CORVUS GOLD INC.
(An Exploration Stage Company)

FORM 51-102F1
MANAGEMENT DISCUSSION & ANALYSIS

August 26, 2011

Introduction

This Management Discussion & Analysis ("MD&A") for Corvus Gold Inc. (the "Company" or "Corvus") for the year ended May 31, 2011 has been prepared by management, in accordance with the requirements of National Instrument 51-102, as of August 26, 2011 and should be read in conjunction with the Company's audited consolidated financial statements and the accompanying notes for the years ended May 31, 2011 and 2010 and the audited consolidated financial statements of the Nevada and Other Alaska Business of International Tower Hill Mines Ltd. ("ITH") for the year ended May 31, 2009. 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 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;
- 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

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.

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.

Acquisition of Assets from International Tower Hill Mines Ltd.

On August 25, 2010, International Tower Hill Mines Ltd. ("ITH") completed a Plan of Arrangement (the "Arrangement") under the British Columbia Business Corporations Act whereby its existing Alaska mineral properties (other than the Livengood project) and related assets and the North Bullfrog mineral property and related assets in Nevada (collectively, the "Nevada and Other Alaska Business") were indirectly spun out into a new public company, being the Company. The Arrangement was approved by the board of directors of each of ITH and Corvus and by the shareholders of ITH and was accepted for filing by the TSX on behalf of both ITH and Corvus. In connection with the completion of the Arrangement, the common shares of Corvus were listed on the Toronto Stock Exchange on August 30, 2010.

Under the Arrangement, each shareholder of ITH received (as a return of capital) one Corvus common share for every two ITH common shares held as at the effective date of the Arrangement and exchanged each old common share of ITH for a new common share of ITH. As part of the Arrangement, ITH transferred its wholly-owned subsidiaries, Raven Gold Alaska Inc. ("Raven Gold"), incorporated in Alaska, United States, and Corvus Gold Nevada Inc. (formerly Talon Gold Nevada Inc.), incorporated in Nevada, United States (which held the North Bullfrog property), to Corvus. As a consequence of the completion of the Arrangement, Corvus now holds the Terra, Chisna, LMS and West Pogo properties in Alaska (held through Raven Gold Alaska Inc., a wholly owned Alaska subsidiary of Corvus ("Raven Gold")) and North Bullfrog property (held through Corvus Gold Nevada Inc., a wholly owned Nevada subsidiary of Corvus ("Corvus Nevada")) (the "Spin-out Properties").

The Company's consolidated financial statements reflect the balance sheets, statements of operations and comprehensive loss, cash flows and shareholders' equity of the Nevada and Other Alaska Business as if Corvus existed in its present form during the periods reported. The statements of operations and comprehensive loss for the year ended May 31, 2010 and the period to August 25, 2010, which is included in the results to May 31, 2011, include an allocation of ITH's general and administrative expenses incurred in each of these periods. The allocation of general and administrative expenses was calculated on the basis of the ratio of costs incurred on the Spin-out Properties in each period presented as compared to the costs incurred on all mineral properties of ITH in each of these periods. The financial statements have been presented under the continuity of interests basis of accounting with balance sheet amounts based on the amounts recorded by ITH. Management cautions readers of these financial statements that the allocation of expenses does not necessarily reflect future general and administrative expenses.

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, which has a number of high-priority, bulk tonnage and high-grade vein targets.

Highlights of activities during the year 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. Preliminary statistical evaluation of the data has shown that the drill spacing in most areas is sufficient for the calculation of estimated inferred resources. 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.

- LMS: First Star USA Inc. ("First Star US") an Alaskan subsidiary of First Star Resources Inc., the Company's joint venture partner at LMS, has advised the Company that it has opened the camp at LMS and, after a program of re-sampling old holes, has commenced a drilling program to test the down dip extension of the graphitic breccias target. First Star's stated target is 1000 metres of diamond drilling during this phase of the program. First Star has commissioned a Light Detection and Ranging ("LIDAR") survey over the LMS claim block with the objective of better delineating structural zones.

- 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.

- 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. Expenditures in the order of US $2M 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 1.6 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.

The Company's development concept at the project is to develop multiple deposits (bulk tonnage and high-grade) which can be fed into a central processing facility. Ongoing metallurgical bottle roll testing of the oxide mineralization indicates that the gold has a very rapid recovery rate, with an average 90% of the recoverable gold extracted in the first two hours. The Company is currently conducting bulk leaching tests to assess the potential for a heap leaching operation. A total of four 12-inch by 10-foot columns have been assembled at McClelland Laboratories in Reno for leach testing and metallurgical recoveries, as well as additional bottle roll tests and results will be announced in late 2011.

In the Sierra Blanca and Yellowjacket areas, both disseminated bulk tonnage and high-grade, vein-style targets are present. Historical drilling, including drilling by ITH in 2007, has defined broad zones of gold mineralization in the altered volcanics. In addition, vein mineralization is present in the north-south trending structural zones that have hosted historic high-grade production. Drilling at both Sierra Blanca and Yellowjacket has continued to delineate more mineralization. In addition, chip channel sampling in two adits at Sierra Blanca has confirmed that they are mineralized over their entire length (Table 1). Drilling has now extended the area of known mineralization south into the Savage Valley area making that entire area into a single zone of mineralization.

Historical drilling in the Jolly Jane area in the 1990s by Barrick encountered disseminated mineralization over wide intervals within favourable host lithology. In addition, key deep structural zones have been identified and targeted as possible high-grade feeders to the disseminated system. In March, a lease was signed on an additional two patented claims at Jolly Jane which will allow exploration to expand. All of the areas which could be drilled under the current permits have been tested at Jolly Jane. In areas that could not be drilled surface chip channel samples were taken to confirm that the zone of mineralization extends up dip to the surface to the west of the drilled area.

The Connection Prospect has returned several 10-20 metre intercepts in the +1 g/t gold range in the historical drilling. Mineralization in the Connection areas is hosted in a debris flow unit and has not been followed up since its discovery in the 1990s.

Following completion of the 2010-2011 drill campaign and receipt of final drill results in August 2011, the Company is undertaking an updated NI 43-101 resource estimate that is expected to be completed in late September. Following the resource update, the Company will complete a Preliminary Economic Assessment focused on a potential conventional open pit and run-of-mine heap leach mining operation.

