earn the interest, the Company must complete the following by August 2012:

- Pay Aurelio US$100,000 and reimbursement of US$16,567 of closing costs (paid)
- Issue 600,000 common shares to Aurelio (issued at a value of $228,000)
- Pay Aurelio US$100,000 on or before August 31, 2010 (paid)
- Incur exploration expenditures of US$1,500,000 on or before August 31, 2012, with the Company having the option of making a cash payment to Aurelio of any shortfall
- Assume the obligations on each of the four underlying lease agreements

The underlying lease agreements consist of the Mathewson Lease ("Mathewson"), the WFW Lease ("WFW"), the KM/IC Lease ("KM/IC"), and the KM/RC Lease ("KM/RC"). There are annual lease payments associated with the underlying leases, which are due upon each lease anniversary date respectively.

Aurelio also has a 1% net smelter royalty ("NSR") on each of the four properties. The Mathewson lease, KM/IC lease and KM/RC lease are each subject to a 4% NSR, of which 2% can be bought down on a sliding scale dependent on the price gold.

The WFW lease is subject to a 3% NSR, of which 2% can be bought down on a sliding scale dependent on the price of gold.

Crescent Valley North Project (CVN) - continued

The Mathewson lease, KM/IC lease and KM/RC lease are held by an officer and director of the Company.

Drilling and Exploration:

In 2011, the Company intends to map the geology of and appropriately sample the entire claim block and conduct additional scoop sampling over areas that have not been sampled and where there are essentially no outcroppings to sample. This is an effective tool in identifying, but not quantifying geochemical anomalies. Follow-up of the scoop samples with detailed soil sampling may be warranted to additionally define the geochemical anomalies. The Company also intends to drill test the main range-front chalcedony/quartz breccia-veining further down dip. The exposed and previously drilled portions of the veining fit into the exploration model above the expected level of gold mineralization. Drill holes need to reach at least 1,200 feet below surface to test the model depth of expected gold if the gold precipitated under hydrostatic conditions. If the system sealed itself, the depth to gold could be greater.

Safford (WFW) Project

The Safford project is located just to the north of the CVN project and is adjacent to and southeast of the Barth iron deposit. The Barth iron deposit, comprised of massive hematite has been theorized to either be a skarn or IOCG style deposit. Safford mineralization is comprised largely of silver and copper mineralization in shear zones and siliceous, baritic, sulfidic breccias. The Safford project is wholly owned by the Company subject to a 3% underlying NSR.

The Company drilled two angle core holes through and below the downward and on-strike extension of mineralization below the 1880's mining that reached a maximum of 150 feet below surface, assay results are in the process of being evaluated.

Robinson Creek (KM/RC) Project

The Robinson Creek project is a very early stage exploration project located in the Pinion Range, Elko County, Nevada approximately 6 miles south of the Railroad project. The land position comprised of 91 unpatented lode claims. The Company controls the mineral rights subject to a 4% NSR with a 2% buydown.

East Bailey (KM/IC) Project

The East Bailey project is an early stage exploration opportunity with Carlin-type gold deposit characteristics. The East Bailey project is located about 2 miles south of the Robinson Creek project. The land position is comprised of 88 unpatented lode claims. This project is wholly owned by the Company subject to a 4% NSR with a 2% buydown.

Railroad Project

The Railroad Project is on the Carlin Gold Trend in the northern Piñon Range, northeast Nevada. The Project located in Elko County, Nevada covers a total of 12,545 acres (approximately 21 square miles) consisting of 4,335 acres of leased fee mineral rights, 264 acres of 25 patented lode mining claims, about 7,946 acres of 473 unpatented mining claims, and additionally, 1,790 acres of leased fee surface rights, with some of these acres overlapping the mineral rights. A technical report on the Railroad Project, dated May 9, 2010, authored by Ernest L. Hunsaker III., is available for review under the Company's profile on SEDAR at www.sedar.com.

In August 2009, JMD and its subsidiary GSV USA entered into an agreement to acquire a 100% interest in certain claims comprising the Railroad Property in Nevada from Royal Standard Minerals, Inc ("RSM") and its subsidiaries. The Railroad property is subject to three underlying lease agreements as follows:

a. Aladdin Sweepstakes Consolidated Mining Company ("Aladdin") Lease/Purchase Agreement dated August 1, 2002; whereby RSM was granted the option to purchase the property on or before August 1, 2009 for a lump sum payment of US$2,000,000 less any lease payments as credits towards the payment, subject to a retained 1% NSR. As of August 2009, RSM had made total lease payments of $235,000.
b. Tomera Mining Lease dated January 22, 2003, which is subject to annual lease payments and expiring in January 2011. This lease is also subject to a 5% NSR. The lease was not extended in January 2011 but was replaced with five separate leases which were entered into in September 2010.
c. Sylvania Mining Lease Agreement dated December 1, 2005 which is subject to annual lease payments and expiring in December 2021. This lease is also subject to a 5 % NSR.

