



AMERIX PRECIOUS METALS CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JULY 31, 2010

NOVEMBER 22, 2010

This Management Discussion and Analysis (“MD&A”) of the financial condition and results of the operations of Amerix Precious Metals Corporation (“Amerix” or the “Company”) is intended to supplement and complement the Company’s audited consolidated financial statements and the related notes covering the year ended July 31, 2010. This MD&A should be read in conjunction with those audited consolidated financial statements.

The Company prepares its consolidated financial statements in Canadian dollars and in accordance with generally accepted accounting principles (“GAAP”) in Canada. All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise stated. Additional information regarding the Company can be found on SEDAR at www.sedar.com.

This MD&A may contain forward-looking statements that are based on the Company’s expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under “Risk Factors”. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

OVERVIEW

Amerix Precious Metals Corporation (the “Company” or “Amerix”) is a junior resource company involved in the acquisition, exploration and development of mineral properties.

The Company does not generate operating revenues. Management anticipates that the Company will experience net losses as a result of ongoing exploration and general corporate and administrative costs until such time as revenue generating activity is commenced.

The Company presently has interests in two mineral properties located in Brazil. The Company holds a 2.5% Gross Royalty interest in the southern Ouro Roxo properties and holds the exploration licenses to the Limão Property.

During the year ended July 31, 2010, the Company’s activities included the following material events:

On October 23, 2009, the Company announced that it had executed the Definitive Agreement with the Brazilian Consortium whereby the Consortium acquired 100% of the exploration permits containing the southern Ouro Roxo deposits, with Amerix retaining a 2.5% Gross Royalty on all gold production. In addition, the Consortium assumed all outstanding and future gold option payments on the southern Ouro Roxo Concessions. The southern Ouro Roxo concessions are subject to an existing underlying 2.0% underlying gross royalty payable to Matapi Exploração Mineral Ltda. (“Matapi”). Amerix has the right to buy-out this underlying 2.0% gross royalty and is currently in negotiations with Matapi concerning this matter. The TSX Venture Exchange granted final approval for this transaction on October 29, 2009.

On November 2, 2009, the Company announced initial sampling results from the Limão Property located in the highly prospective Tapajós Gold Province in Central Brazil. The Company confirmed the presence of high grade gold mineralization hosted in syeno-granitic intrusive rocks with values up to 106.6 g/t Au or 3.76 oz/t Au.

The Limão Property is situated along the NW-SE Tocantinzinho Trend. This trend hosts notable gold properties such as Eldorado and Brazauro’s Tocantinzinho Property and Magellan Mineral’s Cuiu-Cuiu property. Between 1987 and 1990, Mineração Pompeia carried out systematic prospecting in the area, which included geochemical and geophysical surveys followed by a small drill program in an area previously mined by locals. Holes drilled under an open pit returned promising results, such as 47 g/t Au over 13 metres and 18.7 g/t Au over 6.8 metres. During 1994 and 1995, Barrick Gold conducted a review of the area and took fifteen samples of the syeno-granite in the pit area and returned values from 1.75 g/t Au to 25 g/t Au. Additional work conducted by Barrick Gold also identified several gold anomalies outside the area of the open pit. It must be noted that the previous exploration has not been verified.

The Company's review and due diligence of the area consisted initially of satellite/aerial photography and location of the artisanal workings. A crew was mobilized to the property and re-established the camp and airstrip. A small grid was established for sampling and mapping control over the pit area and other artisanal workings. A total of 11 float samples were taken from sulphide-rich syeno-granitic rocks located in the pit area. Results range from 2.37 g/t Au to 106.6 g/t Au with an average of 38.5 g/t Au or 1.12 oz/t Au. The Company believes these samples to be representative of bedrock mineralization at the bottom of the open pit which was previously mined by local miners. The open pit is now filled with water and is believed to be 20 metres deep.

A total of 134 one-metre auger samples were taken at 20 metre intervals along parallel north-south lines spaced at 100 metre intervals. Sample results from the geochemical survey taken from saprolite material range from 5 ppb Au to 638 ppb Au. Results taken in tailings or artisanal areas returned values as high as 5.13 g/t Au. Further follow up and infill lines are required to determine size and orientation of the anomalies.