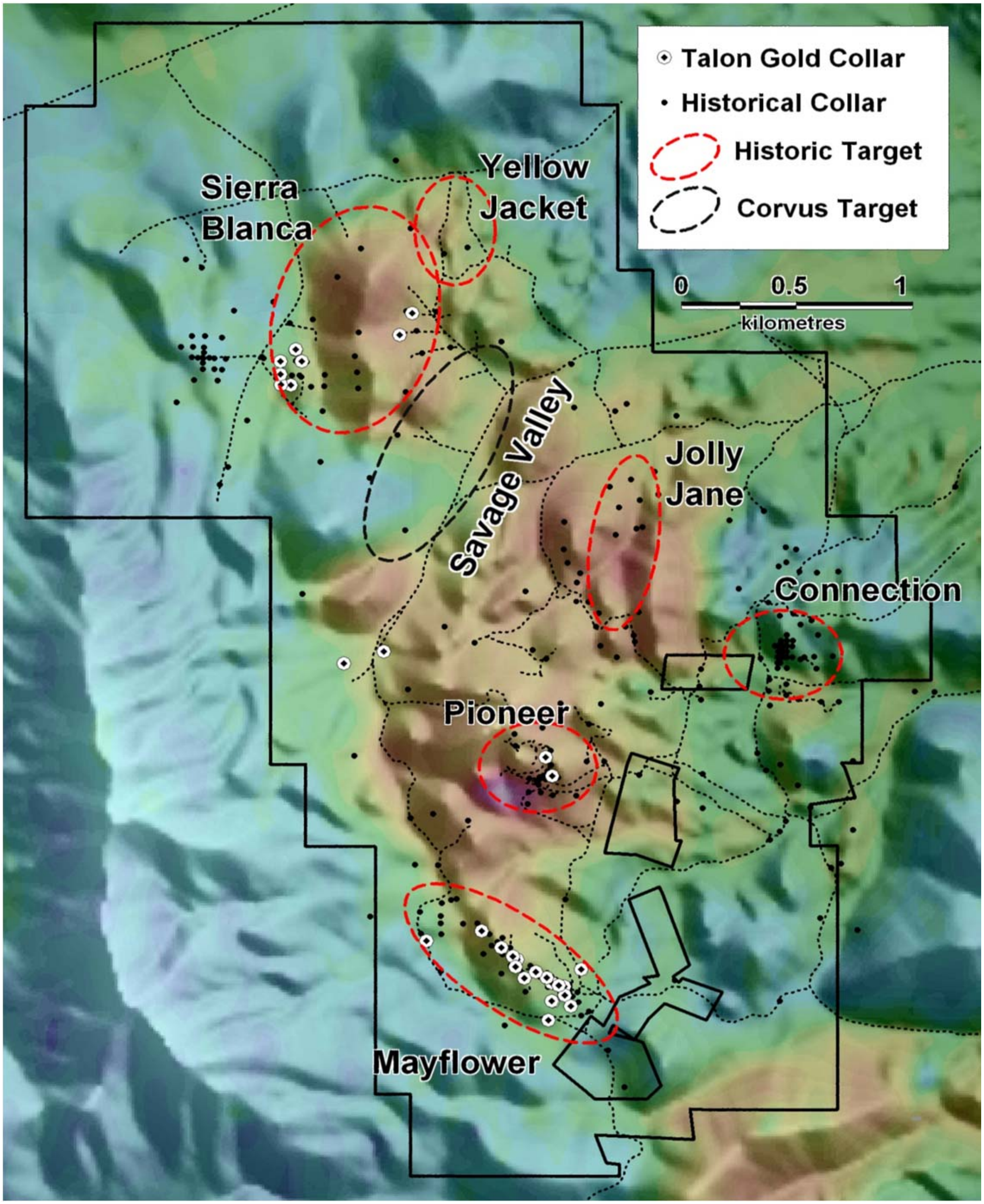

Figure 1: Overview of the North Bullfrog Project area showing the location of the most important prospects. The background image shows the distribution of potassium, an indicator of favourable host stratigraphy and adularia alteration. The location of drill holes which predate the Corvus program are shown.

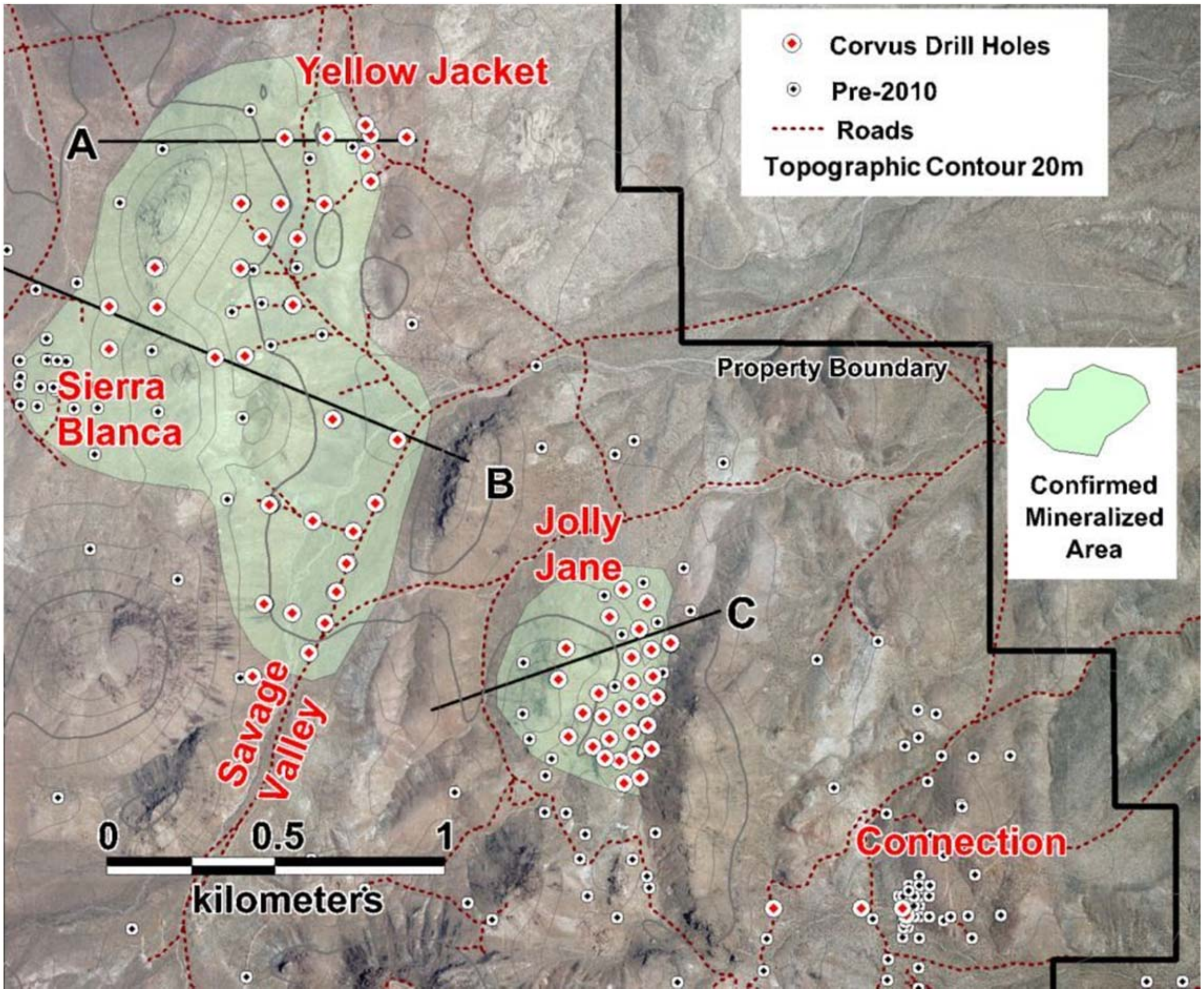

Figure 2: North Bullfrog Project area showing holes drilled by the Company. A total of 75 holes were drill totalling 17,280 metres.

