GoldStandard
VENTURES CORP.

Management Discussion and Analysis
For the Quarter ended
September 30, 2010

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 (formerly Devonshire Resources Ltd.) (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 September 30, 2010. 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 November 29, 2010.

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 November 29, 2010.

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 16, 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 $3,077,937 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 5,466,921 subscription receipts for proceeds of $3,553,499, which were held in escrow and released upon the completion of the acquisition. Upon completion of the acquisition, the Company issued 5,466,921 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 exchanged of 30,251,492.

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 consolidated interim balance sheet as at December 31, 2009 and the interim consolidated statement of operations for the period from March 30, 2009, the date of incorporation to September 30, 2009 are those of JKR and its subsidiaries. The interim consolidated statement of operations and cash flows include JKR's results of operations and cash flows for the nine month period ended September 30, 2010 and the Company's results of operations from July 13, 2010 (the date of the reverse acquisition) to September 30, 2010.

As a result of the acquisition, the Company acquired a portfolio of projects totalling approximately 36,485 acres of prospective ground within North Central Nevada, US of which 22,034 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 198 unpatented mineral claims comprising approximately 3,800 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

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

At September 30, 2010, the Company had not yet achieved profitable operations and has accumulated losses of $2,723,751 since inception, including the net loss for the period ended September 30, 2010 of $2,432,066 (2009 – 100,513). These losses resulted in a net loss per share for the period ended September 30, 2010 of $0.08 (2009 - $0).

Expenses

The operating and administrative expenses for the period ended September 30, 2010 totalled $2,432,614 (2009: $115,299), including stock based compensation issued in the period, valued at $1,214,358 calculated using the Black Scholes option pricing model. Comparatively, the major expenses for the quarter ended September 30, 2010 were management fees of $164,405 (2009: $nil), professional fees of $215,130 (2009: $11,850), office expenses of $56,545 (2009: $1,351), consulting fees of 316,000 (2009: $32,710),

Expenses - *continued*

investor relations of $120,501 (2009: $nil) and regulatory and shareholder service of $81,339 (2009: $nil).

The table below details the changes in major expenditures for the period ended September 30, 2010 as compared to the period ended September 30, 2009.

Expenses	**Increase / Decrease in Expenses**	**Explanation for Change – Period Ended Sep 30, 2010 as Compared to Period Ended Sep 30, 2009**
Management fees	Increase of $164,405	More activities during the period, including financing, acquisition, negotiating of contracts and agreements.
Consulting fees	Increase of $283,290	More activities during the period with respect to financing and mineral properties leases, exploring various acquisition opportunities.
Professional fees	Increase of $203,280	Increase due to audit fees for Dec 31 2009 year end and increased legal fees related to potential mineral properties acquisition.
Office expense	Increase of $55,194	Increased administration costs, office supplies and equipment and website development.
Regulatory and shareholders services	Increase of $81,339	Increased level of activity related to the private placements, share issuances and reverse take-over transactions.
Investor relations	Increase of $120,501	Increased level of financing activities during the period; increase in market awareness campaigns.
Travel expense	Increase of $112,606	Increased level of travel for mineral properties, reverse take-over acquisition and financings during the period.
Stock based compensation	Increase of $1,214,358	Issued 2,050,000 stock options to directors, officer, consultants and employees, exercisable at $0.65 per share for a period of five years, valued at $1,214,358

Summary of Quarterly Results

	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter
Three Months Ended	Sep 30, 10	June 30, 10	Mar 31, 10	Dec 31, 09
	$	$	$	$
Total Revenue	548	0	0	14,602
Net Loss	(1,601,011)	(831,055)	(407,707)	(191,172)
Loss per share-basic and diluted	(0.05)	(0.03)	(0.02)	(0.01)

	3rd Quarter	2nd Quarter	Inception Quarter
Three Months Ended	Sep 30, 09	June 30, 09	Mar 31, 09
	$	$	$
Total Revenue	14,786	0	0
Net Loss	(87,481)	(13,032)	0
Loss per share-basic and diluted	0	0	0

As the accounting parent, JKR was incorporated on March 30, 2009 the comparative figures are presented from that date onward.

