CORVUS GOLD INC.
(An Exploration Stage Company)

FORM 51-102F1
MANAGEMENT DISCUSSION & ANALYSIS

November 7, 2011

Introduction

This Management Discussion & Analysis ("MD&A") for Corvus Gold Inc. (the "Company" or "Corvus") for the three months ended August 31, 2011 has been prepared by management, in accordance with the requirements of National Instrument 51-102, as of November 7, 2011 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three month period ended August 31, 2011 and the audited consolidated financial statements for the years ended May 31, 2011 and 2010. Except where otherwise noted, all dollar amounts are stated in Canadian dollars.

Caution Regarding Forward Looking Statements

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Information concerning mineral resource estimates also may be deemed to be forward-looking statements in that it reflects a prediction of the mineralization that would be encountered if a mineral deposit were developed and mined. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets;
- the timing of decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs, including the North Bullfrog project;
- the Company's estimates of the quality and quantity of the resources at its mineral properties;
- the timing and cost of planned exploration programs of the Company and its joint venture partners (as applicable), and the timing of the receipt of results therefrom;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the Company's expectation that its respective joint venture partners will contribute the required expenditures, and make the required payments and share issuances (if applicable) as necessary to earn an interest in certain of the Company's mineral properties in accordance with existing option/joint venture agreements;

- the Company's expectation that it will be able to add additional mineral projects of merit to its assets; and

- the Company's expectation that it will be able to build itself into a non-operator gold producer with significant carried interests and royalty exposure.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;

- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration programs and those of its joint venture partners (where applicable);

- conditions in the financial markets generally, and with respect to the prospects for junior gold exploration companies specifically;

- the Company's ability to secure the necessary consulting, drilling and related services and supplies on favourable terms;

- the Company's ability to attract and retain key staff;

- the accuracy of the Company's resource estimates (including with respect to size and grade) and the geological, operational and price assumptions on which these are based;

- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs;

- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned exploration programs and the Company's ability to comply with such terms on a cost-effective basis;

- the ongoing relations of the Company with its joint venture partners and regulators;

- that the metallurgy and recovery characteristics of samples from certain of the Company's mineral properties are reflective of the deposit as a whole; and

- the ability of the Company's joint venture partners to raise the funding required for them to satisfy the requirements to earn interests in the Company's properties, as applicable.

These forward looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations. See "Risk Factors – Insufficient Financial Resources/Share Price Volatility".

Caution Regarding Adjacent or Similar Mineral Properties or Exploration and Evaluation Assets

This MD&A contains information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. The Company advises US investors that the mining guidelines of the US Securities and Exchange Commission (the "SEC") set forth in the SEC's Industry Guide 7 ("SEC Industry Guide 7") strictly prohibit information of this type in documents filed with the SEC. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties, and any production therefore or economics with respect thereto, are not indicative of mineral deposits on the Company's properties or the potential production from, or cost or economics of, any future mining of any of the Company's mineral properties or exploration and evaluation assets.

Cautionary Note to US Investors Concerning Reserve and Resource Estimates

National Instrument 43-101 Standards of Disclosure of Mineral Projects ("NI 43-101") is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all reserve and resource estimates contained in or incorporated by reference in this MD&A have been prepared in accordance with NI 43-101 and the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resource and Mineral Reserves, adopted by the CIM Council on November 14, 2004 (the "CIM Standards") as they may be amended from time to time by the CIM.

United States investors are cautioned that the requirements and terminology of NI 43-101 and the CIM Standards differ significantly from the requirements and terminology set forth in SEC Industry Guide 7. Accordingly, the Company's disclosures regarding mineralization may not be comparable to similar information disclosed by companies subject to SEC Industry Guide 7. Without limiting the foregoing, while the terms "mineral resources", "inferred mineral resources", "indicated mineral resources" and "measured mineral resources" are recognized and required by NI 43-101 and the CIM Standards, they are not recognized by the SEC and are not permitted to be used in documents filed with the SEC by companies subject to SEC Industry Guide 7. Mineral resources which are not mineral reserves do not have demonstrated economic viability, and US investors are cautioned not to assume that all or any part of a mineral resource will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher resource category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of a feasibility study or pre-feasibility study, except in rare cases. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant "reserves" as in-place tonnage and grade without reference to unit amounts. The term "contained ounces" is not permitted under the rules of SEC Industry Guide 7. In addition, the NI 43-101 and CIM Standards definition of a "reserve" differs from the definition in SEC Industry Guide 7. In SEC Industry Guide 7, a mineral reserve is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made, and a "final" or "bankable" feasibility study is required to report reserves, the three-year historical price is used in any reserve or cash flow analysis of designated reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

Accordingly, information contained in this MD&A contains descriptions of the Company's mineral deposits that may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

All of the Company's public disclosure filings, including its most recent material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties or exploration and evaluation assets.

Current Business Activities

General

Corvus holds four advanced to early stage projects in Alaska (Chisna, Terra, LMS and West Pogo) and the North Bullfrog project in Nevada. The primary focus of the Company will be to leverage its exploration expertise to discover major new gold deposits. The Company's strategy is to leverage its assets by utilizing partner funding during the high-cost, development phase of exploration to minimize shareholder financial risk while building a non-operator, gold production portfolio with significant carried interests and royalty exposure. To meet this objective, Corvus' four Alaskan projects are under joint venture agreements in which the joint venture partner provides 100% of the funding to reach the next major development milestone, with Corvus retaining attractive royalty and carried interest positions. The Company's joint ventures in Alaska are operated through Raven Gold. The Company has retained 100% interest in the North Bullfrog project in Nevada (held through its Nevada subsidiary), which has a number of high-priority, bulk tonnage and high-grade vein targets.

Highlights of activities during the period and to the date of this MD&A include:

- North Bullfrog: Drilling commenced on the North Bullfrog property on October 19, 2010 and was completed on June 23, 2011. In total 75 holes totalling 17,280 metres were drilled. Drilling has delineated thick intervals of mineralization throughout the area. Metallurgical testing has shown that the mineralization responds well to cyanide leaching and two bulk samples were collected and column testing is currently underway to evaluate the possibility of heap leach treatment of the mineralization. An initial resource estimate has been prepared for the property which, at a 0.2g/t gold cutoff, indicates the presence of 15.23 Mt at grade of 0.37g/t gold (indicated) and 155.63Mt at a grade of 0.28g/t gold (inferred).

- LMS: First Star USA Inc. ("First Star US") an Alaskan subsidiary of First Star Resources Inc., the Company's joint venture partner at LMS, completed a summer drilling program of 2290 metres in six holes averaging 380 metres in depth. The drilling has proved the continuity of the graphitic breccia zone for a total of 750 metres down dip. No assays have been released at this time. First Star also completed a Light Detection and Ranging ("LIDAR") survey over the LMS claim block which provides sub-metre elevation data over the property.

- West Pogo: First Star US has been carrying on a program of surface mapping and sampling in the summer of 2011 and a 3D IP/Resistivity survey was conducted over part of the claim block. The rock sampling revealed areas of low-grade mineralization to the south and west of previously known mineralization.

- Chisna: Ocean Park Alaska Corp. (a subsidiary of Ocean Park Ventures Corp.) ("OCP Alaska") has commenced work on the Raven Gold/OCP Alaska joint venture. Drilling at the Golden Range area began in early August and continued though the first week in October. A total of 16 holes, totalling 3193 metres were drilled. Expenditures in the order of US $3M by OCP Alaska are anticipated for the 2011 program.

- Terra: Terra Gold Corporation ("Terra Gold") (the Alaska subsidiary of WestMountain Index Advisor, Inc. (formerly "Terra Mining Corporation")) has begun exploration at the Terra property. Terra Gold has commissioned the construction of a mill to process bulk sample material and currently has an excavator on site extracting that sample. Most of the mill has been delivered to the site and installation is underway. Drilling began in August to further delineate the resource at the Ben Vein.

Nevada Property

North Bullfrog Property

General

The North Bullfrog Project is controlled 100% by the Company and covers 24 square kilometres of United States federal unpatented and leased patented claims (Figure 1). The North Bullfrog Project targets low-sulphidation epithermal-style gold mineralization of a style similar to that at the Bullfrog mine operated by Barrick Gold Corporation until 1998 and located 8 kilometres to the south.

In October, 2010 the Company contracted Eklund Drilling Company, Inc. of Reno, Nevada to undertake a 10,000-metre reverse circulation drilling program at North Bullfrog; however, due to the success of the program it was extended and was completed in June 2011 with 75 holes totalling 17,280 metres.

The 2010-2011 drill program was focused on resource definition in the Yellowjacket, Sierra Blanca, Savage Valley, Jolly Jane and Connection prospects and was successful in defining a new area of thick oxide mineralization covering approximately 1.7 km^2 in the northern portion of the North Bullfrog property package. Drilling has proved the continuity of mineralization between Yellowjacket, Sierra Blanca and Savage Valley and for the purposes of resource definition they will all be grouped into one area to be referred to as the North District.

In September 2011 the Company retained Mr. Gary Giroux, M.Sc., P.Eng. of Giroux Consultants Ltd. to prepare an updated mineral resource estimate for the North Bullfrog project. The updated mineral resource estimate for each area of North Bullfrog is based on three dimensional geologic models developed by Corvus geologists using geology logs from the drill holes along with alteration and geochemical data. The grade distributions for gold and silver were evaluated using lognormal cumulative frequency plots for samples within both the mineralized solid and the surrounding waste. Drill holes were compared to the mineralized solids and the points each hole entered and left the solids were recorded. Uniform down hole composites, 5+/- 2.5 metres in length, were formed and made to honour the solid boundaries. Pairwise relative semivariograms were produced from composites within the mineralized solid for both gold and silver. For this resource estimate, the averages of the specific gravities for numerous samples were used to calculate the densities for the different geologic units in the models. A block model with blocks 10 x 10 x 5 metres in dimension was superimposed over the mineralized solids. At Mayflower the model was rotated 45 degrees to better fit the solid but other areas were not rotated. Grades for gold and silver were interpolated into all blocks, with some percentage within the mineralized solid, by ordinary Kriging.

The updated independent estimate has expanded the District wide Indicated gold resource to 182,000 contained ounces at an average grade of 0.37 g/t, plus an additional Inferred gold resource of 1,410,000 contained ounces at an average grade of 0.28 g/t, both at a cutoff grade of 0.20 g/t gold (see Table 1). This new, much larger resource reflects a major new discovery in the northern part of the Company's land area which is composed of three deposits separated by large undrilled areas. In addition, some of the resource areas contain higher grade resources as well as high-grade vein systems which could be targets for early mining (see Table 2). The Company has begun acquiring the necessary information required for completion of a Preliminary Economic Assessment, as well as designing and permitting a major follow up grid drilling resource expansion program which will focus on both the bulk tonnage and high-grade vein potential of the area.