<u>Drill Results</u>

Yellowjacket target

The Yellowjacket target continued to produce some of the most impressive intercepts found to date at North Bullfrog. Drill hole NB-11-91 encountered 302 metres of 0.33 g/t gold and has the greatest gold accumulation found to date. Another highlight was Hole NB-11-88 which returned 88 metres of 0.46 g/t gold. It appears that this area may be a center for mineralization for the northern part of the deposit. Mineralization remains open to the north as indicated by the results of holes NB-11-87 and NB-11-88 (Table 1). Drilling shows that mineralization in the Crater Flat tuff is continuous both along strike and down dip. Current drilling, together with historical drilling, indicates that there is potential to extend the mineralization hundreds of metres up dip and along strike into shallow highly oxidized areas (Figure 3).

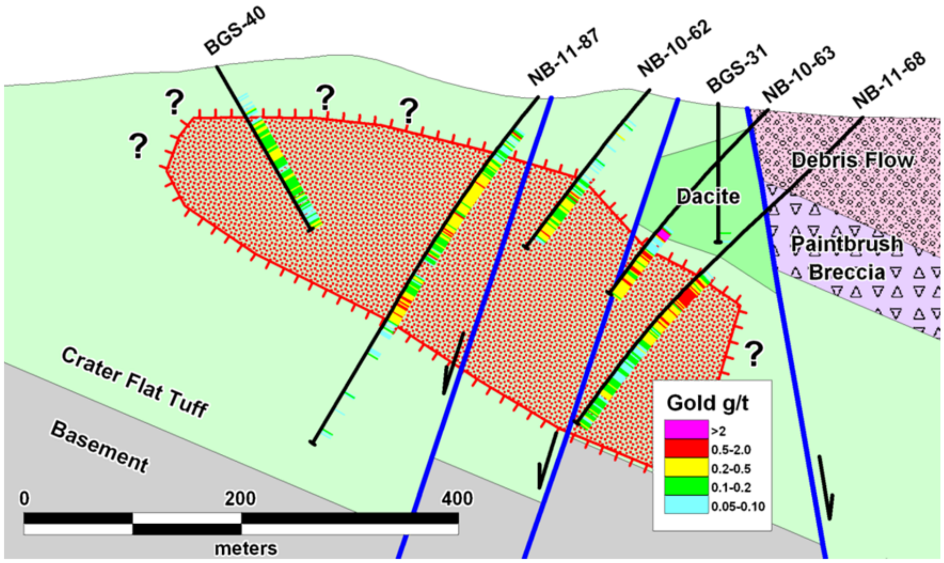

Figure 3: Section A (Figure 2) looking north across the Yellowjacket Area illustrating the continuity of mineralization in the Crater Flat Tuff and how historical drilling (BGS-40) may not have adequately tested the near surface mineralization. Red hatch shows area of greater than 0.1 g/t gold.

Sierra Blanca Target

At Sierra Blanca, drill holes targeting the lateral extension of stratabound mineralization to the west and south continue to confirm widespread distribution of bulk-tonnage mineralization. New results include NB-11-87 with 117 metres of 0.28 g/t gold and the Sierra Blanca Upper Adit with 72 metres of 0.32 g/t gold (Table 1). Drilling has now proven the continuity between Sierra Blanca and Savage Valley where NB-11-95 encountered 265 metres of 0.27g/t gold and NB-11-96 encountered 88 metres of 0.34 g/t gold (Table 1).

Savage Valley Target

The Sierra Blanca/Savage Valley target area is the largest discovered to date with high potential for a large, low strip ratio oxide deposit (Figure 4). Oxidation here generally exceeds 120 metres and locally extends to 200 metres. This combined target area has a strike length of over 1.3 kilometres and a width of up to 1 kilometre. Results from the 2010-2011 drill program have also confirmed the continuity of mineralization over a 600 x 400 metre area where mineralization was previously not known to exist.

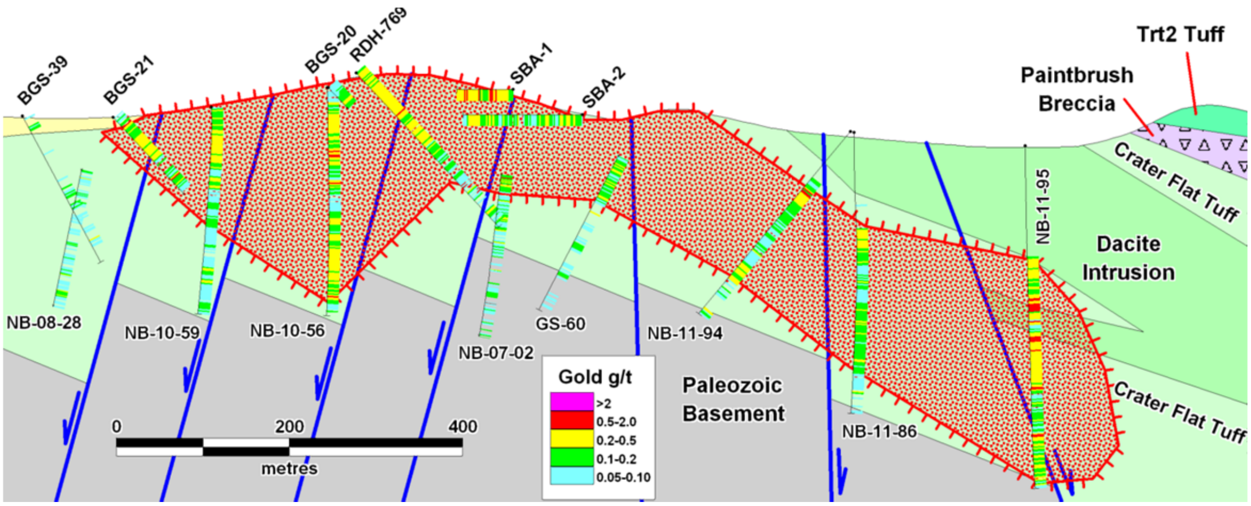

Figure 4: Section B (Figure 2) looking northeast extending from Sierra Blanca in the west across Savage Valley in the east. Thick zones of oxidized gold mineralization at the surface could be amenable to a low strip run of mine heap leach operation.

Connection Target

Mineralization at Connection appears to be shallow and controlled by the distribution of debris flow breccias. Hole NB-11-80 drilled beneath the debris flows and encountered weakly mineralized Crater Flat Tuff.

Jolly Jane Target

Thirteen additional holes and five surface chip channel samples have been completed at Jolly Jane. Hole NB-11-113, with 56 metres of 0.32 g/t gold starting at 5 metres; and surface chip channel JJRX-2, with 76 metres of 0.33 g/t gold, prove that the mineralization extends up dip to the surface (Table 1, Figure 5). Jolly Jane is a particularly attractive area because completely oxidized and well mineralized Crater Flat Tuff forms a favourable mining target that will have a low strip ratio (Figure 5). With final drill results confirming mineralization over an area of 600 x 350 metres with true mineralization thicknesses of 60-100 metres, this represents a significant target.