The Company has the option to earn 100% interest in the Limão Property by completing payments of approximately US\$290,000 and issuing 400,000 shares to Matapi, the holder of the Limão property option agreement. To date the Company has completed approximately US\$109,000 in payments and issued 200,000 shares of the Company. The Company has also agreed to spend US\$500,000 on exploration work on the Limão property during each of the 12 month periods ending on October 20, 2010, and October 20, 2011.

On November 23, 2009, the exploration permits covering the area to the north of the Pacu River were reclaimed in the name of the holder of the Second Carneiro Agreement. The Company no longer holds an interest in these exploration permits.

On January 6, 2010 the Company announced that it has retained the services of Mr. Clinton Davis, P.Geo., to conduct an initial review on the Limão Property and to prepare a 43-101 National Instrument report on the merit of the property. Mr. Davis visited the property in late 2009 and independent samples taken from the sulphide rich syeno-granitic intrusive rocks returned high grade results as high as 57.4 grams per tonne gold or 1.67 ounces per tonne.

Mr. Davis's sampling confirms the initial sampling results by the Company on the Limão Property reported on November 2, 2009 (see above). Samples from the syeno-granitic intrusive rocks showed high-grade gold mineralization with values up to 106.6 grams per tonne gold or 3.76 ounces per tonne gold. The initial sampling by Amerix consisted of 14 rock samples with results averaging 38.5 grams per tonne gold or 1.12 ounces per tonne.

On March 8, 2010, the Company announced that that Mr. Luciano Borges has assumed the role of President of Mineração Vila Porto Rico Ltda., the Company's wholly-owned Brazilian subsidiary, and Mr. Mahite Bueno is appointed Director of Corporate Development in Brazil. Mr. Borges has served as a Director of Amerix since December 17, 2007. He has provided mining and exploration consulting services related to natural resources and regional development in Brazil and Latin America since 2005. Prior to that he held several senior management positions within the Brazilian Ministry of Mines and Energy from 1984 to 2005. Mr. Bueno has been actively involved in the exploration of gold properties in Northern Brazil since 2004. The Company also granted a total of 6,000,000 options to directors, officers and consultants to purchase common shares of the Company at an exercise price of \$0.10 per share, expiring on March 7, 2015.

On April 12, 2010, the Company mobilized geologists and technical crews to the Limão property. Amerix's initial property evaluation confirmed the presence of high-grade gold mineralization hosted in syeno-granitic intrusive rocks. A total of 11 float samples were taken from sulphide-rich syeno-granitic rocks located in the central pit area with results ranging from 2.37 grams per tonne gold to 106.6 grams per tonne gold. The average grade of the 11 samples was 38.5 grams per tonne gold or 1.12 ounces per ton gold (see Company news release of November 2, 2009). The exploration program consisted of surface geochemical sampling and mapping. The purpose of the sampling and mapping is to further define the gold zones identified by the Company and the previous operators. Surface geochemical sampling consisted of approximately 1700 one-meter auger holes and a small number of deeper hand auger holes ranging in depth from 5 to 8 metres in areas previously defined as anomalous. During this initial phase, the Company established a more permanent camp and infrastructure for later programs. On completion of this initial program the Company reviewed and selected priority targets for diamond drilling.

On April 16, 2010, the Company completed the third and final tranche of a non-brokered private placement financing (the "Offering") for gross proceeds of \$48,000. As previously announced on March 23, 2010, the first tranche of the Offering raised gross proceeds of \$475,200 and on April 12, 2010, the second tranche raised gross proceeds of \$52,800. Total gross proceeds from the Offering were \$576,000. In total, for all three tranches, the Offering consisted of 9,600,000 Units at a price of \$0.06 per Unit, with each Unit consisting of one Amerix common share and one-half common share purchase warrant, with each whole common share purchase warrant (the "Warrant") entitling the holder to purchase one Amerix common share at a price of \$0.10. The Warrants will expire twenty-four months from the date of issue unless the closing price of the common shares has been \$0.25 or higher for ten consecutive trading days anytime after the date of issue, in which case the Warrants will expire thirty (30) days after notice announcing an earlier expiry date. The Offering also included a provision for a finders' fee payable at a rate of up to 8% of gross proceeds from Unit sales and Unit-purchase options ("broker warrants") at a rate of up to 10% of the number of Units sold. The broker warrants will expire twenty-four months from the date of issue and are subject to the same acceleration rights as the Warrants. The Company paid finders' fees of \$42,240 cash and 880,000 broker warrants. Insiders, as defined by the TSX Venture Exchange, participated in 13.5% of the Offering. The securities issued in connection with the Offering are subject to a four month hold period from the date of issue. Net proceeds from the Offering will be used to continue to fund the Company's exploration projects in Brazil and for general working capital purposes.