Table 1: North Bullfrog Estimated Indicated & Inferred Resource (using a 0.20 g/t gold cut-off grade)*

Resource Category	Tonnes > Cutoff (tonnes)	Grade > Cutoff		Contained	
		Gold (g/t)	Silver (g/t)	Gold (Ozs)	Silver (Ozs)
Indicated	**15,230,000**	**0.37**	**0.44**	**182,577**	**215,187**
Inferred	**155,630,000**	**0.28**	**0.84**	**1,410,096**	**4,212,532**

* Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues.

Table 2: Summary of Indicated and Inferred Resources at North Bullfrog by Deposit

Prospect	Oxide State	Class	Au Cutoff (g/t)	Tonnes >Cutoff	Au Grade (g/t) >Cutoff	Ag Grade (g/t) >Cutoff	Contained Ounces Gold	Contained Ounces Silver
Jolly Jane	Oxidized	Indicated	0.2	10,090,000	0.29	0.49	94,000	159,000
Mayflower	Oxidized	Indicated	0.2	5,140,000	0.54	0.34	88,577	56,187
		Total Indicated	***0.2***	***15,230,000***	***0.37***	***0.44***	***182,577***	***215,187***

Prospect	Oxide State	Class	Au Cutoff (g/t)	Tonnes >Cutoff	Au Grade (g/t) >Cutoff	Ag Grade (g/t) >Cutoff	Contained Ounces Gold	Contained Ounces Silver
Connection	Oxidized	Inferred	0.2	550,000	0.49		9,000	
Jolly Jane	Oxidized	Inferred	0.2	15,900,000	0.25	0.38	129,000	194,000
Mayflower	Oxidized	Inferred	0.2	3,090,000	0.46	0.26	46,096	25,532
Sierra Blanca	Oxidized	Inferred	0.2	61,790,000	0.27	0.94	540,000	1,867,000
Sierra Blanca	Un-oxidized	Inferred	0.2	74,300,000	0.29	0.89	686,000	2,126,000
		Total Inferred	***0.2***	***155,630,000***	***0.28***	***0.84***	***1,410,096***	***4,212,532***

The resource update is focused on 4 of several targets in the North Bullfrog District, all of which remain open with potential to grow significantly (Figure 1). The primary host unit for the majority of the resource is a thick, oxidized, shallowly dipping volcanic unit which is commonly exposed at surface, thereby offering the potential for very low strip ratio. The continuity of the mineralization within the primary host unit is considered to be very good, and there is a high probability that the resource will increase with future step-out and infill drilling around the current widely-spaced holes. In addition, the individually reported deposits are separated by undrilled areas which have projections of the favourable host unit between them, and which could therefore offer additional potential for resource expansion. Approximately 57% of the current estimated resource is oxide material occurring at surface, which has returned encouraging cyanide bottle roll test results suggesting potential for low cost heap leach recovery (Table 3). Ongoing metallurgical work is focusing on evaluating the potential of the bulk tonnage oxide deposits for heap leaching and, in particular, coarse “run of mine” material. The North Bullfrog property has a large number of areas that the Company believes would be suitable for a large heap leach operation as well as ready access to key infrastructure and water.

Drilling at the North Bullfrog project has returned a number of high-grade drill intersections similar to the historic high-grade veins that were mined 7 kilometres to the south in the main Bullfrog district. Several high-grade gold and silver veins have been encountered in a number of areas, such as Yellowjacket (6.1m @ 11.9 g/t gold and 8.8 g/t silver), Mayflower (9.1m @ 7.18 g/t gold & 15.2m @ 2.87 g/t gold) and Connection (6.1m @ 2.67 g/t gold & 15.2m @ 2.44 g/t gold). As part of its follow-up grid drilling program, the Company will be targeting high-grade structural zones to evaluate this promising style of mineralization.

A program of metallurgical testing is being carried out at McClelland Laboratories in Reno, Nevada. Bottle roll testing is underway on a number of composites derived from RC drill cuttings which represent the combination of different geographical areas and different degrees of oxidation. Preliminary results from -200 mesh bottle rolls indicate that recoveries are very good and the gold is extracted relatively quickly from the sample (Table 3). Bulk samples were collected from the Jolly Jane and Sierra Blanca areas for large scale column testing. Leaching is currently underway on four 10 foot x 12 inch columns filled with minus 2 inch material derived from crushing the bulk samples. Additional testing will be carried out on minus ½ inch material in the near future.

Table 3
Summary of 72 Hour Cyanide Bottle Roll Recovery Tests for North Bullfrog Project

Test ID	Target Area	Gold (g/t)	Oxidation	4 hour Recovery	Total Recovery
48436 B	Sierra Blanca	0.51	Oxide	87%	94%
48436 C	Sierra Blanca	0.45	Oxide	96%	93%
48434 B	Sierra Blanca	0.29	Oxide	79%	90%
48433 C	Sierra Blanca	0.47	Oxide	79%	77%
48433 A	Sierra Blanca	0.71	Mostly Oxide	79%	87%
48433 D	Sierra Blanca	0.37	Mostly Oxide	69%	70%
48434 D	Sierra Blanca	0.35	Mixed Ox/Sulf	68%	72%
48433 B	Sierra Blanca	0.36	Mixed Ox/Sulf	46%	47%
48436 A	Sierra Blanca	0.35	Mixed Ox/Sulf	42%	40%
3165-6	Mayflower	1.10	Oxide	61%	90%
3165-5	Mayflower	1.70	Oxide	60%	83%
3165-4	Mayflower	0.60	Oxide		76%
3165-7	Mayflower	2.40	Oxide	56%	71%
3165-8	Mayflower	11.10	Mostly Oxide	41%	91%
3165-9	Mayflower	1.20	Mostly Oxide	33%	68%
48432 B	Jolly Jane	0.55	Oxide	94%	95%
48432 A	Jolly Jane	0.46	Oxide	93%	90%
48432 C	Jolly Jane	0.37	Oxide	85%	89%
48432 D	Jolly Jane	0.32	Oxide	87%	85%
48456 B	Connection	4.23	Oxide	78%	91%
48456 A	Connection	5.87	Mixed Ox/Sulf	32%	48%

Scott E Wilson Consulting Inc. has been retained to assist in the preparation of a preliminary economic assessment to evaluate the viability of mining the North Bullfrog deposits. It is anticipated that that work will be completed in Q1 2012 once the metallurgical testing is complete.

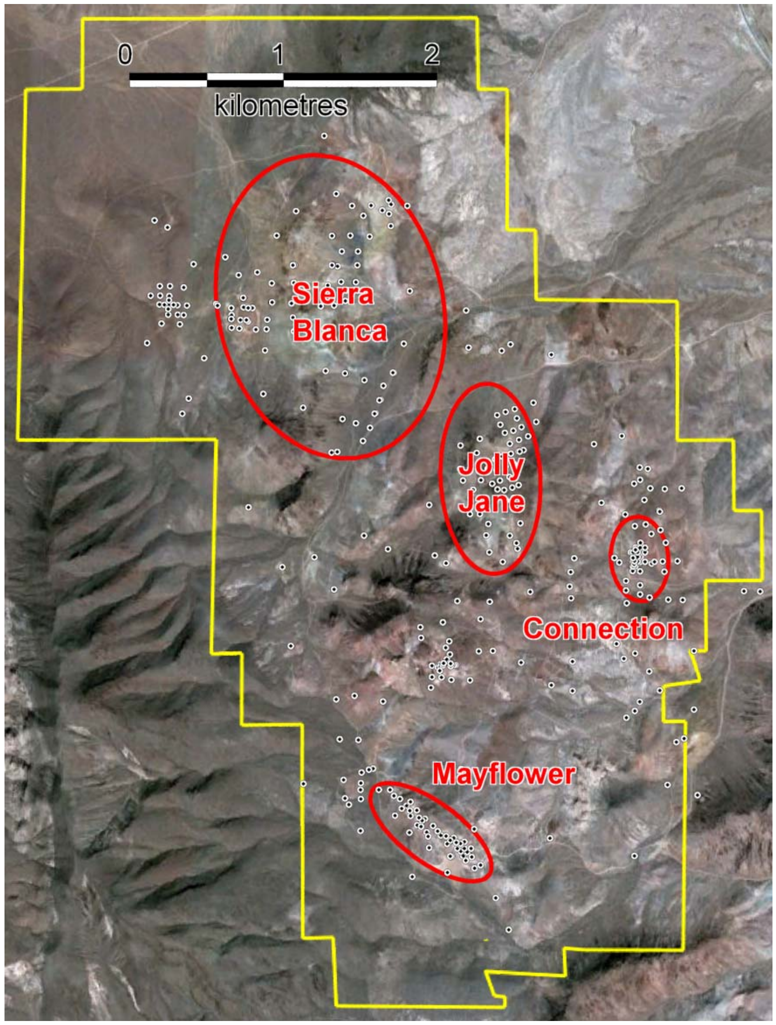

Figure 1: Corvus land position at North Bullfrog showing areas where estimated resources have been defined. Drill collar locations are shown for reference.

The Company will be continuing with its ongoing metallurgical testing while it completes the permitting for the next phase of drilling. It is anticipated that the permitting process will be completed in approximately Q3, 2012.

Alaska Properties

Terra Project Option-Joint Venture

Raven Gold signed a joint venture agreement in 2010 with Terra Gold (a wholly owned Alaska subsidiary of Terra Mining Corporation) with respect to the Terra project. Terra Mining Corporation was subsequently acquired by WestMountain Index Advisor, Inc. ("WestMountain") in February 2011. With the acquisition, WestMountain has acquired, through its indirect ownership of Terra Gold, the right to earn a 51% interest in the Terra Project from Raven Gold by spending a total of US$6.0 million. Terra Gold can further increase its ownership to 80% with a US$9.5 million capital investment over a four-year period.

The camp at Terra opened in June, 2011 and closed on the 20th of September. The milling equipment required for processing the bulk sample was transported to the project site over the course of the summer. The footings and foundations required for the installation were completed. The Company has been advised by Terra Gold that it is anticipated that the mill will be fully installed for operation in 2012. An excavator was brought to the project site and excavation of the vein was initiated. A total of 128 tonnes of vein material has been transported from the outcrop to the mill site for processing in 2012. Four diamond drill holes were completed over the course of the summer. These holes tested the northern strike extension of the vein on two fences, 100 hundred and 200 metres north of the last known vein intersections. All four holes encountered the Ben vein at the projected location providing confirmation of at least 500 metres of strike length in the main vein structure. The holes also encountered a second vein zone that appears be continuous in the four holes. In total, over 600 samples were submitted for assay. Assays are pending at this time.

LMS Project Option-Joint Venture

The LMS claim block is located in the Goodpaster mining district and consists of 92 Alaska mining claims covering 61 square kilometres owned 100% by the Company.

First Star US completed a winter drilling program that consisted of completing one hole and starting another. Camp opened for the summer drilling project in June 2011. First Star completed a summer drilling program of 2290 metres in six holes averaging 380 metres in depth. The drilling has proved the continuity of the graphitic breccia zone for a total of 750 metres down dip. No assays have been released at this time. A LIDAR survey was flown over the entire claim block to better define structural targets. Active field work on the project ceased at the end of July, 2011.

