Management Discussion and Analysis
For the year ended
December 31, 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 (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 consolidated financial statements of the Company and notes thereto for the year ended December 31, 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 May 2, 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 May 2, 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 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 $3,141,153 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 consolidated balance sheet as at December 31, 2009 and the consolidated statement of operations for the period from March 30, 2009, the date of incorporation to December 31, 2009 are those of JKR and its subsidiaries. The consolidated statement of operations and cash flows include JKR's results of operations and cash flows for the year ended December 31, 2010 and the Company's results of operations from July 13, 2010 (the date of the reverse acquisition) to December 31, 2010.

As a result of the acquisition, the Company acquired a portfolio of projects totalling approximately 26,000 acres of prospective ground within North Central Nevada, US of which 15,349 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 following financial data, which has been prepared in accordance with Canadian GAAP, is derived from the Company's audited financial information for the years ended December 2010 and 2009:

	2010 $	2009 $
Revenues	574	29,388
Total assets	12,675,603	5,591,232
Total long term liabilities (future income taxes)	143,453	170,453
General and administrative expenses	(3,448,360)	(321,073)
Net and comprehensive loss	(3,420,786)	(291,685)
Basic and diluted loss per common share	(0.11)	(0.01)

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

Results of Operations - *continued*

At December 31, 2010, the Company had not yet achieved profitable operations and has accumulated losses of $3,712,471 (2009 – $291,685) since inception. These losses resulted in a net loss per share for the year ended December 31, 2010 of $0.11 (2009 - $0.01).

Expenses

The operating and administrative expenses for the year ended December 31, 2010 totalled $3,448,360 (2009: $321,073), including stock based compensation issued during the year, valued at $1,776,672 calculated using the Black Scholes option pricing model. Comparatively, the major expenses for the year ended December 31, 2010 were management fees of $201,905 (2009 - $nil), professional fees of $276,487 (2009 - $74,723), office expenses of $118,371 (2009 - $7,898), consulting fees of $392,200 (2009 - $121,986), investor relations of $189,604 (2009 - $nil) and regulatory and shareholder service of $36,103 (2009 - $1,120).

The table below details the changes in major expenditures for the year ended December 31, 2010 as compared to the year ended December 31, 2009.

Expenses	**Increase / Decrease in Expenses**	**Explanation for Change – Year Ended December 31, 2010 as Compared to Period Ended December 31, 2009**
Management fees	Increase of $201,905	More activities during the year, including financing, acquisition, negotiating of contracts and agreements.
Consulting fees	Increase of $270,214	More activities during the year with respect to financing and mineral properties leases, exploring various acquisition opportunities.
Professional fees	Increase of $201,764	Increase due to audit fees and increased legal fees related to potential mineral properties acquisition.
Office expense	Increase of $110,473	Increased administration costs, office supplies and website development. Additional office in Nevada.
Regulatory and shareholders services	Increase of $34,983	Increased level of activity related to the private placements, share issuances and reverse take-over transactions.
Investor relations	Increase of $189,604	Increased level of financing activities during the period; increase in market awareness campaigns.
Travel expense	Increase of $139,134	Increased level of travel for mineral properties, and marketing.
Stock based compensation	Increase of $1,776,672	Issued 3,000,000 stock options to directors, officers, consultants and employees, with an average exercise price at $0.70 per share for a period from two to five years.

Summary of Quarterly Results

The following selected quarterly consolidated financial information is derived from the financial statements of the Company and has been prepared in accordance with Canadian GAAP.

	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Three Months Ended	Dec 31, 10	Sep 30, 10	Jun 30, 10	Mar 31, 10
	$	$	$	$
Total Revenue	26	548	0	0
Net Loss	(988,720)	(1,601,011)	(423,348)	(407,707)
Loss per share-basic and diluted	(0.03)	(0.05)	(0.02)	(0.01)

	4th Quarter	3rd Quarter	2nd Quarter	Inception Quarter
Three Months Ended	Dec 31, 09	Sep 30, 09	Jun 30, 09	Mar 31, 09
	$	$	$	$
Total Revenue	14,602	14,786	0	0
Net Loss	(191,172)	(87,481)	(13,032)	0
Loss per share-basic and diluted	(0.01)	0	(0.01)	0

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

Summary of Exploration Activities

For the year ended December 31, 2010, the Company incurred $3,317,741 in deferred exploration and development costs, $103,630 in acquisitions and $275,930 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	73,946	57,523	247,080
Consulting	109,568	249,998	-	359,566
Data Analysis/Geological	15,821	56,395	3,814	76,030
Drilling/Site development	257,052	2,449,355	-	2,706,407
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	25,053	-	40,497
Travel	2,609	36,871	-	39,480
Cumulative deferred exploration costs at December 31, 2010	**$ 1,215,139**	**$ 7,010,408**	**$ 126,704**	**$ 8,352,251**

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:

- 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 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 apatitic 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 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.