On May 19, 2010, the Company announced that it had completed the first phase of exploration on the Limão project. Amerix's initial exploration phase consisted of detailed geochemical sampling and surface mapping to define the gold zones identified by the Company and the previous operators. Previous sampling by the Company returned encouraging results. Eleven samples taken from sulphide-rich syeno-granitic rocks located in the central pit area with results ranging from 2.37 grams per tonne gold to 106.6 grams per tonne gold. The average grade of the samples was 38.5 grams per tonne gold or 1.12 ounces per ton gold. The initial phase of the 2010 exploration program comprised of 1,700 one-meter auger holes and 42 deeper auger holes ranging from 2 to 4.8 meter depths. The deep auger holes were completed to further define drill targets near the old workings in the pit area. The Company also located several old garimpero workings outside the pit area. The most

significant workings are located 1.5 kilometres from the pit area. Sixty-four rock samples were also collected during this initial phase.

On June 28, 2010, the Company announced the first phase of exploration results on the Limão project. The initial exploration phase consisted of detailed geochemical sampling in three grid areas: the Central, North, and South Grids. The purpose of the program was to establish N-S grid lines for sampling control in order to reconfirm the locations of the gold-in soil anomalies defined by previous operators. Since mid 2009, a total of 1841 one-meter auger holes were completed on a line spacing of 100 meters and samples were taken along cut lines at 20 meter intervals. A total of 81 rock samples were taken through-out the property.

The initial 2009 exploration focus was to confirm gold anomalies in the pit area, or Central Grid, where eleven grab samples from sulphide-rich syeno-granitic rocks assayed results ranging from 2.37 grams per tonne gold to 106.6 grams per tonne gold with an average grade of 38.5 grams per tonne gold or 1.12 ounces per ton gold. The 2010 exploration program extended the Central grid and covers an area of 1.12 square kilometres. Several hundred one-meter auger holes defined a strong east-west anomaly measuring 1300 meters long. The pit area is located 200 meters north of the gold-in soil anomaly. (See the attached map)

As noted in earlier news releases, historic diamond drill holes drilled under the open pit in the Central Grid returned promising results, such as 47 grams per tonne gold over 13 metres and 18.7 grams per tonne gold over 6.8 metres. The field crew was able locate old drill core in the area and confirmed that the drilling intersected syenite porphyry rocks. One sample was taken from split mineralized syenite porphyry core and returned 34.77 grams gold per tonne.

Two additional grids were established north and south of the Central Grid. The North Grid covers an area 1.62 square kilometres and several gold-in soil anomalies were defined. The most notable anomaly covers an area of 300 by 200 metres located approximately 400 metres north-northwest of the open pit area. The Southern Grid covers an area of 0.45 square kilometres and a well defined 200 by 200 metre gold anomaly was defined. Surface sample results returned high gold and visible gold was observed in quartz veins in this area. Mineralization on the Southern Grid area appears to have a different style compared to the open pit area located 1.5 kilometres to the north. Gold mineralization occurs in quartz veins hosted in granitic rocks.

The Company is currently establishing a more permanent camp and widening the airstrip for later programs. All rock and auger samples were prepared by Acme Laboratories in Itaituba and analyzed by Acme Laboratories in Vancouver and Santiago, Chile.

Subsequent to July 31, 2010, the Company's activities included the following material events:

On October 19, 2010 the Company announced that it amended certain terms of the Limão option agreement with Matapi. The payment of Brazilian Reals 140,000 due to Matapi on October 15, 2010 has been deferred to November 30, 2010 and the requirements to incur exploration expenditures of US\$500,000 during each of the twelve month periods ending on October 20, 2010 and October 20, 2011 have been deferred to each of the twelve month periods ending on April 20, 2011 and April 20, 2012 respectively. The Company incurred a fee of Brazilian Reals 50,000 to defer these option payments.