To acquire the interest in the Railroad property, JMD must:

- Pay the remaining balance of US$1,765,000 to Aladdin (paid)
- Pay US$1,200,000 to RSM (paid by JKR prior to acquisition of JMD)
- Pay the final lease payment of US$31,800 on the Tomera Mining Lease (paid)
- Pay the 2009 lease payment of US$8,000 on the Sylvania Mining Lease (paid)
- Pay the 2010 lease payment of US$8,000 on the Sylvania Mining Lease (paid)
- Pay future annual lease payments under the Sylvania Mining Lease of US$20,000 per annum until 2020.

In November 2009, JKR acquired JMD and thereby acquired the rights to the Railroad property.

RSM will retain a 1% NSR on the entire property and certain claims are subject to a 1.5% Mineral Production Royalty payable to Kennecott Holdings Corporation.

In September 2010, the Company entered into five mining lease agreements to acquire additional parcels of private surface and mineral rights properties contiguous with the Railroad property and are subject to annual lease payments.

Of the five mining lease agreements, three lease agreements are subject to a 5% NSR. One of these three lease agreements has a buy-down right of 1% for US$1 million in year five and a further 2% for US$3 million in year eight. The lease payments are required to be paid on each agreement's anniversary date to keep the exploration rights in effect.

Drilling and Exploration:

The 2010 Railroad drilling program, comprising a portion of an initial phase 1 drill test of three target zones, has been completed with a total of 16 holes for a total of 5,587 meters. Three of these holes, RR10-5, 15 and 16, will be completed by core in 2011. Most of the 2010 drilling focused on the Bullion Fault Zone target. Other target areas identified in our 2010 exploration program remain, at this time, completely untested.

Hole RR10-8 represents the discovery of a new zone of potentially significant gold mineralization within the Bullion Fault Zone target area of the Railroad project. As this gold mineralization is essentially open in all directions, the possibilities for positive future developments and expansion of this mineralization are exciting. The style of gold mineralization contained in thick sections of collapse-style breccias within permissive host rock units is typical of much of the gold mineralization on the Carlin Trend. The Company's 2011 drilling program at Railroad will include locating the prospectively higher grade feeder zones to this mineralization.

Three mineralized intervals of greater than 0.5 g/t were encountered in RR10-8. The uppermost mineralized zone in RR10-8 of **6.1 meters of 0.585 g/t** is comprised of barite-bearing jasperoid breccia within Webb mudstone. The middle mineralized zone of **32 meters of 1.39 g/t** gold is in a zone of barite-alunite-bearing, moderately silicified and brecciated Chainman sandstone. The lower mineralized zone of **43.6 meteres of 1.21 g/t** gold is within a zone of mudstone and dolomite collapse breccia developed at and near the Webb-Devils Gate contact.

RR10-8 is the northernmost hole drilled in the 2010 phase I drill test of the Bullion Fault Zone target. The closest hole to RR10-8 is hole RR10-11 located 800 feet (244 m) to the south. RR10-11 was a vertical RC hole previously reported to have intersected **10.7 meters of 1.01 g/t from 163.1 to 173.7 meters**, and more significantly, **82.3 meters of 0.413 g/t from 309.4 to 391.7 meters**. RR10-8 and RR10-11 comprise the only two holes that test the northern portion of the Bullion Fault Zone target area. The strength of the alteration and grade of gold mineralization appears to be getting stronger toward the north, and perhaps also the east.

Summary of 2010 drill results:

Assay intervals include all intervals of 6.09 metres or greater thickness and a cut-off of 0.28 g/t or greater.