Information with respect to the 2011 activities at LMS will be provided as received from First Star US.

West Pogo Project Option-Joint Venture

The West Pogo prospect is located in the Goodpaster mining district, Alaska, and consists of 96 State of Alaska mining claims covering 18.9 square kilometres owned 100% by the Company.

During June and July of 2011, First Star US completed a 3D Induced Polarization (IP) Survey in the claim block, and has also completed additional surface geological mapping and geochemical surveys in June 2011. In total 219 rock samples and 120 soil samples were collected. The aim of this work has been to define structural targets for drill testing. First Star US has informed Corvus that they will not be drilling on West Pogo during the summer of 2011.

Information with respect to the 2011 activities at West Pogo will be provided as received from First Star US.

Chisna Project – Option-Joint Venture with Ocean Park Ventures Corp. ("OPV")

The Chisna Project is focused on a new and emerging Alaskan copper-gold porphyry belt of deposits with copper and gold mineralization associated with mid-Cretaceous intrusions of similar age and style to the Pebble deposit to the west and Orange Hill deposit to the east (Figure 2). At present, the Raven Gold/Ocean Park US joint venture controls over 232,000 acres of either State of Alaska mining claims or land leased from Ahtna Corporation.

Regional exploration, including geophysics, stream sediment surveys, soil surveys and geological mapping, has identified a number of mineralized areas within the district (Figure 3). Geochronology studies indicate that the Grubstake porphyry system was active over a long period of time. Intrusions that are related to the mineralization and molybdenite from quartz veins in the porphyry mineralization give ages of 126Ma. In contrast, actinolite related to sodic-calcic alteration that overprints the porphyry copper mineralization give ages of 110Ma. Potassium feldspar from hydrothermal breccias at the Ravine prospect gave an age of 94Ma. Hornblende from a nearby porphyry gave an age of 110Ma and feldspar from the same intrusion gave an age of 97Ma. These ages show that mineralization at Chisna was forming during the same epoch as important deposits such as the Pebble (96-86Ma) and Orange Hill (114-104Ma) porphyry copper deposits and the gold deposits at Pogo (104Ma), Fort Knox (93Ma) and Livengood (90Ma).

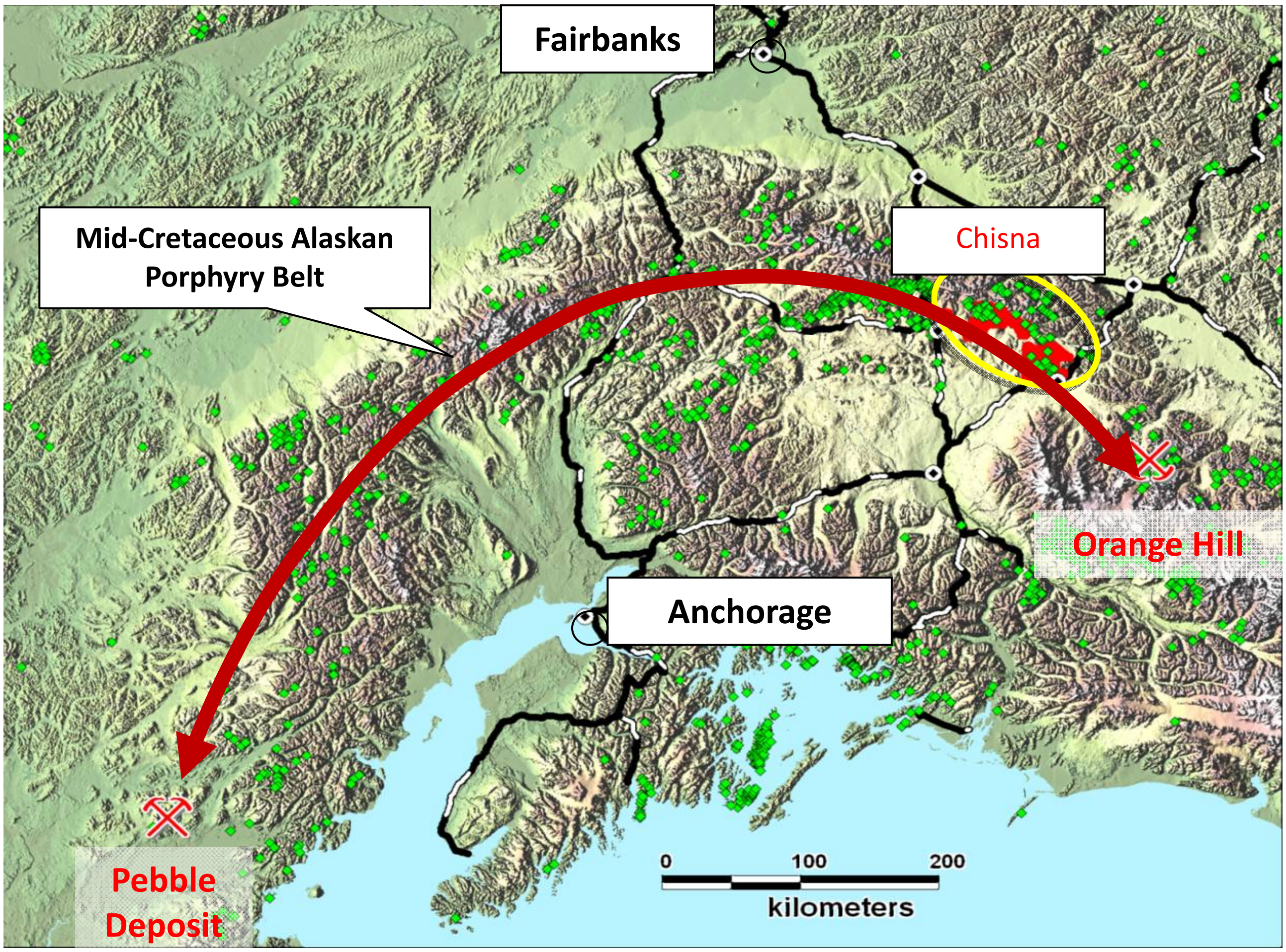

Figure 2: Chisna Project location map.

The exploration camp for the 2011 exploration program opened on June 28, 2011 and closed on October 9. Exploration in 2011 focussed on defining gold mineralization at the Golden Range and South Grubstake, two targets generated in the 2010 program. Over the course of the summer 2155 rock samples and 2335 soil samples were collected and sent for assay. In addition 16 diamond drill holes were completed for a total of 3193 metres.

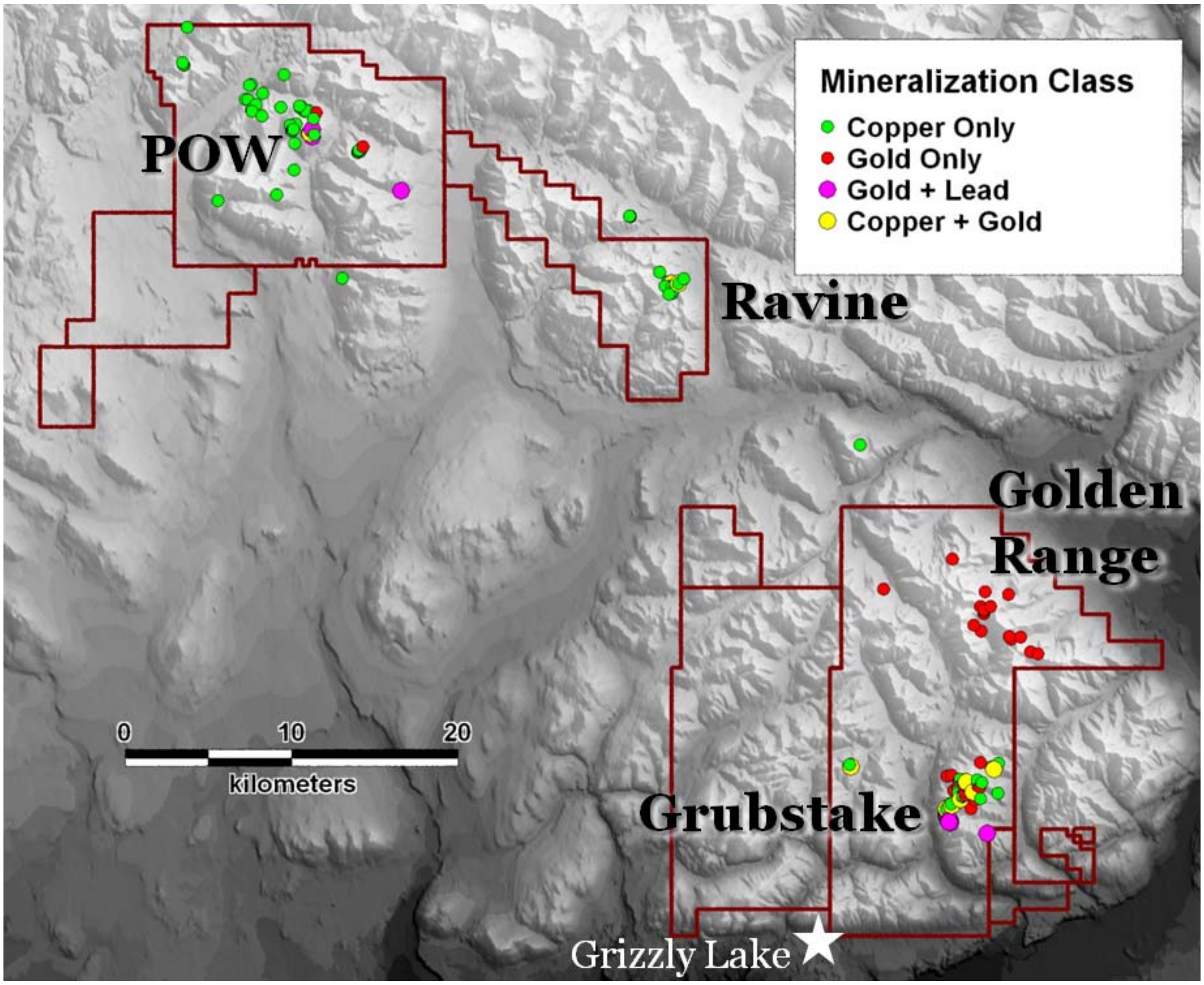

Figure 3: Chisna land position showing distribution of significantly mineralized surface rock samples and their metal associations. Grizzly Lake is the location of the exploration camp which is on the highway with grid electrical power.

<u>Southwest Grubstake Target</u>

New high-grade gold mineralization has been discovered along a series of en-echelon quartz-dolomite-barite veins on the southwest side of the existing Grubstake porphyry target. These polymetallic quartz veins have returned high gold values along with significant silver, lead and zinc values from veins ranging in width from 20 cm up to 2 metres. This vein swarm, which strikes NNE to NE within a NW to SW mineralized trend, has been delineated over a strike length in excess of 400 metres. A total of 40 rock samples derived from in-place quartz-dolomite-barite boulder trains and outcrops returned an average of 5.27 g/t gold, 6.2 g/t silver, 0.7% lead and 0.13% zinc, with highs of 46.5 g/t gold, 32.1g/t silver, 6.9% lead and 1.22% zinc (Figure 4).