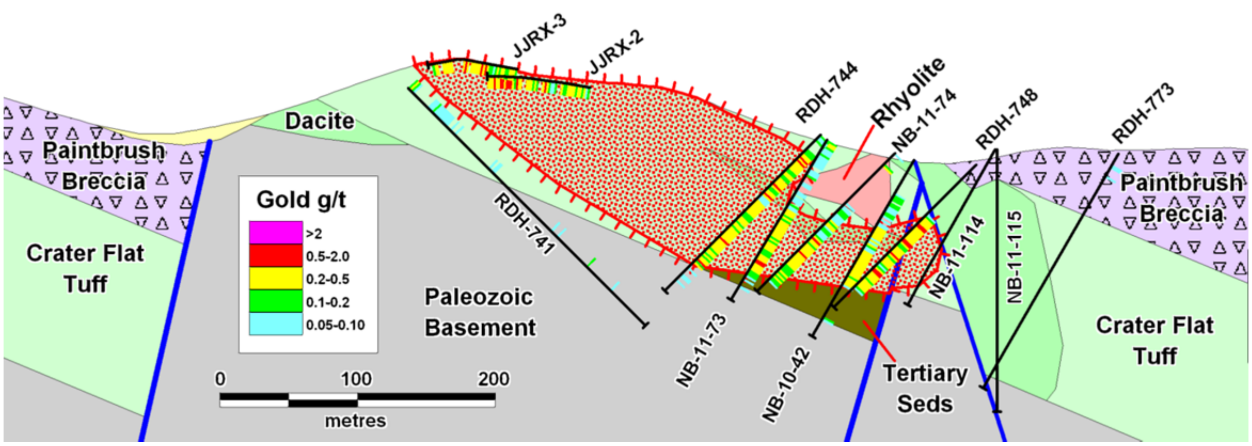

Figure 5: Section looking NW across the Jolly Jane Prospect. The oxidized and mineralized Crater Flat Tuff forms the dip slope of this area, indicating a very low strip ratio in a mining scenario.

A video of the North Bullfrog project showing location, infrastructure access and scenes from the 2010-2011 drilling program is available on the Company's website at http://www.corvusgold.com/investors/video/.

Table 1: Significant intercepts* from recent drilling at North Bullfrog.

** Intercepts calculated using 0.1 g/t gold cutoff with a maximum of 3 metres of internal dilution. At this time, there is insufficient data with respect to the shape of the mineralization to calculate its true orientation in space.*

HoleID	From (metres)	To (metres)	Interval (metres)	Gold (g/t)	Silver (g/t)	Target Area
NB-11-80	80.8	86.9	6.1	0.12	2.59	Connection
NB-11-80	169.2	179.8	10.7	0.20	0.79	
NB-11-80	184.4	207.3	22.9	0.17	1.16	
NB-11-81	32.0	100.6	68.6	0.51	0.87	Savage Valley
NB-11-82	100.6	134.1	33.5	0.38	0.68	
NB-11-82	141.7	182.9	41.2	0.44	0.81	
NB-11-83	62.5	99.1	36.6	0.41	0.63	
NB-11-83	108.2	185.9	77.7	0.29	0.38	
Including	111.3	146.3	35.1	0.40	0.38	
NB-11-84	48.8	126.5	77.7	0.26	0.39	
Including	48.8	77.7	29.0	0.44	0.32	
NB-11-84	82.3	126.5	44.2	0.15	0.45	
NB-11-85	150.9	268.2	117.3	0.29	0.71	
Including	196.6	268.2	71.6	0.35	0.83	
NB-11-86	111.3	153.9	42.7	0.24	1.13	
NB-11-86	196.6	278.9	82.3	0.16	0.70	
NB-11-87	83.8	219.5	135.6	0.28	1.22	Sierra Blanca
Including	109.7	189.0	79.2	0.33	1.33	
NB-11-87	239.3	298.7	59.4	0.34	0.43	
Including	262.1	297.2	35.0	0.46	0.48	
NB-11-88	199.6	288.0	88.4	0.46	1.40	Yellowjacket
NB-11-88	295.7	355.1	59.4	0.22	1.66	
NB-11-89	211.8	268.2	56.4	0.16	0.68	
NB-11-90	150.9	170.7	19.8	0.19	0.82	
NB-11-90	198.1	333.8	135.6	0.27	0.60	
Including	208.8	248.4	39.6	0.43	0.67	
NB-11-91	83.8	385.6	301.8	0.33	0.79	
Including	83.8	164.6	80.8	0.58	1.22	
Including	105.2	135.6	30.5	1.14	1.86	
Including	173.7	385.6	211.8	0.25	0.64	
Including	291.1	365.8	74.7	0.32	0.51	
NB-11-92	85.3	100.6	15.2	0.27	1.46	Sierra Blanca
NB-11-92	157.0	193.6	36.6	0.18	1.02	
NB-11-92	280.4	309.4	28.9	0.38	0.84	
NB-11-92	323.1	371.9	48.8	0.47	0.81	
NB-11-93	50.3	65.5	15.2	0.30	1.23	
NB-11-93	83.8	109.7	25.9	0.19	1.40	
NB-11-93	149.4	192.0	42.7	0.17	0.52	
NB-11-93	286.5	313.9	27.4	0.16	0.37	
NB-11-93	320.0	355.1	35.0	0.16	0.36	
NB-11-94	77.7	134.1	56.4	0.22	0.50	
Including	82.3	102.1	19.8	0.35	0.59	
NB-11-94	193.6	221.0	27.4	0.24	0.46	
NB-11-95	128.0	393.2	265.2	0.27	0.65	Savage Valley
Including	128.0	207.3	79.2	0.33	0.55	
NB-11-95	211.8	286.5	74.7	0.34	0.50	
Including	219.5	271.3	51.8	0.38	0.53	
NB-11-95	307.9	393.2	85.3	0.19	0.98	