Drill hole (type)	Td(m)	From(m)	To(m)	Interval(m)	Gold(g/t)	Length(ft)	Gold(oz/st)	Target
RR10-1 (RC)	524	4.6	24.4	19.8	0.34	65	0.01	Central Bullion Fault Zone
RR10-2C (Core)	440	No significant intercepts greater than 10 feet thick						Pod target
RR10-3 (RC & Core)	472	76.2	82.3	6.1	0.505	20	0.015	Central Bullion Fault Zone
And		86.9	93.0	6.1	0.355	20	0.01	
And		272.8	277.4	4.6	0.515	15	0.015	
RR10-4C (Core)	453	232.9	239.3	6.4	0.654	21	0.019	Pod target
RR10-5 (RC & Core)	189	To be completed with core in 2011						North Bullion Fault Zone (to be completed)
RR10-6 (RC)	457	120.4	131	10.7	0.546	35	0.016	North Bullion Fault Zone
And		268.2	309.4	41.2	0.886	135	0.026	
RR10-7 (RC)	457	No significant assays						Central Bullion Fault Zone
RR10-8 (RC & Core)	475.3	119.9	125.0	6.1	0.585	20	0.017	North Bullion Fault Zone
And		226.7	298.7	32.0	1.39	105	0.038	
And		341.4	384.0	43.6	1.21	140	0.035	
RR10-9 (RC)	476	150.9	184.4	33.5	0.375	110	0.011	North Bullion Fault Zone
And		350.5	379.5	29.0	0.475	95	0.014	
RR10-10 (RC)	451	No significant assays						Central Bullion Fault Zone
RR10-11 (RC)	457	132.6	173.7	10.7	1.01	35	0.029	North Bullion Fault Zone
And		309.4	391.7	82.3	0.413	270	0.012	
RR10-12 (Core)	190	100.6	126.5	25.9	2.74	85	0.077	Pod target
		With an internal gap of 8ft or 2.2m of lost core						
And		140.2	146.3	6.1	0.422	20	0.012	
		155.5	162.0	6.5	0.400	21.5	0.012	
RR10-13 (RC)	536	22.9	42.7	19.8	0.332	65	0.01	Central Bullion Fault Zone
RR10-14 (RC)		Hole lost at 268metres as a result of severe caving; site re-drilled by hole RR10-16						North Bullion Fault Zone (lost)
RR10-15 (RC)	415	Hole not completed, will be finished with core in 2011						North Bullion Fault Zone (to be competed)
RR10-16(RC) Incomplete hole	274.3	237.7	254.5	16.8	0.412	55	0.012	North Bullion Fault Zone (to be completed)
And		266.7	272.8	6.1	1.12	20	0.033	

Railroad Project – continued

All drill hole assays are weighted averages and data is insufficient to determine true widths on mineralized zones. Gold assays were completed by ALS Minerals, ALS Canada Ltd using 30 gram charge, fire assay, with ICP final. QA/QC includes insertion of blanks, duplicates, and standards into submitted sample batches. These results are continuously evaluated to insure reliable sample preparation in Elko, Nevada and assayed consistency in Reno, Nevada and/or Vancouver, B.C. In addition to the above drill program, the Company is continuing with target development elsewhere on the Railroad Project. An additional 457 stations have been added to the existing 2,435 stations to comprise a total of 2,892 gravity readings over the 22 square mile land position (inclusive of the Additional Railroad Leases). These stations were obtained in the northern portion of the Railroad Project, particularly the 4 sections leased from Newmont, in order to help define target opportunities on recently acquired properties and where existing surface geochemistry suggested target potential. In addition to the gravity assessment, an additional 1,433 soil samples were obtained from specific potential areas of target opportunity. All this data will be integrated into the existing database for the purpose of target synthesis. Six large areas of target opportunity have been identified within the Railroad Project to date. Only the North Bullion fault zone target has, to date, received significant drill assessment.

Newmont Lease

In May 2011, the Company entered into a "Minerals Lease and Agreement" to lease four sections totalling 2,560 acres (the "Lease") from Newmont USA Limited, a subsidiary of Newmont Mining Corporation. Two of the four sections are staked public lands which carry no underlying royalty. The other two sections are private surface and minerals lands subject to an underlying 5 % net smelter royalty (NSR).

The Lease lies between the Rain mining district to the north and the Railroad district controlled by the Company. The Company's North Bullion fault target is immediately south and east of the east flank of the Lease. Holes drilled in 2010 by the Company on the North Bullion fault target encountered thick intercepts of 1+ gm/t gold. This acquisition allows the Company to expand its assessment of this target to the west and potentially develop new targets.

Under the terms of the agreement, the Company will be subject to escalating yearly work commitments in the aggregate amount of US$2.5 million over a period of six years. The first year is free of spending commitments and the Company will incorporate this area in a planned detailed structural mapping program of the district.

Newmont Lease - continued

Newmont has a first back-in right on or before delivery of a positive feasibility study, enabling Newmont to earn a 51% interest in the lease by incurring expenditures totaling 150% of the expenditures made by the Company. If Newmont elects not to exercise the back-in right, Newmont will deed the claims and assign the leases on the leased lands to the Company in exchange for the Company's executing a royalty deed conveying a 3% NSR on the claims and a 1% NSR on the leased lands to Newmont. If Newmont exercises its first back-in right, it has a second back-in right to earn an additional 19% interest in the lease by expending an additional 100% of the expenditures made by the Company. The project would then revert to a joint venture between Newmont (70%) and the Company (30%).