In 2011, the South Grubstake area was mapped in detail and a detailed soil grid was completed over the prospect. Trenching across the vein arrays has helped develop an understanding of their orientation. Based on the excellent results obtained in the Golden Range area it was decided not to drill Southwest Grubstake in 2011.

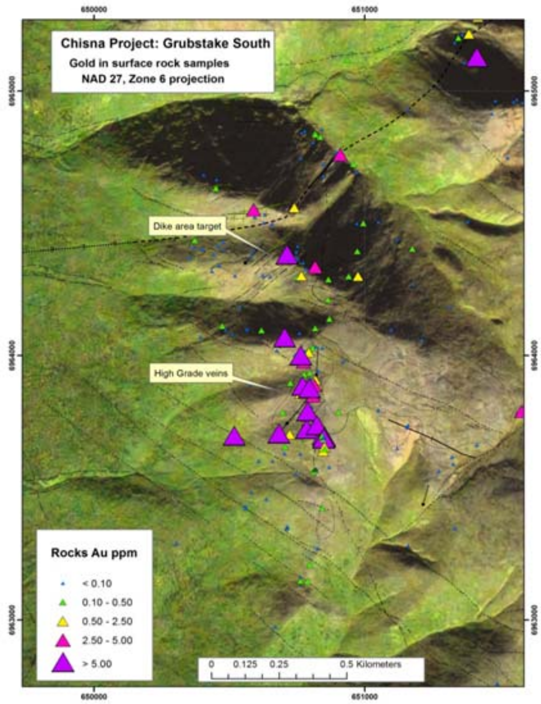

Figure 4: Distribution of surface rock samples at Southwest Grubstake.

<u>Golden Range Target</u>

The Golden Range target is located 5 km north of the Grubstake porphyry system (Figure 3). Here, a largely continuous gold anomaly covering an area of roughly 30 square kilometres has been defined by over 1531 rock and 1284 soil samples. Reconnaissance sampling took place mostly along topographic crests, where sampled material is inferred to be approximately in place. The average gold grade of all 1531 rock samples taken over the target area is 2.2 g/t gold. Of those samples, 335 have greater than 1g/t gold and 83 have over 10g/t gold, with a high value of 114 g/t gold. Samples returning over 10g/t gold are present over a strike length of 11.5 kilometres.

Out of 1050 soil samples taken to define the mineralized area, 206 samples returned greater than 0.10g/t gold with an average of 0.49g/t gold and a high value of 6.51 g/t gold. Of the balance, 151 samples returned results between 0.05g/t and 0.1g/t gold and 203 have between 0.02 and 0.05g/t gold. This extensively mineralized gold zone occurs within dioritic intrusive rocks and follows a strong northwest-to-southeast trending structural zone. A number of specific mineralized centers have been defined and drilling has been undertaken at Royal City, El Corazon, the Notch and the Matador (Figure 5).

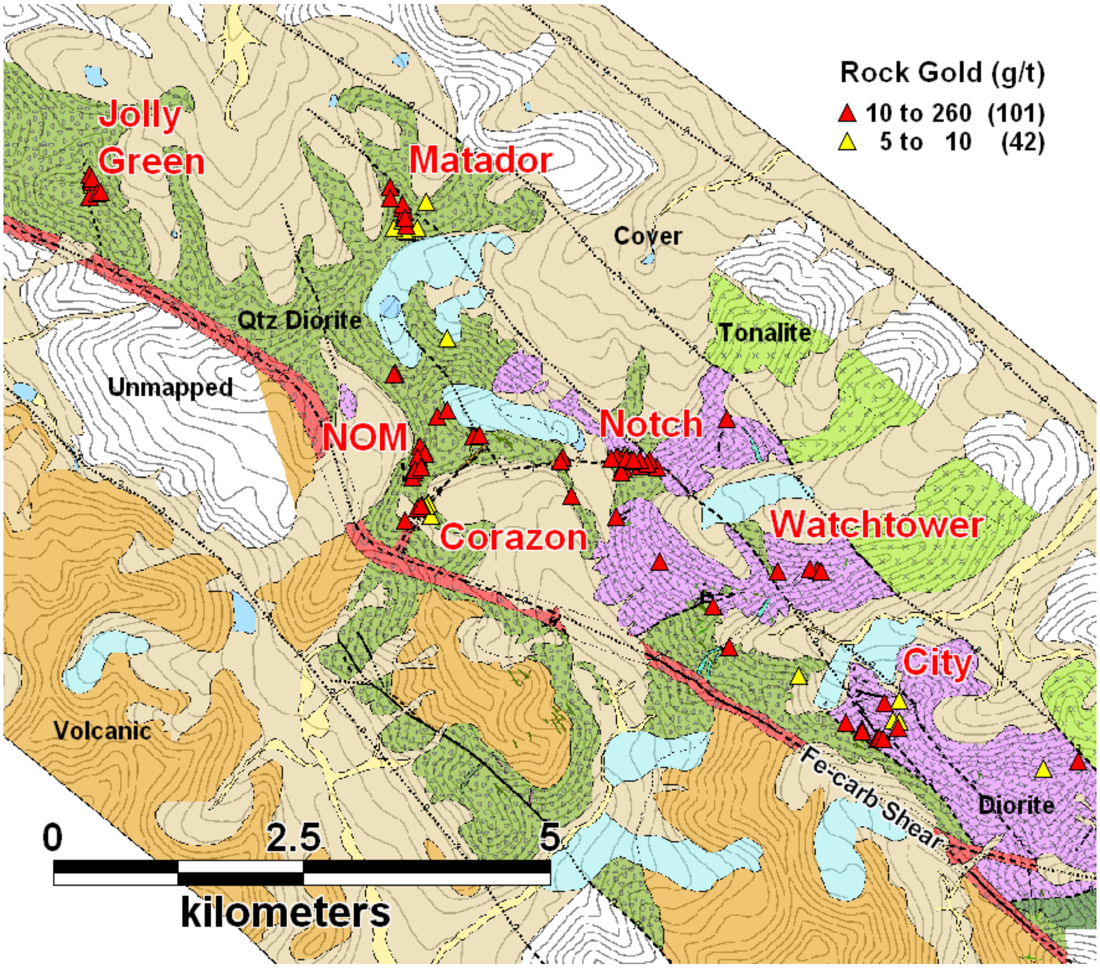

Figure 5: ***Geological map of the Golden Range Target showing named major prospects and gold in surface rock samples.***

The Notch Zone represents a particularly interesting target with a mapped strike length of 1 kilometre and many surface rock samples with grades in excess of 10 g/t gold over a strike length of 900 metres (Figure 6). Surface mapping and trench sampling at the Notch Zone has shown that mineralization is hosted in a shear zone 40-60 metres thick which dips 40-50 degrees to the south. The entire zone is altered and mineralized with higher grade zones of quartz-arsenopyrite restricted to specific intervals within the larger structural zone. A total of seven holes, totalling 1674 metres, and four trenches, totalling 104 metres, were completed at the Notch Zone (Figure 6).

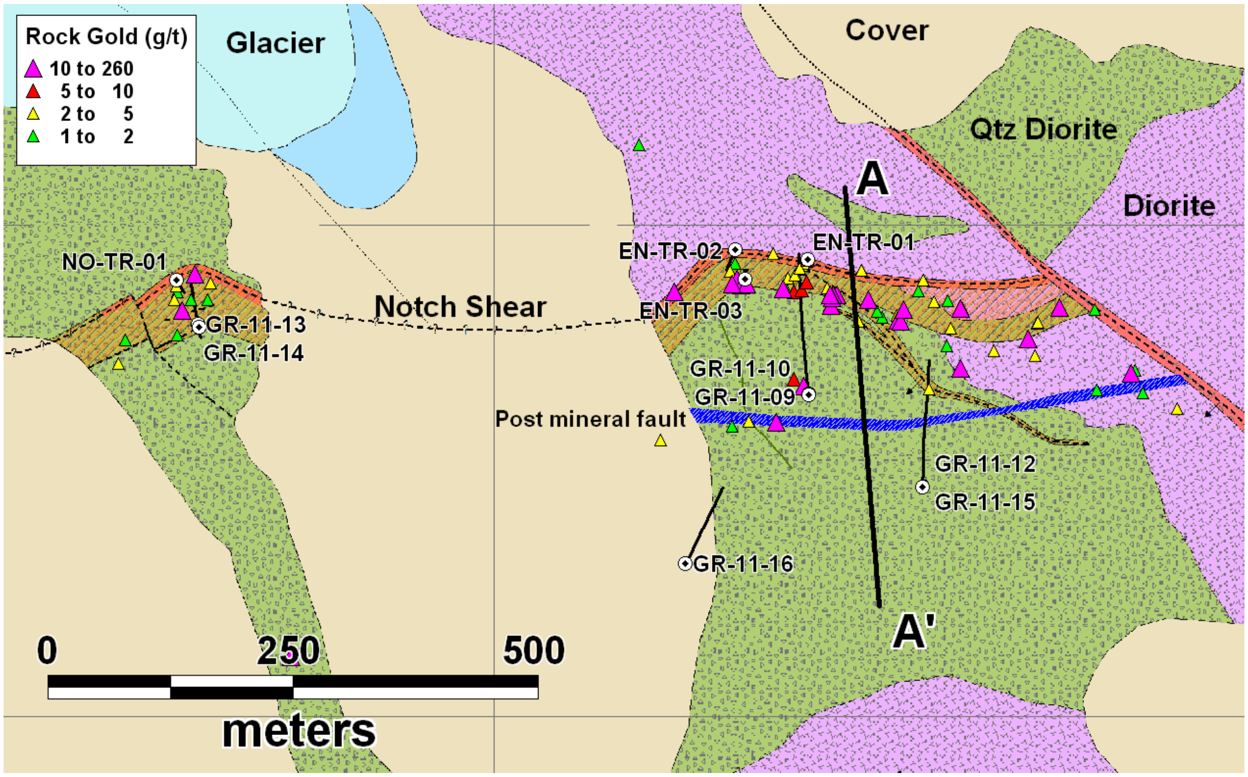

Figure 6: Geological map of the Notch Zone showing surface rock samples with drill and trench locations and traces.

Trench EN-TR-01 encountered 47 metres with an average grade of 1 g/t gold including 5 metres of 3.4 g/t gold (Table 4). Trench EN-TR-02, near the footwall of the shear, had only weak mineralization associated with alteration but trench EN-TR-03, near the hangingwall of the shear, returned 10 metres of 6.5 g/t gold including an interval of 5 metres of 13.2 g/t gold. Trench NO-TR-01on the western extension of the structure was 16 metres long and had only low grade mineralization (Table 4).

A series of holes was drilled to test the down dip extension of the surface shear zone. Hole GR-11-09 encountered 16 metres of 3 g/t gold including 7 metres of 4.5 g/t gold with several other intervals of significant grade in a 60 metre thick shear zone (Table 1, Figure 3). Similarly, hole GR-11-15 encountered 17 metres of 2 g/t gold including 5 metres of 4.6 g/t gold also in a 60 metre wide zone of alteration (Figure 3). Unfortunately holes GR-11-10 and GR-11-12 encountered a significant fault zone and were lost before hitting the mineralized zone. Holes GR-11-13 and GR-11-14 in the western extension both encountered 10's of metres of continuous low grade mineralization.