Summary of Significant Activities for the Period:

- On July 13, 2010, pursuant to the completion of reverse acquisition, the Company granted 2,050,000 stock options, exercisable at $0.65 per share for a period of five years, to its executives, officers, consultants and employees

- In August 2010, the Company entered into a mining lease and option to purchase agreement to acquire, subject to a 4% net smelter royalty, a 100% interest in the Camp Douglas project consisting of 198 unpatented mineral claims comprising approximately 3,800 acres in the Walker Lane trend in Mineral County, Nevada. 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.

- In September 2010, the Company entered into five mining lease agreements to acquire nine additional parcels of private surface and mineral rights properties contiguous with the Railroad property and are subject to annual lease payments and royalties with the option to purchase certain percentages of net smelter royalties for prices ranging from one million to three million.

- On September 30, 2010, the Company paid the balance owing under the option agreement of $103,630 (US$100,000) for the Crescent Valley North project.

Summary of Exploration Activities

For the period ended September 30, 2010, the Company incurred $1,474,481 in deferred exploration and development costs, $103,630 in acquisitions and $255,069 in lease payments. 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	$ 3,986,547	$ -	$ 4,444,377
Exploration expenses				
Assessment/Claim fees	115,611	73,665	33,521	222,797
Consulting	111,009	180,322	-	291,331
Data Analysis/Geological	15,821	53,462	3,338	72,621
Drilling/Site development	257,052	766,245	-	1,023,297
Lease payments	211,968	102,152	47,457	361,577
Legal fees for property acquisition	15,094	9,426	17,910	42,430
Travel	2,609	27,091	-	29,700
Cumulative deferred exploration costs at September 30, 2010	**$ 1,186,994**	**$ 5,198,910**	**$ 102,226**	**$ 6,488,130**

Overview of Projects

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:

Crescent Valley North Project (CVN) - continued

- 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.

The Mathewson lease, KM/IC lease and KM/RC lease are held by an officer 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 apatitic hematite has been theorized to either be a skarn or IOCG style deposit. Safford mineralization is comprised largelyof silver and copper mineralization in shear zones and siliceous, baritic, sulfidic breccias. The Safford project is wholly owned by Gold Standard Ventures subject to a 3% underlying NSR.

Robinson Creek 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. Gold Standard Ventures controls the mineral rights subject to a 4% NSR with a 2% buydown.

Indian Creek Project

The Indian Creek project is an early stage exploration opportunity with Carlin-type gold deposit credentials. The Indian Creek 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 Gold Standard Ventures 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 12,907 acres (approximately 21 square miles) consisting of 2442 acres of leased fee mineral rights, 320 acres of 25 patented lode mining claims, about 9000 acres of 473 unpatented mining claims, and additionally, 1790 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 Gold Standard's profile on SEDAR at www.sedar.com.

In August 2009, JMD and its subsidiary JMD 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.
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.

Railroad Project - continued

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 future annual lease payments under the Sylvania Mining Lease of US$8,000 in 2010 and 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 nine additional parcels of private surface and mineral rights properties contiguous with the Railroad property and are subject to annual lease payments.

The lease payments are required to be paid on each agreement's anniversary date to keep the exploration rights in effect. The Company is also required to pay certain royalties to the lessors with the option to purchase certain percentages of net smelter royalties for prices ranging from $1,000,000 to $3,000,000.

Drilling and Exploration:

During the year the four holes have been drilled and completed with assays returned by the Company. The drill program had initially been slowed by difficult drilling conditions. As a result many reverse circulation (RC) holes have been, or will be completed with pre-collared core-tailed holes. Initial drilling has focused on the North-South trending North Corridor target zone. This target zone forms the Western boundary of a major graben feature referred to as the Bullion Graben. The holes have been vertical or East directed at high angles and are confirming a series of multiple North-South oriented fault structures stepping downward to the East. This geological setting provides multiple structurally complex target opportunities. Drilling has expanded this Bullion structural target zone to both the East and North well beyond any historic drilling.