HoleID	From (metres)	To (metres)	Interval (metres)	Gold (g/t)	Silver (g/t)	Target Area
NB-11-96	135.6	224.0	88.4	0.34	0.73	
Including	184.4	216.4	32.0	0.61	0.82	
NB-11-96	271.3	306.3	35.1	0.16	0.43	Savage Valley
NB-11-97	44.2	93.0	48.8	0.29	0.95	
Including	45.7	67.1	21.3	0.43	1.14	
NB-11-97	141.7	163.1	21.3	0.17	0.35	
NB-11-98	100.6	115.8	15.2	0.12	0.48	
NB-11-98	131.1	153.9	22.9	0.19	0.77	
NB-11-99	222.5	231.6	9.1	0.36	0.76	
NB-11-100	33.5	103.6	70.1	0.20	0.61	
Including	33.5	61.0	27.4	0.29	0.65	
NB-11-101	51.8	93.0	41.1	0.20	0.62	
NB-11-102	70.1	117.3	47.3	0.27	0.46	
Including	82.3	103.6	21.3	0.39	0.52	
NB-11-103	45.7	91.4	45.7	0.23	0.47	
NB-11-104	99.1	128.0	29.0	0.22	0.73	Jolly Jane
NB-11-105		No significant Intercepts				
NB-11-106	59.4	96.0	36.6	0.43	0.78	
NB-11-107	56.4	100.6	44.2	0.45	0.60	
NB-11-108		No significant Intercepts				
NB-11-109	45.7	59.4	13.7	0.31	0.38	
NB-11-110		No significant Intercepts				
NB-11-111	86.9	115.8	28.9	0.30	0.45	
NB-11-112	64.0	99.1	35.0	0.35	0.62	
NB-11-113	4.6	61.0	56.4	0.32	0.39	
NB-11-114	77.7	121.9	44.2	0.48	0.89	
NB-11-116	54.9	83.8	29.0	0.16	0.29	
NB-11-116	100.6	123.4	22.9	0.27	0.37	
JJRX-1	0.0	45.7	45.7	0.23	0.61	Jolly Jane Surface Chip Channels
JJRX-2	0.0	76.2	76.2	0.33	0.31	
JJRX-3	0.0	41.2	41.2	0.29	0.42	
JJRX-3	50.3	65.5	15.2	0.25	0.41	
JJRX-4	0.0	74.7	74.7	0.18	0.38	
JJRX-5	0.0	24.4	24.4	0.32	0.69	
SBA-1	0.0	71.6	71.6	0.32	0.86	Sierra Blanca Upper Adit Chip Channel
SBA-2	0.0	150.9	150.9	0.17	0.31	Lower Adit Chip Channel

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.

WestMountain has announced that Terra Gold has begun drilling at Terra in order to expand the current resource on the Ben Vein. An excavator has been delivered to the site which will be used to extract the bulk sample from the surface exposure of the Ben Vein. In addition, Terra Gold is currently constructing a mill on site to process the bulk sample.

Information with respect to the 2011 activities at Terra will be provided as received from Terra Gold.

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. Five holes were completed targeting the down dip extension of the graphitic breccias that host the bulk of the mineralization. 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. First Star US indicates that it intends to use the results from these programs for a new resource estimate on the project by the end of 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. 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 6). 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.

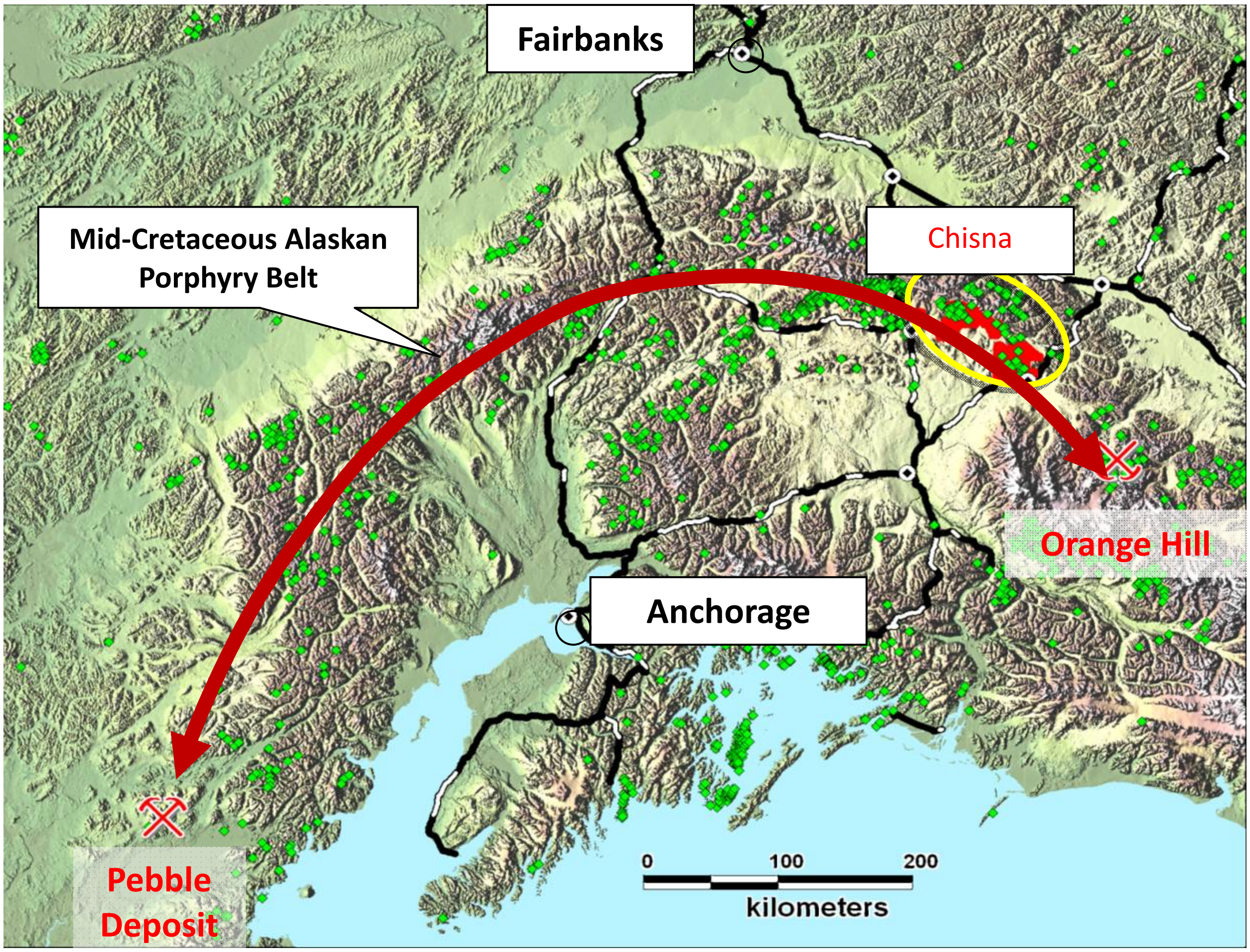

Figure 6: Chisna Project location map.

In 2010, the Chisna project advanced dramatically with the completion by the JV of a large airborne geophysics survey -- which included 6,700 line kilometres of ZTEM (Z Axis Tipper Electromagnetic system), an innovative airborne EM system credited with correctly delineating the Pebble deposit -- and extensive ground geophysics (100 line kilometres of 3D induced polarization) together with surface prospecting and drilling, as well as initial reconnaissance drilling at the POW and Grubstake targets.

The Summer 2010 exploration program, which included 2,926 metres (9,600 feet) of diamond drilling, successfully identified a large number of copper-gold targets, two of which (POW and Grubstake) were drill tested as part of the Phase 1 drill program. This work has identified several styles of mineralization within the nearly 10,000 square kilometre Chisna land package, including porphyry copper-gold-molybdenum, skarn copper-iron and copper-gold targets as well as structurally controlled gold-copper mineralization.