These drill results show that gold mineralization in the Notch Shear continues for at least 250 metres down dip and that the high grades encountered at the surface can be found at depth (Figure 7). At present, a detailed structural analysis is underway to better predict the distribution of higher grades zones within the larger shear zone at the Notch Zone. In addition, the other high-grade gold targets in the Golden Range area are being further analyzed and drill targeting is underway.

Table 4: Significant Intercepts* from Drilling and Trenching at the Notch Zone.

*Intercepts calculated using a cut off of 0.1g/t gold with maximum of 3 metres of internal waste. These intercepts are not true widths. At this time, there is insufficient data with respect to the shape of the mineralization to calculate its true orientation in space.

Hole/Trench ID	From (metres)	To (metres)	Interval (metres)	Gold (g/t)	Silver (g/t)
EN-TR-01	**6.0**	**53.0**	**47.0**	**1.01**	**1.27**
including	*7.0*	*11.0*	*4.0*	*2.27*	*1.81*
including	*15.0*	*17.0*	*2.0*	*3.10*	*1.96*
EN-TR-01	24.0	27.0	3.0	2.17	5.27
EN-TR-01	**47.0**	**52.0**	**5.0**	**3.37**	2.07
EN-TR-02	*2.0*	27.0	25.0	0.26	0.72
EN-TR-03	**0.0**	**11.0**	**11.0**	**6.48**	**3.20**
including	**5.0**	**10.0**	**5.0**	**13.21**	**6.09**
NO-TR-01	**5.0**	**13.0**	**8.0**	**0.74**	**2.11**
GR-11-09	**101.2**	**117.0**	**15.8**	**3.19**	**1.93**
including	***101.2***	***108.0***	***6.8***	***4.49***	***0.92***
including	*111.3*	*117.0*	*5.7*	*3.31*	*4.03*
including	*112.3*	*114.1*	*1.8*	*8.84*	*10.67*
GR-11-09	140.5	152.8	12.3	1.60	1.93
including	*141.5*	*147.8*	*6.3*	*2.58*	*2.77*
GR-11-10	*149.1*	*149.6*	*0.4*	*5.15*	*0.70*
GR-11-12		*No significant Intercepts*			
GR-11-13	1.9	46.7	44.9	0.34	0.68
GR-11-14	64.9	102.41	37.490005	0.40	
GR-11-15	210.5	227.4	16.9	1.99	
including	***212.5***	***217.6***	***5.1***	***4.57***	
GR-11-16		*No significant Intercepts*			

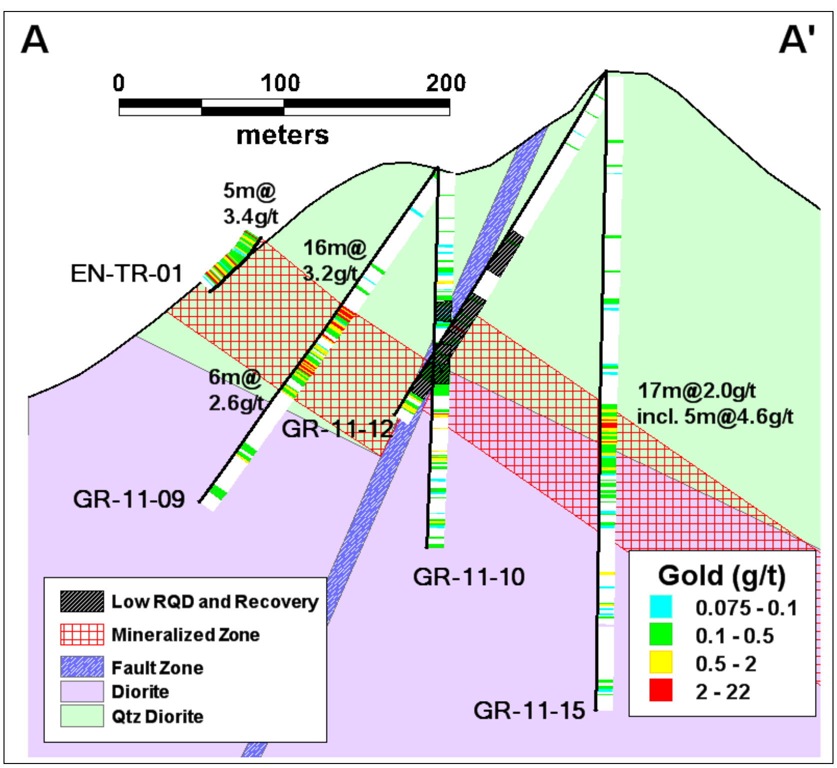

Figure 7: Geological cross section through the Notch Zone

All of the foregoing information has been provided by Ocean Park, whose wholly owned Alaska subsidiary, Ocean Park Alaska, is the operator of the joint venture on the Chisna Project. Further information with respect to the 2011 results at Chisna will be provided as received from Ocean Park Alaska, who is the operator of the 2011 program at Chisna.

Qualified Person and Quality Control/Quality Assurance

Jeffrey A. Pontius (CPG 11044), a qualified person as defined by National Instrument 43-101, has supervised the preparation of the scientific and technical information that forms the basis for this MD&A (other than with respect to the work done and results released by First Star and Terra Alaska and the 2011 work done and results released by Ocean Park Alaska) and has approved the disclosure herein. Mr. Pontius is not independent of the Company, as he is the CEO and holds common shares and incentive stock options.

The work program at North Bullfrog was designed and supervised by Russell Myers (CPG-11433), President of the Company, and Mark Reischman, Nevada Exploration Manager, who are responsible for all aspects of the work, including the quality control/quality assurance program. On-site personnel at the project log and track all samples prior to sealing and shipping. All sample shipments are sealed and shipped to ALS Chemex in Reno, Nevada, for preparation and then on to ALS Chemex in Reno, Nevada, or Vancouver, B.C., for assay.

Russell Myers, a qualified person as defined by National Instrument 43-101, has reviewed and independently verified the Ocean Park information contained herein and has approved the disclosure herein with respect to the Chisna project. Mr. Myers is not independent of the Company, as he is the President and holds common shares and incentive stock options in Corvus. Mr. Myers has been directly involved in the shipment and analysis of samples from the Chisna Project. QAQC protocols are identical to those used on all Corvus projects with internal control samples inserted into each shipment with shipments sealed and shipped to ALS Chemex in Fairbanks, Alaska.

ALS Chemex's quality system complies with the requirements for the International Standards ISO 9001:2000 and ISO 17025:1999. Analytical accuracy and precision are monitored by the analysis of reagent blanks, reference material and replicate samples. Quality control is further assured by the use of international and in-house standards. Finally, representative blind duplicate samples are forwarded to ALS Chemex and an ISO compliant third party laboratory for additional quality control.

Risk Factors

Due to the nature of the Company's proposed business and the present stage of exploration of its Alaskan and Nevada property interests (which are primarily early to advanced stage exploration properties with no known reserves), the following risk factors, among others, will apply:

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting both from the failure to discover mineral deposits and from finding mineral deposits which, though present, are insufficient in size and grade at the then prevailing market conditions to return a profit from production. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Other than the Terra and Mayflower (North Bullfrog) properties, which have estimated inferred and/or indicated resources identified, there are no known resources, and there are no known reserves, on any of the Company's properties. The majority of exploration projects do not result in the discovery of commercially mineable deposits of ore. Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit will ever qualify as a commercial mineable ore body which can be legally and economically exploited.

Fluctuation of Metal Prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. The Company's long-term viability and profitability depend, in large part, upon the market price of metals which have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any minerals produced from the Company's properties will be such that any such deposits can be mined at a profit.

Permits and Licenses: The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Acquisition of Mineral Claims under Agreements: The agreements pursuant to which the Company has the right to acquire interests in a number of its properties provide that the Company must make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

Proposed Amendments to the United States General Mining Law of 1872: In recent years, the United States Congress has considered a number of proposed amendments to the U.S. *General Mining Law of 1872* ("Mining Law"). If adopted, such legislation, among other things, could impose royalties on mineral production from unpatented mining claims located on United States federal lands, result in the denial of permits to mine after the expenditure of significant funds for exploration and development, reduce estimates of mineral reserves and reduce the amount of future exploration and development activity on United States federal lands, all of which could have a material and adverse effect on the Company's cash flow, results of operations and financial condition.

Uncertainties Relating to Unpatented Mining Claims: Many of the Company's mineral properties comprise federal unpatented mining claims in the United States. There is a risk that a portion of the Company's unpatented mining claims could be determined to be invalid, in which case the Company could lose the right to mine any minerals contained within those mining claims. Unpatented mining claims are created and maintained in accordance with the Mining Law. Unpatented mining claims are unique to United States property interests, and are generally considered to be subject to greater title risk than other real property interests due to the validity of unpatented mining claims often being uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations under the Mining Law. Unpatented mining claims are always subject to possible challenges of third parties or contests by the United States federal government. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of federal and state statutory and decisional law. Title to the unpatented mining claims may also be affected by undetected defects such as unregistered agreements or transfers. The Company has not obtained full title opinions for the majority of its mineral properties. Not all the mineral properties in which the Company has an interest have been surveyed, and their actual extent and location may be in doubt.

Surface Rights and Access: Although the Company acquires the rights to some or all of the minerals in the ground subject to the mineral tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights through the courts can be costly and time consuming. It is necessary to negotiate surface access or to purchase the surface rights if long-term access is required. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate satisfactory agreements with any such existing landowners/occupiers for such access or purchase of such surface rights, and therefore it may be unable to carry out planned mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction the outcomes of which cannot be predicted with any certainty. The inability of the Company to secure surface access or purchase required surface rights could materially and adversely affect the timing, cost or overall ability of the Company to develop any mineral deposits it may locate.

No Assurance of Profitability: The Company has no history of production or earnings and due to the nature of its business there can be no assurance that the Company will be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. All of the Company’s properties are in the exploration stage and the Company has not defined or delineated any proven or probable reserves on any of its properties. None of the Company’s properties are currently under development. Continued exploration of its existing properties and the future development of any properties found to be economically feasible, will require significant funds. The only present source of funds available to the Company is through the sale of its equity shares, short-term, high-cost borrowing or the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings, short-term borrowing or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks: Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company may elect not to insure where premium costs are disproportionate to the Company’s perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulation: Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. The Company cannot predict whether or not such legislation, policies or controls, as presently in effect, will remain so, and any changes therein (for example, significant new royalties or taxes), which are completely outside the control of the Company, may materially adversely affect to ability of the Company to continue its planned business within any such jurisdictions.