Two holes, RR10-2C and RR10-4C were drilled to test a presumed associated structure to the known POD mineralization. Though collapse-style breccias were encountered, both holes lacked the important presence of hydrothermal dolomitized Devils Gate Limestone, and appear to have been drilled too far from the mineralizing source structure. Only trace to 527 ppb amounts of gold were obtained in RR10-2C, assays are pending in RR10-4C. Additional drilling is planned, moving Northward closer to the recently identified Railroad Fault target zone.

Railroad Project - continued

Summary of 2010 drill results to date:

Drill hole (type)	Td(m)	From(m)	To(m)	Interval(m)	Gold(g/t)	Length(ft)	Gold(oz/st)
RR10-1 (RC)	524	4.6	24.4	19.8	0.34	65 ft	0.01
RR10-2C (core)	440	no significant intercepts greater than 10 feet thick					
RR10-3 (RC)	472	completed with core, *assays pending*					
RR10-4C (core)	453	*assays pending*					
RR10-5 (RC)		to be completed with core					
RR10-6 (RC)	457	120.4	131	10.7	0.546	35 ft	0.016
And		268.2	309.4	41.2	0.886	135 ft	0.026
RR10-7 (RC)	457	no significant intercepts					
RR10-8 (RC)		to be completed with core					
RR10-9 (RC)	476	completed, *assays pending*					

More broadly throughout the Railroad districts 21 square mile property position, generative exploration work continues. Soil sampling and additional detailed gravity assessment is in progress on the newly identified Lee Canyon target, the LT, and the South Zone targets. A nine to ten hole drill program has been designed by consultant, Buster Hunsaker, to assess several targets in the Bullion District target area as early as possible in 2011. An important recent development has been the identification of what is now being called the Railroad Fault target zone at the North end of the project area. This target zone has received no previous drilling directed specifically at the target. This is a major West-North-West fault zone with displacement down to the North and appears to have many characteristics of the productive Rain Fault in the Rain district 5 miles to the North. The permitting of drill sites in the central portion of this target zone is in progress.

In order to complete the program designed for 2010, Gold Standard had a total of 4 drill rigs (2 RC & 2 Core rigs) operating late in the season at Railroad. As of November 24, 2010, one core rig remains active at Railroad. It is expected that a total of 15 holes, and a total of about 21000 ft (6400 meters) will have been drilled by the end of the season. Two of the holes started in 2010 will be completed with core tails in 2011.

Camp Douglas Project

The Douglas Camp Project consists of 198 unpatented mineral claims comprising approximately 3,800 acres in the Walker Lane Trend in Mineral County, Nevada. The Douglas Camp Project is located 15 miles southwest of the town of Mina, Nevada.

Camp Douglas Project - continued

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:

Early in 2011 the Company intends to engage the services of geophysicist Mark Goldie of Condor Consulting, Inc. to assess the application of electrical geophysical methods for targeting purposes at Camp Douglas. Ground assessment will follow and a Phase 1 drilling program to be conducted in 2011 will be formulated and submitted for permitting.

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 September 30, 2010, the Company's liquidity and capital resources are as follows:

	September 30, 2010	December 31, 2009
	$	$
Cash (Bank indebtedness)	6,710,231	919,739
Receivables	116,713	6,747
Prepaid expenses	81,550	3,046
Total current assets	6,908,494	929,532
Payables and accrued liabilities	1,285,807	122,074
Shareholders loan	3,755	22,528
Loans payable	328,000	658,500

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. The Company will require additional equity investment in the near future to fund its exploration activities and for working capital.

Liquidity, Financial Position and Capital Resources- *continued*

As at September 30, 2010, the Company had a cash position of $6,710,231, consisting mainly of proceeds from private placements during the period. As at September 30, 2010, the Company has surplus working capital position of $5,290,932.