Results from samples submitted for geochronology in 2010 have been returned. These 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).

In the course of the 2010 program, two new gold targets were discovered at the project. Surface exploration results from work conducted in 2010 established the Golden Range target, where bedrock values of up to 50.4 g/t gold and soil values of up to 6.5 g/t gold have been found along a 9- kilometre-long zone of extensive gossanous iron carbonate alteration. A second target, known as Southwest Grubstake, has been discovered as a series of parallel quartz-dolomite-barite veins up to 2 metres wide defined over a 600-metre-long trend containing metal values from rock chip sampling of up to 46.5 g/t gold, 17.9 g/t silver, 1.3% lead and 0.19% zinc.

The exploration camp for the 2011 exploration program opened on June 28, 2011. The project is staffed by six geologists and four geotechnical assistants. Exploration has focused on the delineation of drill targets at the Grubstake South and Golden Range prospects. Drilling began in August 2011 and a total of 4,500 metres of drilling are planned for the summer season.

Golden Range Target

The Golden Range target is located 5 km north of the Grubstake porphyry system. A largely continuous gold anomaly has been defined by over 300 rock and grab samples taken across a 9 x 2 kilometre area of intense alteration. Reconnaissance sampling took place mostly along topographic crests, where sampled material is inferred to be approximately in place. All rock samples taken over the target area average 0.6 g/t gold, with 29 of 151 samples returning over 100 ppb (0.10 g/t) gold, and having a high value of 50.4 g/t gold. Samples returning over 100 ppb gold are present across the entire 9 kilometre strike length of the Golden Range target.

Out of 176 soil samples taken across the same area, 71 samples returned greater than 100 ppb (0.10 g/t) gold with an average of 0.23 g/t gold and a high value of 6.53 g/t gold. Of the balance, 42 samples returned results between 0.05 g/t and 0.1 g/t gold and the remaining 63 samples returned results between 0.003 g/t to 0.48 g/t gold. This extensively mineralized gold zone occurs within a highly gossanous, iron-carbonate altered sequence of volcanic rocks and follows a strong northwest-to-southeast trending structural zone.

Geological mapping and soil sampling began in June of 2011. A number of drill targets have been delineated. Drilling began in August 2011. No assay results have been reported at this time.

Southwest Grubstake Target

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 600 metres. A total of 19 rock samples derived from in-place quartz-dolomite-barite boulder trains and outcrops returned an average of 7.38 g/t gold, 8.82 g/t silver, 0.91% lead and 0.16% zinc, with highs of 46.5 g/t gold, 29.8 g/t silver, 4.22% lead and 1.22% zinc.

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. No final decision has been made on whether or not to drill South Grubstake in the summer of 2011.

Information with respect to the 2011 activities 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.

The 2010 work program at Chisna was designed and supervised by Russell Myers, the President of the Company. On-site personnel at the project photograph the core from each individual borehole prior to preparing the split core. 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 Fairbanks, Alaska, for preparation and then on to ALS Chemex in Reno, Nevada, or Vancouver, B.C., for assay.

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 affect 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 consolidated financial statements for the years ended May 31, 2011 and 2010 (the "Financial Statements") have been prepared in accordance with Canadian generally accepted accounting principles and practices. The following selected financial 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)	May 31, 2010 $ (annual)	May 31, 2009 $ (annual)
Interest Income	-	-	-
Consulting (including stock-based compensation)	1,653,417	1,089,274	611,203
Property investigation	6,473	83	34,455
Wages and benefits (including stock-based compensation)	485,531	1,769,408	1,071,598
Professional fees (including stock-based compensation)	314,820	182,477	146,507
Investor relations (including stock-based compensation)	464,824	327,092	256,261
Write-off of mineral property	-	-	1,002,438
Foreign exchange gain (loss)	(9,559)	(7,181)	(54,275)
Loss for the year	(2,804,099)	(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	-
Mineral Properties	15,110,358	12,245,690	11,054,413
Long term financial liabilities	-	-	-
Cash dividends	N/A	N/A	N/A

<u>Year Ended May 31, 2011 compared to year ended May 31, 2010</u>

The Company ended the year with $7,335,406 of cash. The Company incurred $533,175 on operating activities (excluding stock-based compensation ("SBC")) in the year ended May 31, 2011.

For the year ended May 31, 2011, the Company had a net loss of $2,804,099, as compared to a net loss of $3,603,369 in the prior year. The decreased loss of $799,270 in the current year was due to a combination of factors discussed below.

The SBC expense totalled $2,202,759 for the year, of which $756,202 resulted from the granting of the options during the quarter ended August 31, 2010 and recognizing the expense associated with the vesting of the stock options that were previously granted to the Nevada and Other Alaska Business employees and consultants by ITH. The remaining SBC expense of $1,446,557 was due to the granting of 3,000,000 stock options in the three months ended November 30, 2010 at an exercise price of $0.75 per share, 390,000 stock options in the three months ended February 28, 2011 at an exercise price of $0.82 per share and 100,000 stock options in the three months ended May 31, 2011 at an exercise price of $0.69 per share.

General and administrative (operating) expenses for the year totalled $3,175,165 compared to $3,596,188 in 2010. The decrease was primarily due to a reduction in wages and benefits expense as a result of decreased personnel costs.

As discussed above under "Acquisition of Assets from International Tower Hill Mines Ltd.", 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 year and up to the date of the Arrangement transaction. For the year ended May 31, 2011, 19.8% (2010 - 26.19%) of eligible costs from June 1, 2010 to the date of the Arrangement transaction were allocated to the Company as follows:

	2011	**2010**
Administration	$ 1,780	$ 8,712
Charitable donations	5,413	14,819
Consulting	265,721	1,089,274
Foreign exchange loss/(gain)	(20,318)	7,181
Insurance	10,099	37,633
Investor relations	130,737	327,092
Office	7,214	29,614
Professional fees	40,741	182,477
Property investigations	291	83
Regulatory	3,816	66,040
Rent	5,302	26,180
Telephone	2,418	7,099
Travel	5,625	37,757
Wages and benefits	475,318	1,769,408
	$ 934,157	$ 3,603,369

During the year ended May 31, 2011, some expense categories increased significantly when compared with the prior year.

Consulting fees increased to $1,653,417 (2010 - $1,089,274) due to an increase in consultants compared to those allocated in the comparative year and SBC expense of $1,418,972 during the current year compared to $964,235 in the prior year.

Investor relations expenses increased to $464,824 (2010 - $327,092) mainly due to SBC expense of $274,387 (2010 - $207,781). The additional increase of $71,126 was due to a combination of increase in personnel, increase in investor relations-related travelling, an increase in mail-outs, printing and reproduction due to the Company's increased effort in fully informing the investment community during the Arrangement process.

Professional fees increased to $314,820 (2010 - $182,477) mainly due to SBC expense of $93,677 during the current year compared to $17,405 in the prior year and increased legal and accounting expenses as a result of post-Arrangement activities.