Recent market events and conditions: From 2007 into 2010, the U.S. credit markets have experienced serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market (particularly, sub-prime and non-prime mortgages) and a decline in the credit quality of mortgage backed securities. These problems have led to a slow-down in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and a general decline in consumer confidence. These conditions caused a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by the U.S. and foreign governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. In addition, general economic indicators have deteriorated, including declining consumer sentiment, increased unemployment and declining economic growth and uncertainty about corporate earnings.

While these conditions appear to have improved slightly in 2011, unprecedented disruptions in the credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult for the Company to obtain, or increase its cost of obtaining, capital and financing for its operations. The Company's access to additional capital may not be available on terms acceptable to it or at all.

General economic conditions: The recent unprecedented events in global financial markets have had a profound impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. Specifically:

- The global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity
- the volatility of gold and other base metal prices may impact the Company's future revenues, profits and cash flow
- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs

- the devaluation and volatility of global stock markets impacts the valuation of the Company's common shares, which may impact the Company's ability to raise funds through the issuance of equity securities

These factors could have a material adverse effect on the Company's financial condition and results of operations.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake by itself the acquisition, exploration and development of all of its planned acquisition, exploration and development programs. Future property acquisitions and the development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, short or long term borrowings or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

Financing Risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfil its obligations under any applicable agreements. There can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Dilution to the Company's existing shareholders: The Company may require additional equity financing be raised in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Increased costs: Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability of the Company to enter into strategic alliances through a combination of one or more joint ventures, mergers or acquisition transactions; and (ii) the ability to attract and retain additional key personnel in exploration, mine development, sales, marketing, technical support and finance. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company. There can be no assurance of success with any or all of these factors on which the Company's operations will depend. The Company has relied and may continue to rely, upon consultants and others for operating expertise.

Currency Fluctuations: The Company maintains its accounts in Canadian and U.S. dollars, making it subject to foreign currency fluctuations. Such fluctuations may materially affect the Company's financial position and results.

Share Price Volatility: In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Exploration and Mining Risks: Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

Environmental Restrictions: The activities of the Company are subject to environmental regulations promulgated by government agencies in different countries from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Regulatory Requirements: The activities of the Company are subject to extensive regulations governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with indigenous peoples, labour standards on occupational health and safety, including mine safety, and historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties, enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate those suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company's operations and delays in the exploration and development of the Company's properties.

Limited Experience with Development-Stage Mining Operations: The Company has limited experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

Estimates of Mineral Reserves and Resources and Production Risks: The mineral resource estimates included in this MD&A are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified reserve or resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. The estimating of mineral resources and mineral reserves is a subjective process and the accuracy of mineral resource and mineral reserve estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting available engineering and geological information. There is significant uncertainty in any mineral resource or mineral reserve estimate and the actual deposits encountered and the economic viability of a deposit may differ materially from the Company's estimates. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have a material adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in reserves or resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. The estimated resources described in this MD&A should not be interpreted as assurances of mine life or of the profitability of future operations. Estimated mineral resources and mineral reserves may have to be re-estimated based on changes in applicable commodity prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource or mineral reserve estimates. Market price fluctuations for gold, silver or base metals, increased production costs or reduced recovery rates or other factors may render any particular reserves uneconomical or unprofitable to develop at a particular site or sites. A reduction in estimated reserves could require material write downs in investment in the affected mining property and increased amortization, reclamation and closure charges.

Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Enforcement of Civil Liabilities: As substantially all of the assets of the Company and its subsidiaries are located outside of Canada, and certain of the directors and officers of the Company are resident outside of Canada, it may be difficult or impossible to enforce judgements granted by a court in Canada against the assets of the Company or the directors and officers of the Company residing outside of Canada.

Mining Industry is Intensely Competitive: The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. The Company may also encounter increasing competition from other mining companies in efforts to hire experienced mining professionals. Competition for exploration resources at all levels is currently very intense, particularly affecting the availability of manpower, drill rigs and helicopters. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

The Company may be a "passive foreign investment company" under the U.S. Internal Revenue Code, which may result in material adverse U.S. federal income tax consequences to investors in Common Shares that are U.S. taxpayers: Investors in the Company's common shares that are U.S. taxpayers should be aware that the Company expects it will be in the current year, a "passive foreign investment company" under Section 1297(a) of the U.S. Internal Revenue Code (a "PFIC"). If the Company is or becomes a PFIC, generally any gain recognized on the sale of its common shares and any "excess distributions" (as specifically defined) paid on its common shares must be rateably allocated to each day in a U.S. taxpayer's holding period for the common shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. taxpayer's holding period for the common shares generally will be subject to U.S. federal income tax at the highest tax applicable to ordinary income in each such prior year, and the U.S. taxpayer will be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

Alternatively, a U.S. taxpayer that makes a "qualified electing fund" (a "QEF") election with respect to the Company generally will be subject to U.S. federal income tax on such U.S. taxpayer's pro rata share of the Company's "net capital gain" and "ordinary earnings" (as specifically defined and calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by the Company. U.S. taxpayers should be aware, however, that there can be no assurance that the Company will satisfy record keeping requirements under the QEF rules or that the Company will supply U.S. taxpayers with required information under the QEF rules, in event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF election. As a second alternative, a U.S. taxpayer may make a "mark-to-market election" if the Company is a PFIC and its common shares are "marketable stock" (as specifically defined). A U.S. taxpayer that makes a mark-to-market election generally will include in gross income, for each taxable year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the common shares as of the close of such taxable year over (b) such U.S. taxpayer's adjusted tax basis in the common shares.

Selected Financial Information

Selected Annual Information

The Company's condensed interim consolidated financial statements for the first quarter ended August 31, 2011 (the "Interim Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 *"Interim Financial Reporting"* and IFRS 1 *"First-time Adoption of International Financial Reporting Standards"*. The following selected financial information for the years ended May 31, 2011 is taken from the Company's unaudited condensed interim consolidated financial statements for the period ended August 31, 2011. The information for the year ended May 31, 2010 is taken from the audited consolidated financial statements for the year ended May 31, 2010. The information for the year ended May 31, 2009 is taken from the audited consolidated financial statements of the Nevada and Other Alaska Business of

ITH for the year ended May 31, 2009. This information should be read in conjunction with those statements. Selected annual financial information appears below.

Description	**May 31, 2011 $** (annual) IFRS	**May 31, 2010 $** (annual) Canadian GAAP	**May 31, 2009 $** (annual) Canadian GAAP
Interest Income	23	-	-
Consulting (including share-based payment charges)	1,653,417	1,089,274	611,203
Property investigation	6,473	83	34,455
Wages and benefits (including share-based payment charges)	485,531	1,769,408	1,071,598
Professional fees (including share-based payment charges)	314,820	182,477	146,507
Investor relations (including share-based payment charges)	464,824	327,092	256,261
Write-off of exploration and evaluation assets	-	-	1,002,438
Foreign exchange gain (loss)	7,917	(7,181)	(54,275)
Loss for the year	(2,786,623)	(3,603,369)	(3,346,679)
Per share	(0.07)	(0.12)	(0.07)
Balance sheet:			
Cash	7,335,406	-	-
Total Current Assets	7,608,337	13,663	-
Exploration and evaluation assets	13,553,597	12,245,690	11,054,413
Long term financial liabilities	-	-	-
Cash dividends	N/A	N/A	N/A

First Quarter Ended August 31, 2011

The Company ended the first quarter with $6,219,875 of cash. The Company spent $718,105 in net exploration expenditures on exploration and evaluation assets, $6,047 on the purchase of property and equipment and used $405,165 in operating activities. Share-based payment charges of $142,450 in the three months period ended August 31, 2011 was due to the granting of options and recognizing the expense associated with the vesting of certain stock options granted in the quarter to employees and consultants.

Comparison to Selected Prior Quarterly Periods

The following selected financial information is a summary of quarterly results taken from the Company's audited consolidated financial statements of the Company. The information relates to the Company's continuing operations.

Three months ended August 31	**2011 (IFRS)**	**2010 (IFRS)**
Interest Income	$ 8	$ -
Share-based payment charges	(142,450)	(756,202)
Net loss for the period	(485,176)	(934,368)
Comprehensive loss for the period	(345,378)	(707,209)
Basic and diluted loss per common share	$ (0.01)	$ (0.03)

As at	August 31, 2011 (IFRS)	May 31, 2011 (IFRS)
Working capital	$ 6,292,576	$ 7,215,022
Total assets	$ 20,735,008	$ 21,206,806
Total liabilities	$ 112,574	$ 393,315
Share capital	$ 27,751,004	$ 27,751,004

Three months ended August 31, 2011 Compared to Three Months ended August 31, 2010

For the three months ended August 31, 2011, the Company had a net loss of $485,176 as compared to a net loss of $934,368 in the comparative period of the prior year. The decreased loss of $449,192 in the three months period of the current year was due to a combination of factors discussed below.

For the prior period, operating costs were allocated to the Company on the basis of the ratio of Spin-out Properties book values to the book values of all of the properties of ITH during the prior year and up to the date of the Arrangement transaction, August 25, 2010. For the three months period ended August 31, 2010, 19.8% of eligible costs from June 1, 2010 to the date of the Arrangement transaction were allocated to the Company as follows:

	2010
Administration	$ 1,780
Charitable donations	5,413
Consulting	265,721
Foreign exchange loss/(gain)	(20,318)
Insurance	10,099
Investor relations	130,737
Office	7,214
Professional fees	40,741
Property investigations	291
Regulatory	3,816
Rent	5,302
Telephone	2,418
Travel	5,625
Wages and benefits	475,318
	$ 934,157

Consulting fees decreased to $178,418 (2010 - $265,721) due to share-based payment charges of $142,450 during the current period compared to $249,495 in the prior period. This was somewhat offset by an increase in consulting personnel costs in the current period as the prior period was allocated on a percentage basis in the comparative period of the prior year.

Investor relations expenses decreased to $62,304 (2010 - $130,737) mainly due to share-based payment charges of $77,164 in the prior period. The remaining slight increase of $8,731 was due to the prior period being allocated on a percentage basis in the comparative period of the prior year.

Professional fees increased to $74,070 (2010 - $40,741) mainly due to share-based payment charges of $nil in the current period and $18,005 in the prior period. The additional increase of $51,334 was due to an increase in audit fee of $17,000 combined with an increase in legal and accounting fees of $34,000 in the current period compared to the prior period which was allocated on a percentage basis.

Wages and benefits decreased to $95,029 (2010 - $475,318) due to an increase in personnel costs compared to those allocated in the comparative period, along with a decrease in share-based payment charges during the current period of $nil and $411,538 compared to the prior period.

Other expense categories which reflected only moderate change period over period were administration expenses of $2,023 (2010 - $1,780), charitable donations of $6,861 (2010 - $5,413), depreciation expenses of $3,559 (2010 - $nil), insurance expenses of $14,710 (2010 - $10,099), office and miscellaneous expenses of $21,911 (2010 - $9,831), property investigation recovery of $2,497 (2010 - $9,813 expenditures), regulatory expenses of $1,393 (2010 - $3,816), rent of $8,382 (2010 - $5,302), and travel expenses of $11,276 (2010 - $5,625). These changes were mainly because the prior period comparatives were calculated on the basis of the ratio of costs incurred on the Spin-out Properties in each prior year as compared to the costs incurred on all mineral properties of ITH in each of those prior years. Because the Company is still establishing itself since the completion of the Arrangement, a comparison of specific expense categories with the prior periods (when the Company's assets were held by ITH) is not necessarily meaningful.