Camp Douglas Project

The Camp Douglas Project consists of 246 unpatented and 18 patented mineral claims in Mineral County, Nevada. The Camp Douglas Project is located 15 miles southwest of the town of Mina, Nevada.

In August 2010, the Company entered into a mining lease and option to purchase agreement with Diversified Inholdings, LLC, a US company, to acquire, subject to a 4% net smelter royalty, a 100% interest in the Camp Douglas project. Under the terms of the agreement, the Company is to pay cumulative lease payments of US$550,000 and incur exploration expenditures of US$900,000 by August 2018. Further lease payments and annual expenditures will be subject to negotiation.

The Company has the option to purchase a 100% interest in the property for an amount of US$100,000. The Company may exercise the option only after it commits to commence development of a mine or mining on the property and completes a feasibility study for development of a mine or mining on the property.

Future Developments

In late 2011 and, or early 2012 the Company intends to conduct an early-stage, core drilling assessment of several targets that have been identified by detailed dipole IP surveys and are in the process of being further defined by surface evaluation methods.

Liquidity, Financial Position and Capital Resources

The Company has no known mineral resources and is not in commercial production on any of its properties and accordingly, the Company does not generate cash from operations. The Company finances development and exploration activities by raising capital from equity markets from time to time.

As at June 30, 2011, the Company's liquidity and capital resources are as follows:

	June 30, 2011	December 31, 2010
	$	$
Cash	15,547,330	4,109,636
Receivables	124,178	49,370
Prepaid expenses	94,952	51,453
Total current assets	15,766,460	4,210,459
Payables and accrued liabilities	537,331	1,274,037
Shareholders loan	3,755	3,755

The Company's operations consist of acquisition, maintenance and exploration of mining properties, including actively seeking joint venture partners to assist with exploration funding. The Company's financial success will be dependent on the extent to which it can discover new mineral deposits. Management considers that the Company has adequate resources to maintain its core operations and planned exploration programs for the foreseeable future.

As at June 30, 2011, the Company had a cash position of $15,547,330, consisting mainly of proceeds from private placements in March 2011. As at June 30, 2011, the Company has surplus working capital position of $15,225,374.

Financings and Capital Structure

During the quarter ended June 30, 2011, the Company:

i. granted 505,000 (2010 – 3,000,000) stock options to the Company's officers, employees, and consultants and recorded compensation expense at a fair value of $608,630 (2010 - $1,776,672). The Company also received proceeds of $13,000 from exercise of 20,000 stock options.

ii. received proceeds of $1,019,830 from the exercise of 1,042,248 share purchase warrants.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

Related Party Transactions

During the period ended June 30, 2011, the Company entered into the following transactions with related parties, not disclosed elsewhere in these financial statements:

i. Incurred management fees of $85,000 (June 30, 2010 - $50,000) to a company controlled by Jonathan Awde, a director and officer of the Company. As at June 30, 2011, $12,500 (December 31, 2010 - $25,740) was included in accounts payable and accrued liabilities.
ii. Incurred management fees of $51,000 (June 30, 2010 - $Nil) and rent expense of $36,788 (June 30, 2010 - $Nil) to a company controlled by Richard Silas, a director and officer of the Company. As at June 30, 2011, $15,000 (December 31, 2010 - $33,390) was included in accounts payable and accrued liabilities.
iii. Incurred management fees of $36,000 (June 30, 2010 - $Nil) and professional fees of $12,000 (June 30, 2010 - $Nil) to companies controlled by Michael Waldkirch, an officer of the Company. As at June 30, 2011, $Nil (December 31, 2010 - $18,900) was included in accounts payable.
iv. Incurred salaries, included in mineral property costs, of $73,275 (June 30, 2010 - $79,845) to David Mathewson, a director and officer of the Company. As at June 30, 2011, $7,455 (December 31, 2010 - $4,403) was included in accounts payable for fee and expense reimbursements.
v. Amounts due to shareholders are unsecured, non-interest bearing and have no fixed terms of repayment. As at June 30, 2011, there is a balance outstanding of $3,755 (December 31, 2010 - $3,755).
vi. In March 2011, the Company granted David Mathewson, a director and officer of the Company, an NSR of 0.5% to 1% on all properties staked by him and acquired by the Company subject to certain provisions including a buy-down provision of $500,000 per 0.5%.