On November 3, 2010, the Company received conditional approval from the TSX Venture Exchange for a non-brokered, private placement financing (the "Offering") of up to \$1,050,000. The Offering consists of up to 15,000,000 Units at a price of \$0.07 per Unit, with each Unit consisting of one Amerix common share and one-half common share purchase warrant, with each whole common share purchase warrant entitling the holder to purchase one Amerix common share at a price of \$0.11. The warrants will expire twenty-four months from the date of issue unless the closing price of the common shares has been \$0.25 or higher for ten consecutive trading days, in which case the warrants will expire thirty (30) days after a news release announcing an earlier expiry date. The Offering also includes provision for a finders' fee payable at a rate of up to 8% of gross proceeds from Unit sales and Unit-purchase options ("broker warrants") at a rate of up to 10% of the number of Units sold. The broker warrants will expire twenty-four months from the date of issue and are subject to the same acceleration rights as the Warrants. The securities issued in connection with the Offering are subject to a four month hold period from the date of issue. Net proceeds from the Offering will be used to continue to fund the Company's Limão exploration project in Brazil and for general working capital purposes. The Offering is subject to final regulatory approval.

On November 3, 2010, the Company closed the first tranche of the Offering and issued 5,457,000 Units for gross proceeds of \$381,990 and paid finders' fees of \$12,102 cash and 310,700 broker warrants.

Subsequent to the year-end, the Company's wholly-owned Brazilian subsidiary, MVPR, was named as a co-defendant by eight workers hired by a contractor engaged by MVPR in Brazil. The workers are claiming that the contractor did not pay their wages. The approximate amount of the claim relating to unpaid wages is Brazilian real R\$35,000 and the claim for damages is approximately Brazilian real R\$285,000, for a total claim of approximately Brazilian real R\$320,000. The Company and MVPR consider the claim to be without merit and intend to defend against it. No amount for the claim has been accrued in the Company's financial statements as at July 31, 2010.

The Company's assets as at July 31, 2010 were \$14,554,734 compared to \$14,017,158 as at July 31, 2009. The increase was due to funding of the Company's mineral interests and exploration costs, partially offset by a reduction in funds used to pay outstanding liabilities.

The Company does not presently have sufficient financial resources to complete, by itself, the exploration required to develop its properties to an advanced stage. The exploration and 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 or other means. There is no assurance that the Company will be successful in obtaining the required financing.

MINERAL EXPLORATION ACTIVITIES

The Company's operations consist of the exploration and development of mineral interests in Brazil as well as ongoing corporate head office costs. Expenditures on the Company's mineral interests for the year ended July 31, 2010 were \$631,309 compared to \$294,047 for the prior year period.

The following table summarizes the continuity of the mineral properties during the period:

	Properties		
	VPR	Limao	Total
Balance, July 31, 2009	\$ 13,483,261	\$ 312,540	\$ 13,795,801
Expenditures during the period	-	631,309	631,309
Balance, July 31, 2010	<u>\$ 13,483,261</u>	<u>\$ 943,849</u>	<u>\$ 14,427,110</u>

Brazilian Mineral Properties and Exploration Costs

Vila Porto Rico

On November 28, 2008, the Company announced that it was unable to make an option payment of 4.4 kilograms ("kilos") of gold which was due to the holder ("the Holder") of the First Carneiro Agreement (the "Agreement") relating to the Company's option payments on its southern Ouro Roxo concessions in Vila Porto Rico Property covering the area to the south, or the left bank, of the Pacú River. Under the terms of the Agreement, the Company was required to pay 10 kilos of gold on July 28, 2008, of which 5.6 kilos was paid. Payment of the remaining balance of 4.4 kilos was subsequently deferred to November 25, 2008, with the agreement of the Holder. As a result of the significant deterioration in the availability of financing for junior exploration stage companies such as Amerix, the Company was unable to raise capital to allow it to meet obligations under the Agreement and, as of November 25, 2008, was technically in default of the terms of the Agreement. The Holder had the right to claim default and demand that the Company sign the concession rights over to the Holder. The Company in turn would not be entitled to any compensation for exploration work previously performed on the concessions or reimbursement for any option payments previously made under the terms of the Agreement.