Other items amounted to a loss of $7,737 compared to a gain of $20,288 in the prior period. The decrease in other income is mainly due an increase in foreign exchange loss of $7,745 (2010 - $20,288 gain) which are the result of factors outside of the Company's control.

<u>Share-based Payment Charges</u>

Share-based payment charges for the three months period ended August 31, 2011 of $154,321 (2010 - $821,171) were allocated as follows:

2011 (IFRS)	**Before allocation of share-based payment charges**	**Share-based payment charges**	**After Allocation of share-based payment charges**
Consulting	$ 35,968	$ 142,450	$ 178,418
Investor relations	62,304	-	62,304
Professional fees	74,070	-	74,070
Wages and benefits	95,029	-	95,029
		142,450	
Exploration and evaluation assets		11,871	
		$ 154,321	

2010 (IFRS)	**Before allocation of share-based payment charges**	**Share-based payment charges**	**After Allocation of share-based payment charges**
Consulting	$ 16,226	$ 249,495	$ 265,721
Investor relations	53,573	77,164	130,737
Professional fees	22,736	18,005	40,741
Wages and benefits	63,780	411,538	475,318
		756,202	
Exploration and evaluation assets		64,969	
		$ 821,171	

Supplemental Information:

Comparison to Selected Prior Quarterly Periods

The following selected financial information is a summary of quarterly results taken from the Company's unaudited quarterly consolidated financial statements:

Description	**August 31, 2011 (IFRS)**	**May 31, 2011 (Canadian GAAP)**	**February 28, 2011 (Canadian GAAP)**	**November 30, 2010 (Canadian GAAP)**
Interest income	$ 8	$ 2	$ 21	$ -
Operator fee income	-	14,397	16,972	349,233
Net income (loss) for the period	$ (485,176)	267,747	(399,515)	(1,200,382)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.09)

Description	**August 31, 2010 (IFRS)**	**May 31, 2010 (Canadian GAAP)**	**February 28, 2010 (Canadian GAAP)**	**November 30, 2009 (Canadian GAAP)**
Interest income	$ -	$ -	$ -	$ -
Operator fee income	-	-	-	-
Net loss for the period	(934,368)	(2,153,063)	(531,654)	(679,950)
Basic and diluted loss per common share	$ (0.03)	$ (0.07)	$ (0.02)	$ (0.02)

The previous discussion discusses the reasons for some of the variations in the quarterly numbers but, as with most junior mineral exploration companies, the results of operations (including interest income and net losses) are not the main factor in establishing the financial health of the Company. Of far greater significance are the mineral properties in which the Company has, or may earn an interest, its working capital and how many shares it has outstanding. The variation seen over such quarters is primarily dependent upon the success of the Company's ongoing property evaluation program and the timing and results of the Company's exploration activities on its then current properties, none of which are possible to predict with any accuracy. There are no general trends regarding the Company's quarterly results, and the Company's business of mineral exploration is not seasonal. Quarterly results can vary significantly depending on whether the Company has abandoned any properties or granted any stock options and these are the factors that can account for material variations in the Company's quarterly net losses, none of which are predictable. The write-off of exploration and evaluation assets can have a material effect on quarterly results as and when they occur. Another factor which can cause a material variation in net loss on a quarterly basis is the grant of stock option due to the resulting share-based payment charges which can be significant when they arise. General operating costs other than the specific items noted above tend to be quite similar from period to period. The variation in income is related solely to the interest earned on funds held by the Company, which is dependent upon the success of the Company in raising the required financing for its activities which will vary with overall market conditions, and is therefore difficult to predict.

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds. To date, the Company's ongoing operations have been financed by the sale of its equity securities by way of private placements and initial working capital received from ITH in connection with the completion of the Arrangement on August 25, 2010. The Company believes that it will be able to secure additional private placements financings in the future, although it cannot predict the size or pricing of any such financings. In addition, the Company can raise funds through the sale of interests in its mineral properties, although current market conditions have substantially reduced the number of potential buyers/acquirers of any such interest(s). This situation is unlikely to change until such time as the Company can develop a bankable feasibility study on one of its projects. When acquiring an interest in mineral properties through purchase or option the Company will sometimes issue common shares to the vendor or optionee of the property as partial or full consideration for the property interest in order to conserve its cash.

As at August 31, 2011, the Company reported cash of $6,219,875 compared to $7,355,406 as at May 31, 2011. The change in cash position was the net result of $6,047 (2010 - $nil) expenditures on property and equipment and $718,105 expenditures (2010 - recovery of $545,246) on exploration and evaluation assets and $405,165 (2010 - $201,738) used in operating activities.

As at August 31, 2011, the Company had working capital of $6,292,576 compared to working capital of $7,215,022 as at May 31, 2011. The Company expects that it will operate at a loss for the foreseeable future and that, although it believes the current cash will be sufficient for it to complete planned exploration programs on its currently held properties, and its currently anticipated general and administrative costs, for the fiscal year ending May 31, 2012, it will require additional financing to fund further exploration of its current exploration and evaluation assets, to acquire additional exploration and evaluation assets and to continue its operations (including general and administrative expenses) beyond that date.

The Company currently has no further funding commitments or arrangements for additional financing at this time (other than the potential exercise of options) and there is no assurance that the Company will be able to obtain additional financing on acceptable terms, if at all. There is significant uncertainty that the Company will be able to secure any additional financing in the current equity markets - see "Risk Factors - Insufficient Financial Resources/Share Price Volatility". The quantity of funds to be raised and the terms of any proposed equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Specific plans related to the use of proceeds will be devised once financing has been completed and management knows what funds will be available for these purposes.

The Company has no exposure to any asset-backed commercial paper. Other than cash held by its subsidiaries for their immediate operating needs in Alaska and Nevada, all of the Company's cash reserves are on deposit with a major Canadian chartered bank. The Company does not believe that the credit, liquidity or market risks with respect thereto have increased as a result of the current market conditions. However, in order to achieve greater security for the preservation of its capital, the Company has, of necessity, been required to accept lower rates of interest which has also lowered its potential interest income.

Transactions with Related Parties

During the three month period ended August 31, 2011, the Company entered into the following transactions with related parties and paid or accrued the following amounts, excluding share-based payment charges, in connection therewith:

Name	Relationship	Purpose of transaction	Amount
Jeffrey Pontius	CEO of the Company	Wages and benefits	$ 36,434
Russell Myers	President of the Company	Wages and	$ 36,434

		benefits	
Blue Pegasus Consulting Inc.	Company controlled by the CFO of the Company	Consulting	$ 15,000
Lawrence W. Talbot Law Corporation	Company controlled by the VP and General Counsel of the Company	Professional fees	$ 21,000
Marla K. Ritchie	Corporate Secretary	Consulting	$ 3,000
Shirley Zhou	Manager, Corporate Communications	Investor Relations	$ 9,000
		Rent	$ 600
Steve Aaker	Director of the Company	Director Fees	$ 3,000
Daniel Carriere	Director of the Company	Director Fees	$ 3,000
Edward Yarrow	Director of the Company	Director Fees	$ 3,000
Anton Drescher	Director of the Company	Director Fees	$ 3,000
Rowland Perkins	Director of the Company	Director Fees	$ 3,000
Cardero Resource Corp.	Company with common officers and directors	Administration	$ 1,879
		Rent	$ 7,313

The Company has entered into a retainer agreement dated June 1, 2010 with Lawrence W. Talbot Law Corporation ("LWTLC"), pursuant to which LWTLC agrees to provide legal services to the Company. Pursuant to the retainer agreement, the Company has agreed to pay LWTLC a minimum annual retainer of $72,000 (plus applicable taxes and disbursements). The retainer agreement may be terminated by LWTLC on reasonable notice, and by the Company on one year's notice (or payment of one year's retainer in lieu of notice). An officer of the Company is a director and shareholder of LWTLC.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

As at the date of this MD&A there are no proposed transactions that the board of directors or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with and that have not been publicly disclosed.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of estimates in the preparation of the Company's consolidated financial statements include impairment and recoverability of exploration and evaluation expenditures, amounts of provisions for environmental rehabilitation and restoration, assumptions used to determine the fair value of share-based payments, allocation of administrative expenses to discontinued operations and the determination of the valuation allowance for deferred income tax assets. Management believes the estimates used are reasonable; however, actual results could differ materially from those estimates and, if so, would impact future results of operations and cash flows.

Changes in Accounting Policies Including Initial Adoption

Please refer to Note 13 of the August 31, 2011 unaudited condensed interim consolidated financial statements for a comprehensive list of the accounting policies adopted upon transition to IFRS.

Financial Instruments and Other Instruments

The carrying values of the Company's financial instruments, which include cash, accounts receivable, and accounts payable and accrued liabilities, approximate their respective fair values due to their short-term maturity. Due to the short term of all such instruments, the Company does not believe that it is exposed to any material risk with respect thereto.

The Company's cash at August 31, 2011 was $6,219,875 of which $227,897 was held in US dollars.

The Company's accounts receivables and payables at August 31, 2011 were normal course business items that are settled on a regular basis.

Management's Report on Internal Control over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with IFRS. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect the Company's transactions and dispositions of the assets of the Company; providing reasonable assurance that transactions are recorded as necessary for preparation of the Company's consolidated financial statements in accordance with IFRS; providing reasonable assurance that receipts and expenditures are made in accordance with authorizations of management and the directors of the Company; and providing reasonable assurance that unauthorized acquisition, use or disposition of Company's assets that could have a material effect on the Company's consolidated financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of the Company's consolidated financial statements would be prevented or detected.

Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the framework and criteria established in *Internal Control – Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of August 31, 2011.

Changes in Internal Control over Financial Reporting

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and Chief Financial Officer have concluded that there has been no change in the Company's internal control over financial reporting during the quarter ended August 31, 2011 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure of Outstanding Share Data (At November 7, 2011)

Authorized and Issued capital stock:

Authorized	Issued	Value
An unlimited number of common shares without par value	41,660,261	$ 27,751,004

Incentive Stock Options Outstanding:

Number	Exercise Price	Expiry Date
2,700,000	$ 0.75	September 8, 2012
390,000	$ 0.82	January 21, 2013
100,000	$ 0.69	May 30, 2013
650,000	$ 0.50	July 29, 2016
3,840,000		

Warrants Outstanding:

Number	Exercise Price	Expiry Date
325,000 (Agents' Warrants)	$ 1.10	November 30, 2012

International Financial Reporting Standards

The Company's consolidated financial statements for the year ending May 31, 2012 are the first annual financial statements that will be prepared in accordance with IFRS. The Company has adopted IFRS on June 1, 2011 with a transition date of June 1, 2010. Under IFRS 1, *"First time adoption of International Financial Reporting Standards"* ("IFRS 1"), the IFRS standards are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under Canadian GAAP taken to deficit, and IFRS 1 providing for certain optional and mandatory exemptions to this principle.