Railroad Project – continued

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.
a. 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.
b. 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.

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.

Railroad Project – continued

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 0.01 oz/st 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 20 feet or greater thickness and a cut-off of 0.01 oz/st 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. 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 1268 stations have been added to the existing 1168 stations to comprise a total of 2436 gravity readings over the 21 square mile land position (inclusive of the Additional Railroad Leases). Most of these stations were obtained in the western and southern portions of the Railroad Project 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 1433 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 Bullion fault zone target has received significant drill assessment.

Camp Douglas Project

The Camp Douglas Project consists of 198 unpatented 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:

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 contingent on results a Phase 1 drilling program will be formulated and submitted for permitting, which is anticipated to begin in 2011.

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 December 31, 2010, the Company's liquidity and capital resources are as follows:

	December 31, 2010	December 31, 2009
	$	$
Cash	4,109,636	919,739
Receivables	49,370	6,747
Prepaid expenses	51,453	3,046
Total current assets	4,210,459	929,532
Payables and accrued liabilities	1,274,037	122,074
Shareholders loan	3,755	22,528
Loans payable	-	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. Management considers that the Company has adequate resources to maintain its core operations and planned exploration programs for the foreseeable future.

As at December 31, 2010, the Company had a cash position of $4,109,636, consisting mainly of proceeds from private placements during the year. As at December 31, 2010, the Company has surplus working capital position of $2,932,667.

Financings and Capital Structure

During the year ended December 31, 2010, the Company:

i. completed a private placement and issued a total of 1,410,000 special warrants at $0.65 per special warrant for net proceeds of $797,345 and issued 98,700 agent's warrants. Each special warrant entitles the holder to acquire one unit for no additional consideration with each unit consisting of one common share and one common share purchase warrant with each warrant entitling the holder to purchase one additional common share of the Company at an exercise price of $1.00 per share for a period of 24 months from the date of issuance. Each agent's warrant entitles the holder to purchase one common share of the Company at any time before the expiry date on March 16, 2012 at the price of $0.65 per common share.

Financings and Capital Structure - *continued*

ii. issued 5,564,176 subscription receipts for proceeds of $3,616,714. The subscription receipts were then converted into units of the Company with each unit consisting of one common share and one share purchase warrant exercisable into one common share at a price of $1.00 per share for a period of two years. The Company incurred fees related to this financing of $249,774.

iii. completed a non-brokered private placement of 7,809,493 units at a price of $0.65 per unit for gross proceeds of $4,742,589 net of cash commissions and expenses of $333,582. Each unit consists of one common share plus one transferrable warrant. Each Warrant will be exercisable into one additional common share at $1.00 per share for a period of 24 months. The Company also issued 405,724 agent's warrants exercisable at $0.65 per share for a period of two years.

During fiscal 2010, the Company granted 3,000,000 (2009 – Nil) stock options to the Company's directors, officers, employees, and consultants and recorded compensation expense at a fair value of $1,776,672 (2009 - $Nil).

During fiscal 2010, the Company issued 17,020,698 (2009 – Nil) share purchase warrants. The Company also received proceeds of $12,500 on the exercise of 31,250 share purchase warrants.

Off balance sheet arrangements

The Company has no off balance sheet arrangements.

Related party transactions

During the year ended December 31, 2010, the Company entered into the following transactions with related parties:

i. Incurred management fees of $149,405 (2009 - $102,938) and interest of $9,860 (2009 – $8,532) to a company controlled by Jonathan Awde, a director of the Company. As at December 31, 2010, $25,740 (2009 - $8,532) was included in accounts payable.

ii. Incurred management fees of $30,000 (2009 - $Nil) and rent expense of $30,656 (2009 - $Nil) to a company controlled by Richard Silas, a director of the Company. As at December 31, 2010, $33,390 (2009 - $Nil) was included in accounts payable.

iii. Incurred management fees of $18,000 (2009 - $Nil) and interest expense of $5,080 (2009-$Nil) to a company controlled by Michael Waldkirch, an officer of the Company. As at December 31, 2010, $18,900 (2009 - $Nil) was included in accounts payable.