However, the Company continued to negotiate with the Holder and on March 3, 2009, announced that it had executed a Letter of Intent ("LOI") with a Brazilian Consortium (the "Consortium") whereby the Consortium acquired 100% of the exploration permits containing the southern Ouro Roxo deposits with Amerix retaining a 2.5% Gross Royalty on all gold production. In addition, the Consortium assumed all gold option payments under the Agreement, including the default payment of 4.4 kilos of gold, 10.0 kilos of gold due on July 28, 2009, and 70.0 kilos of gold due on July 28, 2010. At estimated gold prices, of approximately US\$950 per ounce, these option payments of 84.4 kilos of gold equate to approximately Cdn\$3,740,000. Should the mineable reserve (in the probable category or better) on this property exceed 2 million ounces, the Consortium also assumes additional payments of 50 kilos of gold for each additional one million ounces of reserve determined. The southern Ouro Roxo concessions are subject to an existing underlying 2.0% underlying gross royalty payable to Matapi. Amerix has the right to buy-out this underlying 2.0% gross royalty and is currently in negotiations with Matapi concerning this matter. The sale of the

exploration permits covering the southern Ouro Roxo deposits was approved by shareholders at the Company's Annual and Special Meeting of Shareholders on April 17, 2009. The Company completed the Definitive Agreement with the Consortium on October 23, 2009 and the TSX Venture Exchange granted final approval for this transaction on October 29, 2009.

On November 23, 2009, the exploration permits covering the area to the north of the Pacú River were reclaimed in the name of the holder of the Second Carneiro Agreement. The Company no longer holds an interest in these exploration permits.

The Company's ability to maintain its interest in the Vila Porto Rico royalty is conditional upon the Company having sufficient finances to make, and making, all required payments to Matapi, including payment of its underlying 2.0% gross royalty. There is no guarantee the Company will have the funds required to make, or make, such payments. If not, the Company may lose all of its interest in the Vila Porto Rico royalty, including forfeiting all payments made to date. See "Risk Factors".

Limão Property

A technical report dated October 1997 was prepared for the Company by Behre Dolbear & Company Ltd. and Behre Dolbear Chile & Cia. Ltda. (Dolbear) with respect to the Limão Property. The report is filed on SEDAR and is available for review at www.sedar.com.

As at January 31, 2009, the Company reviewed the carrying value of the Limão Property in response to the decline in the economic environment. As a result of the review, it was determined that costs incurred prior to fiscal 2004 on the Limão Property were impaired and a write down of \$540,531 was recorded to adjust Limão's carrying value to its estimated fair value of \$260,796. Management used the economic value of the work performed to date on the Limão Property to determine what the impairment charge should be.

On November 2, 2009, the Company announced initial sampling results from the Limão Property. The Company confirmed the presence of high grade gold mineralization hosted in syeno-granitic intrusive rocks with values up to 106.6 g/t Au or 3.76 oz/t Au. The initial due diligence consisted of 14 rock samples and 134 one-metre auger samples.

The Limão Property is situated along the NW-SE Tocantinzinho Trend. This trend hosts notable gold properties such as Eldorado and Brazauro's Tocantinzinho Property and Magellan Mineral's Cuiu-Cuiu property. Between 1987 and 1990, Mineração Pompeia carried out systematic prospecting in the area which included geochemical and geophysical surveys followed by a small drill program in an area previously mined by locals. Holes drilled under an open pit returned promising results, such as 47 g/t Au over 13 metres and 18.7 g/t Au over 6.8 metres. During 1994 and 1995, Barrick Gold conducted a review of the area and took fifteen samples of the syeno-granite in the pit area and returned values from 1.75 g/t Au to 25 g/t Au. Additional work conducted by Barrick Gold also identified several gold anomalies outside the area of the open pit. It must be noted that the previous exploration is historical and has not been verified.

The Company's review and due diligence of the area consisted initially of satellite/aerial photography and location of the artisanal workings. A crew was mobilized to the property and re-established the camp and airstrip. A small grid was established for sampling and mapping control over the pit area and other artisanal workings. A total of 11 float samples were taken from sulphide-rich syeno-granitic rocks located in the pit area. Results range from 2.37 g/t Au to 106.6 g/t Au with

an average of 38.5 g/t Au or 1.12 oz/t Au. The Company believes these samples to be representative of bedrock mineralization at the bottom of the open pit which was previously mined by local miners. The open pit is now filled with water and is believed to be 20 metres deep.