Below are the adjustments necessary for the IFRS transition, including exemptions taken at the transition date:

a) Share-based payment transactions

IFRS 1 allows that a first-time adopter can elect to not apply IFRS 2 to share-based payments granted after November 7, 2002 that vested before the later of (a) the date of transition to IFRS and (b) January 1, 2005. The Company has elected this exemption and will apply IFRS 2 only to unvested stock options as at June 1, 2010, being the transition date.

IFRS 2 and Canadian GAAP are largely converged, with the exception of two main differences affecting the Company's stock option grants. IFRS 2 does not allow straight-line amortization of share-based payments related to stock options granted with a graded vesting schedule. The attribution method is required which effectively splits the grant into separate units for valuation purposes based on the vesting schedule. Additionally, IFRS 2 requires the incorporation of an estimate of forfeiture rates. Under Canadian GAAP, the Company's policy was to account for forfeitures as they occurred.

b) Fair value as deemed cost

The Company may elect among two options when measuring the value of its assets under IFRS. It may elect, on an asset by asset basis, to use either historical cost as measured under retrospective application of IFRS or fair value of an asset at the opening balance sheet date. The Company has elected to use historical cost for its assets.

c) Consolidated and Separate Financial Statements

In accordance with IFRS 1, if a company elects to apply IFRS 3 "Business Combinations" retrospectively, IAS 27 "*Consolidated and Separate Financial Statements*" must also be applied retrospectively. As the Company elected to apply IFRS 3 prospectively, the Company has applied IAS 27 prospectively.

d) Estimates

The estimates previously made by the Company under pre-changeover Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Company has not used hindsight to revise estimates.

e) Cumulative translation differences

IFRS 1 allows that a first-time adopter may elect to deem all cumulative translation differences to be zero at the date of transition. The Company has elected this exemption and as such all cumulative translations amounts to June 1, 2010 have been included in deficit.

<u>Functional and presentation currency</u>

The functional currency of Corvus Nevada and Raven Gold is the US dollar and for all other entities within the group made up of the Company and its subsidiaries (the "Group"), being Corvus, the functional currency is the Canadian dollar, as at the transition date of June 1, 2010. The consolidated financial statements are presented in Canadian Dollars ("$") which is the Group's presentation currency.

<u>Translation of transactions and balances</u>

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Comprehensive Income (Loss).

<u>Group companies</u>

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that financial period end;

- Income and expenses for each Statement of Comprehensive Income (Loss) are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- Equity transactions are translated using the exchange rate at the date of the transaction; and
- All resulting exchange differences are recognized in other comprehensive income and reported as a separate component of equity.

On consolidation, exchange differences arising from the translation of functional to presentation are taken to Accumulative Other Comprehensive Income (loss).

IAS 21 – "*The effects of Changes in Foreign Exchange Rates*" differs from the Canadian GAAP equivalent, applied by the Group until May 31, 2011. IAS 21 requires an entity to measure its assets, liabilities, revenue and expenses in its functional currency. It has been determined that as, at the transition date of June 1, 2010, the functional currency for each of Corvus Nevada and Raven Gold is the US dollar ("USD") and for all other entities within the Group (being Corvus), the functional currency is the Canadian dollar. Prior to the adoption of IFRS, the functional currency of the Group was the Canadian Dollar ("$" or "CAD").

Under IAS 21, the assets and liabilities of the Group are translated from Corvus Nevada and Raven Gold's functional currency (USD), to the presentation currency (CAD) at the reporting date. The income and expenses are translated to the Group's presentation currency, which is CAD, at the dates of the transactions. Foreign currency differences are recognized directly in other comprehensive income within the foreign currency translation reserve.

Impact on Consolidated Financial Statements

	May 31, 2011	**August 31, 2010**	**June 1, 2010**
Exploration and evaluation assets	$ (1,556,761)	$ (343,738)	$ (572,984)
Accumulated other comprehensive income	$ 1,001,253	$ (227,159)	$ -
Adjustment to deficit	$ 555,508	$ 570,897	$ 572,984

Reconciliation to previously reported financial statements

A reconciliation of the above noted changes is included in these following Consolidated Statements of Financial Position and Consolidated Statements of Comprehensive Loss for the dates and periods noted below.

- Transitional Consolidated Statement of Financial Position Reconciliation – June 1, 2010
- Interim Consolidated Statement of Financial Position Reconciliation - August 31, 2010.
- Interim Consolidated Statement of Comprehensive Loss Reconciliation – August 31, 2010.
- Consolidated Statement of Financial Position Reconciliation – May 31, 2011
- Consolidated Statement of Comprehensive Loss Reconciliation – May 31, 2011.

As there have been no adjustments to the net cash flows, no reconciliation of the Statement of Cash Flows has been prepared.

Transitional Consolidated Statement of Financial Position Reconciliation – June 1, 2010

	Canadian GAAP	Effect of Transition to IFRS	Ref	IFRS
ASSETS				
Current assets				
Cash	$ -	$ -		**$ -**
Accounts receivable	97	-		**97**
Prepaid expenses	13,566	-		**13,566**
	13,663	-		**13,663**
Property and equipment	-	-		**-**
Exploration and evaluation assets	12,245,690	(572,984)	**e)**	**11,672,706**
	$ 12,259,353	$ (572,984)		**$ 11,686,369**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$ 85,094	$ -		**$ 85,094**
Shareholders' equity				
Share capital	1	-		**1**
Contributed surplus	23,013,646	-		**23,013,646**
Deficit	(10,839,388)	(572,984)	**e)**	**(11,412,372)**
	12,174,259	(572,984)		**11,601,275**
	$ 12,259,353	$ (572,984)		**$ 11,686,369**

Interim Consolidated Statement of Financial Position Reconciliation – August 31, 2010

	Canadian GAAP	Effect of Transition to IFRS	Ref	IFRS
ASSETS				
Current assets				
Cash	$ 4,426,221	$ -		**$ 4,426,221**
Accounts receivable	199	-		**199**
Prepaid expenses	3,200	-		**3,200**
	4,429,620	-		**4,429,620**
Property and equipment	-	-		**-**
Exploration and evaluation assets	12,569,020	(343,738)	**e)**	**12,225,282**
	$ 16,998,640	$ (343,738)		**$ 16,654,902**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$ 837,135	$ -		**$ 837,135**
Due to related parties	38,018	-		**38,018**
	875,153	-		**875,153**
Shareholders' equity				
Share capital	21,236,753	-		**21,236,753**
Contributed surplus	6,662,577	-		**6,662,577**
Accumulated other comprehensive income	-	227,159	**e)**	**227,159**
Deficit	(11,775,843)	(570,897)	**e)**	**(12,346,740)**
	16,123,487	(343,738)		**15,779,749**
	$ 16,998,640	$ (343,738)		**$ 16,654,902**

Interim Consolidated Statement of Comprehensive Loss Reconciliation – August 31, 2010

	Canadian GAAP	Effect of Transition to IFRS	Ref	IFRS
Expenses				
Administration	$ 1,780	$ -		**$ 1,780**
Charitable donations	5,413	-		**5,413**
Consulting fees	265,721	-		**265,721**
Insurance	10,099	-		**10,099**
Investor relations	130,737	-		**130,737**
Office and miscellaneous	9,813	-		**9,813**
Professional fees	40,741	-		**40,741**
Property investigation expenditures	291	-		**291**
Regulatory	3,816	-		**3,816**
Rent	5,302	-		**5,302**
Travel	5,625	-		**5,625**
Wages and benefits	475,318	-		**475,318**
Loss before other item	(954,656)	-		**(954,656)**
Other item				
Loss on foreign exchange	18,201	2,087		**20,288**
Net loss for the period	(936,455)	2,087		**(934,368)**
Other Comprehensive income				
Exchange difference on translating foreign operations	-	227,159	**e)**	**227,159**
Comprehensive loss for the period	$ (936,455)	$ 229,246		**$ (707,209)**
Basic and diluted loss per share	$ (0.03)	$ -		**$ (0.03)**
Weighted average number of shares outstanding	33,482,214	-		**33,482,214**

Consolidated Statement of Financial Position Reconciliation – May 31, 2011

	Canadian GAAP	Effect of Transition to IFRS	Ref	IFRS
ASSETS				
Current assets				
Cash	$ 7,355,406	$ -		**$ 7,355,406**
Accounts receivable	191,660	-		**191,660**
Prepaid expenses	61,271	-		**61,271**
	7,608,337	-		**7,608,337**
Property and equipment	44,872	-		**44,872**
Exploration and evaluation assets	15,110,358	(1,556,761)	**e)**	**13,553,597**
	$ 22,763,567	$ (1,556,761)		**$ 21,206,806**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$ 393,315	$ -		**$ 393,315**
Shareholders' equity				
Share capital	27,751,004	-		**27,751,004**
Contributed surplus	8,262,735	-		**8,262,735**
Accumulated other comprehensive income	-	(1,001,253)	**e)**	**(1,001,253)**
Deficit	(13,643,487)	(555,508)	**e)**	**(14,198,995)**
	22,370,252	(1,556,761)		**20,813,491**
	$ 22,763,567	$ (1,556,761)		**$ 21,206,806**

Consolidated Statement of Comprehensive Loss Reconciliation – May 31, 2011

	Canadian GAAP	Effect of Transition to IFRS	Ref	IFRS
Expenses				
Administration	$ 4,587	$ -		**$ 4,587**
Charitable donations	6,413	-		**6,413**
Consulting fees	1,653,417	-		**1,653,417**
Depreciation	7,849	-		**7,849**
Insurance	28,001	-		**28,001**
Investor relations	464,824	-		**464,824**
Office and miscellaneous	41,148	-		**41,148**
Professional fees	314,820	-		**314,820**
Property investigation expenditures	6,473	-		**6,473**
Regulatory	129,048	-		**129,048**
Rent	10,177	-		**10,177**
Travel	22,877	-		**22,877**
Wages and benefits	485,531	-		**485,531**
Loss before other items	(3,175,165)	-		**(3,175,165)**
Other items				
Interest income	23	-		**23**
Gain (loss) on foreign exchange	(9,559)	17,476	**e)**	**7,917**
Operator fee income	380,602	-		**380,602**
	371,066	17,476		**388,542**
Net loss for the year	(2,804,099)	17,476		**(2,786,623)**
Other Comprehensive loss				
Exchange difference on translating foreign operations	-	(1,001,253)	**e)**	**(1,001,253)**
Comprehensive loss for the year	$ (2,804,099)	$ (983,777)		**$ (3,787,876)**
Basic and diluted loss per share	$ (0.07)	$ -		**$ (0.07)**
Weighted average number of shares outstanding	37,647,905	-		**37,647,905**

Additional Sources of Information

Additional disclosures pertaining to the Company, including its most recent Annual Information Form, financial statements, material change reports, press releases and other information, are available on the SEDAR website at www.sedar.com or on the Company's website at www.corvusgold.com. Readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.