Off balance sheet arrangements

The Company has no off balance sheet arrangements.

Related party transactions

During the period ended September 30, 2010, the Company entered into the following transactions with related parties, not disclosed elsewhere in these financial statements:

i. Paid or accrued management fees of $111,905 (2009 - $32,710) to companies controlled by a director of the Company. As at September 30, 2010, $50,000 was included in accounts payable

ii. Paid or accrued management fees of $54,000 (2009 - $Nil) to a company controlled by a director of the Company. As at September 30, 2010, $52,500 was included in accounts payable.

iii. Paid or accrued management fees of $36,000 (2009 - $Nil) to a company controlled by an officer of the Company. As at September 30, 2010, $40,500 was included in accounts payable.

iv Paid or accrued fees, including in mineral property costs, of $116,899 (2009 - $26,275) to a director and officer of the Company. As at September 30, 2010, $Nil was included in accounts payable.

v. Accrued interest expense of $9,631 (2009 - $4,505) on a note payable due to a company owned by a director of the Company, which is included in accounts payable at period end.

vi. Accrued interest expense of $4,814 (2009 - $Nil) on a note payable due to a company owned by an officer of the Company, which is included in accounts payable at period end.

vii Amounts due to shareholders are unsecured, non-interest bearing and have no fixed terms of repayment. As at September 30, 2010, there is a balance outstanding of $3,755.

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 the market conditions.

Changes in accounting policy and Presentation

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 "*Business Combinations*", 1601 "*Consolidated Financial Statements*" and 1602 "*Non-controlling Interests*" which replace CICA Handbook Sections 1581 "*Business Combinations*" and 1600 "*Consolidated Financial Statements*". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for business combinations with acquisition dates on or after January 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for interim and annual consolidated financial statements beginning January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently.

The Company has adopted the above standards and reflects its effect on the Company's interim consolidated financial statements as of September 30, 2010 with respect to the Company's reverse acquisition of JKR

Changes in accounting policy and Presentation - *continued*

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. The Company has adopted a three phase approach to IFRS consisting of:

Phase 1 'Planning';
Phase 2 'Implementation: and
Phase 3 'Post Conversion Review'.

The Company has completed Phase 1. The implementation phase includes the design of business, reporting and system processes to support the compilation of IFRS compliant financial data for the opening balance sheet at January 1, 2010, fiscal 2010 and thereafter. This phase also includes ongoing training, testing of the internal control environment and updating processes for disclosure and procedures.

During the quarter ended September 30, 2010, the Company continued the process of identifying accounting policies that may be affected with the conversion to IFRS. A final determination of changes and choices to be made with respect to first time adoption alternatives will be completed during Quarter One of fiscal 2011. Quantification of the financial statement impact will begin once the final determination of accounting policies is complete and will carry on through Quarter two of fiscal 2011.

Critical Accounting Estimates

A detailed summary of the Company's significant accounting policies is included in Note 2 to the interim consolidated financial statements for the period ended September 30, 2010.

Disclosure of data for outstanding common shares, options and warrants

As at September 30, 2010, the Company had 42,704,309 common shares outstanding, including 30,251,492 shares issued to effect the reverse acquisition of JKR and 9,316,748 shares issued pursuant to the completion of private placements for the period. During the period, 2,050,000 incentive stock options with an exercise price of $0.65 were granted. Also the Company issued a total of 14,783,669 share purchase warrants with an average exercise price of $1.00 and 770,154 agent's warrants with an average exercise price of $0.77 pursuant to the completion of private placements during the period. Pursuant to the reverse acquisition, the Company assumed 1,468,875 share purchase warrants at an average exercise price of $0.40. The Company has a total of 17,020,698 warrants outstanding as at September 30, 2010.

Subsequent Events

In October 2010, the Company granted 950,000 stock options to certain employees, officers, consultants and directors at a price of $0.82 per share.

In October 2010, the Company fully repaid all the notes payable plus accrued interest.