Regulatory expenses increased to $129,048 (2010 - $66,040) mainly due to the original TSX listing and application fees paid as a result of the listing of the Company's common shares on the TSX in August, 2010.

Wages and benefits decreased to $485,531 (2010 - $1,769,408) due to a decrease in personnel costs compared to those allocated in the comparative year, along with a decrease in SBC expense of $415,723 during the current year compared to $1,051,942 in the prior year.

Insurance decreased to $28,001 (2010 - $37,633), office and miscellaneous expenses increased to $41,148 (2010 - $36,713), rent decreased to $10,177 (2010 - $26,180) and travel expenses decreased to $22,877 (2010 - $37,757). These decreases were mainly because the prior year 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 expense categories which reflected only moderate change year over year were administration expenses of $4,587 (2010 - $8,712), amortization expenses of $7,849 (2010 - $nil), charitable donations of $6,413 (2010 - $14,819), and property investigation expenses of $6,473 (2010 - $83).

Other items amounted to an income of $371,066 compared to a loss of $7,181 in the prior year. The increase in other income is due to the operator fee income of $380,602 (2010 - $nil) earned by the Company as a result of being the operator of the China Project JV with Ocean Park Alaska, offset by an increase in foreign exchange loss of $9,559 (2010 - $7,181) and which is the result of factors outside of the Company's control.

<u>Three Months Ended May 31, 2011 compared with three months ended May 31, 2010</u>

During the three months ended May 31, 2011, some expense categories varied significantly when compared with the comparative period of the prior year.

Consulting fees decreased to $106,967 (2010 - $967,081), as while there was an increase in consultants compared to those allocated in the comparative period, this was offset by SBC expense of $nil during the current period compared to $964,235 in the comparative period of the prior year.

Investor relations expenses decreased to a $41,166 (2010 - $174,922) mainly due SBC expense of $nil during the current period compared to an expense of $153,577 in the comparative period of the prior year. The additional increase of $30,400 was due to an increase in personnel in order for the Company to start establishing itself in the investment community.

Professional fees increased slightly to $89,478 (2010 - $75,776) mainly due to SBC expense of $33,379 during the current period compared to $17,405 in the comparative period of the prior year.

Regulatory expenses increased to $28,157 (2010 - $4,361) mainly due to the prior year comparatives being 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.

Wages and benefits decreased to $3,667 (2010 - $870,896) due to a decrease in personnel costs (previously allocated on a percentage basis from ITH in the 2010 period) as the Company's personnel during the fiscal year ended May 31, 2011were retained on a consulting basis as opposed to being employees (as they were when ITH controlled the Company's assets prior to the completion of the Arrangement). Also, SBC expense amounted to $nil during the current period compared to $825,990 in the comparative period of the prior year.

Other expense categories which reflected only moderate change period over period were administration expenses of $2,269 (2010 - $1,297), amortization expenses of $6,909 (2010 - $nil), charitable donations of $nil (2010 - $8,293) insurance expenses of $11,773 (2010 - $7,509), office and miscellaneous expense of $22,356 (2010 - $7,249), property investigation expenses of $2,124 (2010 - ($204)), rent expenses of $4,875 (2010 - $4,462), and travel expenses of $11,958 (2010 - $6,870).

Other items amounted to a gain of $63,951 compared to a loss of $24,551 in the same period of the prior year. The decrease in other income is due to the operator fee income of $14,397 (2010 - $nil) earned by Raven Gold as a result of acting as the operator of the China Project JV with Ocean Park Alaska, offset by a decrease in foreign exchange gain of $49,552 (2010 - $24,551 loss) and which is the result of factors outside of the Company's control.

Stock-based compensation

SBC charges for the year ended May 31, 2011 of $2,276,245 (2010 - $2,241,363) were allocated as follows:

2011	**Before allocation of SBC**	**SBC (Restated to conform with year-end adjustments*)**	**After Allocation of SBC**
Consulting	$ 234,445	$ 1,418,972	$ 1,653,417
Investor relations	190,437	274,387	464,824
Professional fees	221,143	93,677	314,820
Wages and benefits	69,808	415,723	485,531
		2,202,759	
Mineral properties		73,486	
		$ 2,276,245	

2010	**Before allocation of SBC**	**SBC**	**After Allocation of SBC**
Consulting	$ 125,039	$ 964,235	$ 1,089,274
Investor relations	119,311	207,781	327,092
Professional fees	165,072	17,405	182,477
Wages and benefits	717,466	1,051,942	1,769,408
		$ 2,241,363	

Comparison to Selected Prior Quarterly Periods

The following selected financial information is a summary of quarterly results taken from the unaudited consolidated financial statements for the quarters ended August 31, 2010, November 30, 2010 and February 28, 2011. The selected financial information for the quarter ended May 31, 2011 and 2010 have been taken from the Company's audited consolidated financial statements:

Description	May 31, 2011	February 28, 2011	November 30, 2010 (Restated to conform with year-end adjustments*)	August 31, 2010
Interest income	$ 2	$ 21	$ -	$ -
Operator fee income	14,397	16,972	349,233	-
Net loss for the period	(267,747)	(399,515)	(1,200,382)	(936,455)
Basic and diluted gain/(loss) per common share	$ (0.01)	$ (0.01)	$ (0.09)	$ (0.03)

Description	May 31, 2010	February 28, 2010	November 30, 2009	August 31, 2009
Interest income	$ -	$ -	$ -	$ -
Operator fee income	-	-	-	-
Net loss for the period	(2,153,063)	(531,654)	(679,950)	(238,702)
Basic and diluted loss per common share	$ (0.07)	$ (0.02)	$ (0.02)	$ (0.01)

*As at May 31, 2011, the Company adjusted the SBC recorded in the previous quarter of the 2011 fiscal year resulting in the following changes.

November 30, 2010 quarter	Before Changes	SBC Adjustment	After Changes
Consulting	$ 2,074,832	$ (947,552)	$ 1,127,280
Investor relations	375,138	(148,636)	226,502
Professional fees	105,605	(14,864)	90,741
Wages and benefits	8,306	(3,716)	4,590
Interest income	-	-	-
Operator fee income	-	-	-
Net income (loss) for the period	(2,315,150)	1,114,768	(1,200,382)
Basic and diluted loss per common share	$ (0.07)	$ 0.03	$ (0.04)

The foregoing 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. 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 to the interest earned on funds held by the Company and income earned from being the operator of a joint ventured mineral property, 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. 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 May 31, 2011, the Company reported cash of $7,355,406 compared to $nil as at May 31, 2010. The change in cash position was the net result of $3.3 million (2010 - $nil) funding provided by ITH under the Arrangement, $764,512 (2010 - $1,713,749) of additional funding provided by ITH as a result of the Arrangement, $6,615,860 (2010 - $nil) from the issuance of common shares net of share issuance costs offset by $52,721 (2010 - $nil) expenditures on property and equipment and $2,691,376 (2010 - $348,850) expenditures on mineral properties and $571,311 (2010 - $1,354,922) used in operating activities.