Related party transactions - *continued*

iv. Incurred fees, included in mineral property costs, of $154,545 (2009 - $66,769) to David Mathewson, a director and officer of the Company. As at December 31, 2010, $4,403 (2009 - $Nil) was included in accounts payable for fee and expense reimbursements.

v. Incurred management fees of $5,000 (2009 - $Nil) to Kristan Awde, a spouse of an officer and director.

vi. Amounts due to shareholders are unsecured, non-interest bearing and have no fixed terms of repayment. As at December 31, 2010, there is a balance outstanding of $3,755 (2009 - $22,528) due to Jonathan Awde, a director of the Company.

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.

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 consolidated financial statements as of December 31, 2010 with respect to the Company's reverse acquisition of JKR.

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 year ended December 31, 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.

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 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 consolidated financial statements for the year ended December 31, 2010.

Disclosure of data for outstanding common shares, options and warrants

As at December 31, 2010, the Company had 42,735,559 common shares outstanding, including 30,348,747 shares issued to effect the reverse acquisition of JKR, 9,219,493 shares issued pursuant to the completion of private placements for the year, and 31,250 shares pursuant to the exercise of warrants. During the year, 3,000,000 incentive stock options with an average exercise price of $0.70 were granted. The Company also issued a total of 15,553,823 share purchase warrants with an average exercise price of $0.99 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 1,466,875 share purchase warrants at an average exercise price of $0.40. The Company has a total of 16,989,448 warrants outstanding as at December 31, 2010.

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 5 individuals, 2 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 December 31, 2010, the Company has 10,649,857 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 December 31, 2010, 2,521,000 shares are subject to voluntary pooling and other regulatory restrictions and will be released through July 2011.

Subsequent Events

In January 2011, the Company granted 850,000 stock options at a price of $0.71 per share.

In January 2011, the Company cancelled a total of 700,000 stock options with a price of $0.82.

In February 2011, the Company entered into a consulting agreement with a US company, whereby the Company engaged the consultant to develop, coordinate, manage and execute a comprehensive corporate finance and investor relations campaign for the Company. Under the terms of the agreement, the Company will pay a monthly fee of US$6,500 for a term of six months and grant the consultant stock options to purchase 200,000 common shares of the Company at $0.75 per share. The stock options will vest in stages over 12 months.

In February 2011, the Company issued 346,153 common shares of the Company to settle certain debts totalling $225,000 held by three creditors.

In March 2011, the Company completed its non-brokered private placement of $11,950,000 through the sale of 12,578,947 commons shares at $0.95 per share. A financial advisory fee of $836,500 and warrants to purchase up to 880,526 common shares of the Company at a price of $0.95 per share for a period of 24 months was issued to a financial advisory firm in connection with the closing. All common shares issued pursuant to this private placement are subject to a four month and one day hold period expiring on July 4, 2011.

In March 2011, the Company signed four separate consulting agreements with consultants, officers, and directors of the Company to provide management consulting and exploration services to the Company for an indefinite term effective January 1, 2011 and one consulting agreement with an officer and director of the Company to provide management consulting services to the Company for an indefinite term effective February 1, 2011. The agreements require total combined payments of $55,000 per month. Included in each agreement is a provision for a two year payout in the event of termination without cause and three year payout in the event of a change in control.

In March 2011, the Company granted to a director and officer 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%.

In March 2011, the Company granted 400,000 stock options to certain consultants and directors of the Company at a price of $1.27 per share.

Subsequent Events - *continued*

In April, 2011, 20,000 stock options were exercised at a price of $0.65 per share for total proceeds of $13,000.

In April 2011, the Company granted 350,000 stock options to certain consultants and directors of the Company at a price of $1.40 per share.

Subsequent to year end, the following share purchase warrants were exercised:

- 118,750 share purchase warrants were exercised at a price of $0.40 per share for total proceeds of $47,500.
- 190,999 share purchase warrants were exercised at a price of $0.65 per share for total proceeds of $124,149.
- 2,311,653 share purchase warrants were exercised at a price of $1.00 per share for total proceeds of $2,311,653.