A total of 134 one-metre auger samples were taken at 20 metre intervals along parallel north-south lines spaced at 100 metre intervals. Sample results from the geochemical survey taken from saprolite material range from 5 ppb Au to 638 ppb Au. Results taken in tailings or artisanal areas returned values as high as 5.13 g/t Au. Further follow up and infill lines are required to determine size and orientation of the anomalies.

On January 6, 2010, the Company announced that it has retained the services of Mr. Clinton Davis, P.Geo., to conduct an initial review on the Company's Limão property in the Tapajos Region in central Brazil and to prepare a 43-101 National Instrument report on the merit of the property. Mr. Davis visited the property in late 2009 and independent samples taken from the sulphide rich syeno-granitic intrusive rocks returned high grade results as high as 57.4 grams per tonne gold or 1.67 ounces per tonne.

Mr. Davis's sampling confirms the initial sampling results by the Company on the Limão gold property reported on November 2, 2009. Samples from the syeno-granitic intrusive rocks showed high-grade gold mineralization with values up to 106.6 grams per tonne gold or 3.76 ounces per tonne gold. The initial sampling by Amerix consisted of 14 rock samples with results averaging 38.5 grams per tonne gold or 1.12 ounces per tonne.

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On May 19, 2010, the Company completed the first phase of exploration on the Limão project. Amerix's initial exploration phase consisted of detailed geochemical sampling and surface mapping to define the gold zones identified by the Company and the previous operators. Previous sampling by the Company returned encouraging results. Eleven samples taken from sulphide-rich syeno-granitic rocks located in the central pit area with results ranging from 2.37 grams per tonne gold to 106.6 grams per tonne gold. The average grade of the samples was 38.5 grams per tonne gold or 1.12 ounces per ton gold (see Company news release of November 2, 2009). The initial phase of the 2010 exploration program comprised of 1,664 one-meter auger holes and 42 deeper auger holes ranging from 2 to 4.8 meter depths. The deep auger holes were completed to further define drill targets near the old workings in the pit area. The Company also located several old garimpero workings outside the pit area. The most significant workings are located 1.5 kilometres from the pit area. Sixty-four rock samples were also collected during this initial phase.

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The initial 2009 exploration focus was to confirm gold anomalies in the pit area, or Central Grid, where eleven grab samples from sulphide-rich syeno-granitic rocks assayed results ranging from 2.37 grams per tonne gold to 106.6 grams per tonne gold with an average grade of 38.5 grams per tonne gold or 1.12 ounces per ton gold. The 2010 exploration program extended the Central grid and covers an area of 1.12 square kilometres. Several hundred one-meter auger holes defined a strong east-west anomaly measuring 1300 meters long. The pit area is located 200 meters north of the gold-in soil anomaly. (See the attached map)

As noted in earlier news releases, historic diamond drill holes drilled under the open pit in the Central Grid returned promising results, such as 47 grams per tonne gold over 13 metres and 18.7 grams per tonne gold over 6.8 metres. The field crew was able locate old drill core in the area and confirmed that the drilling intersected syenite porphyry rocks. One sample was taken from split mineralized syenite porphyry core and returned 34.77 grams gold per tonne.

Two additional grids were established north and south of the Central Grid. The North Grid covers an area 1.62 square kilometres and several gold-in soil anomalies were defined. The most notable anomaly covers an area of 300 by 200 metres located approximately 400 metres north-northwest of the open pit area. The Southern Grid covers an area of 0.45 square kilometres and a well defined 200 by 200 metre gold anomaly was defined. Surface sample results returned high gold and visible gold was observed in quartz veins in this area. Mineralization on the Southern Grid area appears to have a different style compared to the open pit area located 1.5 kilometres to the north. Gold mineralization occurs in quartz veins hosted in granitic rocks.

The Company is currently establishing a more permanent camp and widening the airstrip for later programs. All rock and auger samples are being prepared by Acme Laboratories in Itaituba and analyzed by Acme Laboratories in Vancouver, and Santiago, Chile.

The Company has the option to earn 100% interest in the Limão property by completing payments of approximately US\$290,000 and issuing 400,000 shares to Matapi, the holder of the Limão property option agreement. As at the date of this report the Company has completed approximately US\$109,000 in payments and issued 300,000 shares of the Company. The Company has also agreed to spend US\$500,000 on exploration work on the Limão property during each of the 12 month periods ending on April 20, 2011, and April 20, 2012.