As at May 31, 2011, the Company had working capital of $7,215,022 (2010 - working capital deficiency of $71,431). 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 mineral properties, to acquire additional mineral properties 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.

As disclosed in the Company's press releases announcing such financings, the proceeds from the private placements closed on November 30, 2010 have been used for exploration of the Company's existing mineral projects (primarily North Bullfrog), property investigations and for general working capital purposes. None of the proceeds have, to date, been applied in connection with the acquisition of interests in new mineral properties.

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 May 31, 2011, the Company entered into the following transactions with related parties and paid or accrued the following amounts in connection therewith:

Name	Relationship	Purpose of transaction	Amount
Jeffrey Pontius	CEO of the Company	Consulting	$ 10,813
Russell Myers	President of the Company	Consulting	$ 8,110
Winslow Associates Management & Communications Inc.	Company controlled by the former CFO (resigned on June 1, 2011) of the Company	Consulting	$ 9,000
Lawrence W. Talbot Law Corporation	Company controlled by the VP and General Counsel of the Company	Professional fees	$ 9,000
Marla K. Ritchie	Corporate Secretary	Consulting	$ 3,000
Shirley Zhou	Investor Relations	Investor Relations	$ 9,329
Steve Aaker	Director of the Company	Director Fees	$ 3,500
Daniel Carriere	Director of the Company	Director Fees	$ 3,750
Edward Yarrow	Director of the Company	Director Fees	$ 3,250
Anthony Drescher	Director of the Company	Director Fees	$ 3,750
Rowland Perkins	Director of the Company	Director Fees	$ 3,500
Cardero Resources	Company with common officers and directors	Rent	$ 1,253

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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 financial statements in conformity with Canadian generally accepted accounting principles ("GAAP") 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 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 financial statements include the recoverability of mineral properties, the assumptions used in the determination of the fair value of financial instruments and SBC, and the determination of the valuation allowance for future income tax assets and accruals. 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

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board has confirmed that effective on January 1, 2011, IFRS will replace Canadian GAAP as the basis for accounting for publicly accountable enterprises. The first period reported under IFRS by the Company will be the three month period ended August 31, 2011 and the Company's first fiscal year end date under IFRS will be the fiscal year ending May 31, 2012.

The change from Canadian GAAP to IFRS will be a significant undertaking and may have significant effects on the Company's accounting, internal controls, disclosure controls and financial statement presentation.

Design and planning

The Company commenced transition plan development in 2009. The Company has determined its preliminary IFRS policy decisions and significant expected accounting differences, based on an analysis of the current IFRS standards, and the following section outlines each of these. As the conversion work continues, additional differences between Canadian GAAP and IFRS may be identified. As a result, these accounting policy choices may change prior to the adoption of IFRS on June 1, 2011. Although the Company has identified key accounting policy differences, the impact of these differences to its financial statements has not been determined at this time. Decisions with respect to accounting policy changes, outlined below, may change once management has quantified and thoroughly analyzed the effects of such changes and has presented them for final review and approval by the Company's Audit Committee.

First-time Adoption of IFRS (IFRS 1)

In the first year of transition to IFRS, a company is allowed to elect certain exceptions from IFRS in order not to apply each IFRS on a retrospective basis. IFRS 1 has certain mandatory exemptions as well as limited optional exemptions. Based on analysis to date, the Company expects to apply the following optional exemptions under IFRS 1 that will be significant in preparing the financial statements under IFRS:

Share-Based Payments

A company may elect not to apply IFRS 2 "Share-Based Payments" to equity instruments which vested before the transition date to IFRS. The Company will elect, on transition to IFRS, to apply the optional exemption such that equity instruments which vested prior to the transition date of June 1, 2010, will not be restated.

Accounting policies

The Company has determined that the main impact of IFRS on the Company will involve a significant increase in note disclosure as well as certain presentation differences.

Property, plant and equipment

Although the design stage is not completed yet, the Company is not expecting to apply the fair value method to determine the deemed opening cost under IFRS which is one of the significant IFRS 1 exemptions.

The accounting policy of the Company will be amended to:

- Review useful life, residual value and method of depreciation on an annual basis.
- Identify all significant components and their respective useful lives.
- Capitalize major maintenance and replacement of significant parts and derecognize the carrying value of the replaced parts.
- Include constructive obligations for significant dismantling and removal costs.

Financial instruments

The accounting policy of the Company will be amended to:

- Include changes to impairments of financial assets and their possible reversal.
- Detail the conditions that need to be met for the designation of a financial instrument as "fair value through profit and loss".

Impairment of assets

The accounting policy of the Company will be amended to:

- Change the assessment method of whether impairment exists. The two step approach allowed under Canadian GAAP is not acceptable under IFRS. Therefore, the discounted cash flows are taken as an indication to determine impairment.

Share-based payments

Canadian GAAP allows certain policy choices in the calculation of stock based compensation. The Company currently amortizes grants in their entirety on a straight-line basis over the vesting term. IFRS standards require each tranche in the grant to be amortized over its respective vesting period. As a result of these changes, share-based compensation expense will be accelerated under IFRS. At each reporting date, the amount recognized in SBC under IFRS is adjusted to reflect management's estimate of forfeiture, whereas under Canadian GAAP forfeitures are recorded when incurred. In addition, unvested options at May 31, 2010 will be re-valued under IFRS, with consequent adjustments to opening retained earnings. The Company currently vests options at the date of the grant.

This list should not be regarded as a complete list of changes that will result from transition to IFRS. It is intended to highlight those areas management believes to be most significant; however, management's analysis of possible changes is still in process and not all decisions have been made where choices of accounting policies are available. Until the Company's adoption date is finalized, the Company is not able to reliably quantify the impacts expected on its consolidated financial statements for these differences.

Presentation and disclosure

IFRS will require more in depth disclosure. The Company has taken the necessary steps to adjust the system requirements to ensure appropriate data collection for disclosure purposes.

Post implementation

During this stage the Company will perform a review of the IFRS transition and ensure the preparation of financial statements in compliance with IFRS without external support.

The Company will stay informed on the upcoming changes to the IFRS based on the projects in place or to be initiated by the International Accounting Standards Board and will adjust its plan accordingly to include all key elements to ensure its compliance during 2011.

Changes in Accounting Policies Including Initial Adoption

There have been no changes in accounting policies since June 1, 2010, being the start of the Company's most recently completed fiscal year.

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 May 31, 2011 was $7,355,406 of which $1,147,646 was held in US dollars.

The Company's accounts receivables and payables at May 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 accounting principles generally accepted in Canada. 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 financial statements in accordance with generally accepted accounting principles; 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 its 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 financial statements would be prevented or detected.

Management is conducting 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 includes 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 May 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 Canadian GAAP. 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 May 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 August 26, 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
3,000,000	$0.75	September 8, 2012
390,000	$0.82	January 20, 2013
100,000	$0.69	May 30, 2013
3,390,000		

Warrants Outstanding:

Number	Exercise Price	Expiry Date
325,000 (agent's warrants)	$1.10	November 30, 2012

Additional Sources of Information

Additional disclosures pertaining to the Company, including its most recent 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.