Summary of key management personnel compensation:

	For the six months ended June 30,	
	2011	**2010**
	$	**$**
Management fees	172,000	50,000
Salaries and wages	73,275	79,845
Share-based compensation	589,111	-
	834,386	129,845

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

Risks and Uncertainties

The principal business of the Company is the exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of exploration, the following risks factors, among others, should be considered.

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain economically recoverable reserves and, therefore, does not generate any revenues from production. The recovery of expenditures on mineral properties and the related deferred exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of the mineral properties, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

Since the Company does not generate any revenues from production, it may not have sufficient financial resources to undertake by itself all of its planned mineral acquisition and exploration activities. Operations will continue to be financed primarily through the sale of securities, such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, which may result in dilution to existing shareholders. In addition, the amount of additional funds required may not be available under favourable terms, if at all, and will depend largely on market conditions.

Critical Accounting Estimates

The preparation of the Financial Statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, as well as the reported revenues and expenses during the reporting period. Based on historical experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the interim consolidated financial statements materially and involve a significant level of judgment by management.

A detailed summary of the Company's significant accounting policies is included in Note 2 to the interim consolidated financial statements for the quarter ended June 30, 2011.

Disclosure of Data for Outstanding Common Shares, Options and Warrants

As at August 29, 2011, the Company had 60,576,852 common shares outstanding. The Company also had a total of 13,073,783 warrants and 4,135,000 stock options outstanding as at August 29, 2011.

Corporate Governance

The Company's Board and its committees substantially follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The current Board is comprised of 6 individuals, 3 of whom are neither executive officers nor employees of the Company and are unrelated in that they are independent of management. The Audit Committee is comprised of 3 directors, 2 of whom are independent of management.

Escrowed Shares

As at June 30, 2011, the Company has 8,874,655 shares subject to escrow pursuant to the requirements of the TSX-V, which will be released in increments over 3 years. In addition, as at June 30, 2011, 707,000 shares were subject to voluntary pooling and other regulatory restrictions. The shares were subsequently released in July 2011.

Subsequent Events

a) In July 2011, 100,000 stock options were exercised at a price of $0.65 per share for total proceeds of $65,000.

b) Subsequent to June 30, 2011, the following share purchase warrants were exercised:
   - 1,316,875 share purchase warrants were exercised at a price of $0.40 per share for total proceeds of $526,750.
   - 463,884 share purchase warrants were exercised at a price of $1.00 per share for total proceeds of $463,884.

Transition to International Financial Reporting Standards ("IFRS")

IFRS represents standards and interpretations approved by the International Accounting Standards Board ("IASB"), and are comprised of IFRSs, International Accounting Standards ("IASs"), and interpretations issued by the IFRS Interpretations Committee ("IFRICs") or the former Standing Interpretations committee ("SICs").

Effective January 1, 2011, the Company prepares its financial statements in accordance with IFRS. The comparative financial information of 2010 in the MD&A has also been restated to conform with IFRS. This MD&A should be read in conjunction with Note 17 "First Time Adoption of IFRS" of the Company's interim consolidated financial statements for the quarter ended June 30, 2011.

To transition from Canadian GAAP to IFRS, the main adjustments include:

a) **Deferred tax on mineral properties**

Under Canadian GAAP, the Company recorded future income taxes on temporary differences arising on the initial recognition of the Railroad Project property interest in a transaction which was not a business combination and affected neither accounting profit (loss) nor taxable profit (loss). IAS 12, Income Taxes ("IAS 12"), does not permit the recognition of deferred taxes on such transactions.

As of June 30, 2010, the Company derecognized the impacts of all deferred taxes which had previously been recognized on the initial acquisition of mineral properties through transactions not considered business combinations and affecting neither accounting profit (loss) nor taxable profit (loss).

b) **Share-based payments**

The Company grants stock options that have a graded vesting schedule. Under IFRS, the Company treats each installment as its own award. Therefore, each installment is measured and recognized separately.

On transition to IFRS the Company will adjust share-based payments whereby amounts recorded for expired unexercised stock options are transferred to deficit. Previously, the Company's Canadian GAAP policy was to leave such amounts in contributed surplus.

c) **Reserves**

Under Canadian GAAP, amounts recorded in relation to the fair value of stock options granted and warrants issued were recorded to contributed surplus. Under IFRS, these amounts have been reclassified as reserves.

Other MD&A Requirements

Additional information relating to the Company may be found on or in:

- SEDAR at www.sedar.com,
- the Company's Annual Information Form,
- the Company's audited consolidated financial statements for the year ended December 31, 2010.

This MD&A has been approved by the Board on August 29, 2011.