The ability of the Company to retain ownership of the Limão Property is contingent on the Company having sufficient finances to make, and making, all required payments. There is no guarantee that the Company will have the funds required to make, or make, such payments. If not, the Company may lose all of its interest in the Limão property, including forfeiting all payments made to date. See "Risk Factors."

RESULTS OF OPERATIONS

Selected Annual Information:

	Year Ended July 31st, 2010 (Audited) \$	Year Ended July 31st, 2009 (Audited) \$	Year Ended July 31st, 2008 (Audited) \$
Net Loss	\$ (767,494)	\$ (973,723)	\$ (1,147,604)
Net Loss per Share	(0.01)	(0.01)	(0.02)
Working Capital (Deficiency)	(52,162)	(195,909)	(90,282)
Properties:			
Mineral properties & Exploration Costs	14,427,110	13,795,801	14,042,285
Other Assets	Nil	Nil	Nil
Total Assets	14,554,734	14,017,158	14,440,790
Shareholders' Equity			
Dollar amount	\$ 13,837,948	\$ 12,932,892	\$ 13,184,312
Number of Shares Outstanding	121,579,602	96,023,802	62,988,973

Summary of Quarterly Results:

	Revenues	Net Income (Loss)	Loss/Share Basic and Diluted
October 31, 2008	Nil	(164,389)	(0.00)
January 31, 2009	Nil	(652,570)	(0.01)
April 30, 2009	Nil	(169,622)	(0.00)
July 31, 2009	Nil	12,858	(0.00)
October 31, 2009	Nil	(114,973)	(0.00)
January 31, 2010	Nil	(135,389)	(0.00)
April 30, 2010	Nil	(505,991)	(0.01)
July 31, 2010	Nil	(11,141)	(0.00)

Year ended July 31, 2010:

The Company incurred a net loss of \$767,494 for the year ended July 31, 2010, compared to a net loss of \$973,723 for the prior year period, as detailed in the following table:

Canadian Dollars	Year ended July 31,	
	2010	2009
Expenses		
Professional fees	\$ 107,886	\$ 162,680
Consulting	120,000	-
Management fees	156,000	179,946
Loss (gain) on foreign exchange	(305)	11,248
Office and general	48,749	45,796
Investor relations	36,715	24,701
Rent	36,400	33,500
Travel and promotion	20,267	41,278
Transfer agent & filing fees	31,782	28,140
Stock-based compensation	330,000	6,594
Write-down of mineral properties and deferred exploration expenditures	-	540,531
Total Expenses	\$ 887,494	\$ 1,074,414
Future income tax recovery	120,000	100,691
Net loss for period	\$ (767,494)	\$ (973,723)

The operating expenses for the year ended July 31, 2010, are summarized below:

Professional fees decreased to \$107,886 (2009 - \$162,680) due predominately to lower legal fees. Consulting fees of \$120,000 (2009 - \$nil) relate to capital market advisory consulting fees. Management fees decreased to \$156,000 (2009 - \$179,946), primarily a result of fewer staff in the Toronto office and a reduction in the CEO's management fee, partially offset by an increase in the CFO's management fee. Foreign exchange gain of \$305 during 2010 (2009 - loss of \$11,248) was due to the strengthening of the Canadian dollar relative to the Brazilian Real during the November 2009 to July , 2010 period. Office and general expense of \$48,749 (2009 - \$45,796) is slightly higher than the prior year period due primarily to administration costs associated with the Company's subsidiary holding companies. Investor relations expense for the period was \$36,715 (2009 - \$24,701), due to more corporate presentations and attendance at trade shows during the period. Rent expense of \$36,400 (2009 - \$33,500) is comparable to the prior year. Travel and promotion decreased to \$20,267 (2009 - \$41,278) due to reduced travel to the Brazilian properties during fiscal 2010. Stock based compensation of \$330,000 (2009 - \$6,594) relates to the grant of options to officers, directors and consultants during fiscal 2010. During the prior year period the Company reviewed the carrying value of the Limão Property in response to the decline in the economic environment. As a result of the review, it was determined that costs incurred prior to fiscal 2004 on the Limão Property were impaired and a write down of \$540,531 was recorded to adjust Limão's carrying value to its estimated fair value at that time.

All other cash and non-cash expenses were in line with those experienced in the prior financial year.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary source of cash is from the issuance of its own securities, as it is an exploration company with interests in precious metals mining prospects. The Company's working capital ratio was approximately 1:1.41 as at July 31, 2010 with a working capital deficit of \$52,162.

The Company does not currently have contractual obligations with regards to any purchase obligations or financings other than the payments required in order to maintain its various mining interests. As at the date of this report these amounts are as follows:

Thousands of Dollars				
Contractual Obligations	Total	2011	2012	2013
Long Term Debt	-	-	-	-
Capital Lease Obligations	-	-	-	-
Operating Obligations	-	-	-	-
Purchase Obligations	-	-	-	-
Other Long Term Obligations				
Vila Porto Rico	-	-	-	-
Limão	1,200	686	514	-
Total Contractual Obligations	1,200	686	514	-

The obligations for the Limão property represent instalments relating to cash payments and the issue of 100,000 shares as property payments for the Limão property. The share obligation payments are based on the Company's closing share price of \$0.05 per share as at July 31, 2010. Matapi retains a two per cent net smelter return royalty in respect of the Limão Property and will receive an additional 383,250 common shares of Amerix if a technical report in compliance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators evidencing the existence of at least 1,000,000 ounces of gold is delivered in respect of the Limão Property. Subsequent to July 31, 2010, the Company renegotiated the outstanding option payments relating to the Limão property as follows:

- Payment of Brazilian Reals 85,000 on or about October 16, 2009 (paid)
- Payment of Brazilian Reals 100,000 and 100,000 shares of Amerix on April 30, 2010 (paid and issued)
- Payment of Brazilian Reals 140,000 on November 30, 2010
- Payment of Brazilian Reals 145,000 and 100,000 shares of Amerix on April 30, 2011

The Company has also agreed to spend US\$500,000 on exploration work on the Limão property during each of the 12 month periods ending on April 20, 2011, and April 20, 2012.

The Company plans to continue to explore the Limão property during fiscal 2010. Long term obligations will depend upon the results of these exploration programs.

On November 23, 2009, the Vila Porto Rico exploration permits covering the area to the north of the Pacú River we reclaimed in the name of the holder of the Second Carneiro Agreement. The Company no longer holds an interest in these exploration permits and no longer has any option payment obligations.

The Company estimates that it will require approximately \$1,500,000 to meet its financial obligations for the next twelve months from the date hereof, comprised of approximately \$1,365,000 for exploration (of which approximately \$600,000 is forecast for expenditure on Limão), administration and general working capital requirements and approximately \$167,000 for property option installment payments relating to its Limão property (see above). The Company will require additional financing in order to meet these financial obligations and is actively seeking equity financing and other available financing alternatives. The timing and ability to fulfil this need will depend on the liquidity of the financial markets as well as the acceptance of investors to finance resource-based junior precious metals companies. There is no assurance that the Company will have the funds required to meet such obligations.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect upon the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

TRANSACTIONS WITH RELATED PARTIES

During the year ended July 31, 2010 the Company paid or accrued \$236,610 (2009 - \$179,946) in management fees to directors and officers of the Company, of which \$80,610 (2009 - \$Nil) was capitalized to mineral property interests. Directors and officers are reimbursed for travel and other expenses incurred on behalf of the Company. At July 31, 2010, \$44,700 (July 31, 2009 - \$128,229) was payable to current officers and directors of the Company.

The transactions above 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.

SHARE CAPITAL

Common shares

Authorized

Unlimited Common shares

Unlimited First Preference shares

Unlimited Second preference shares

Issued

	<u>Number of Shares</u>	<u>Amount</u>
Balance, July 31, 2009	96,023,802	\$18,147,102
Private placement	9,600,000	576,000
Finders' fee		(42,240)
Fair value of warrants issued		(195,200)
Fair value of broker warrants issued		(37,840)
Exercise of warrants during the period	15,855,800	792,790
Fair value of exercise of warrants		148,304
Property interest acquisition	<u>100,000</u>	<u>6,000</u>
Balance, July 31, 2010	<u>121,579,602</u>	<u>\$19,394,916</u>

Subsequent to the year-end, 5,457,000 shares were issued upon closing of the first tranche of a private placement in November 2010 and 62,000 shares were issued on the exercise of unit purchase options.

Warrants

The following table shows the continuity of common share purchase warrants during the period:

	<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>
Balance, July 31, 2009	32,934,829	\$0.05
Granted during the period	4,800,000	0.10
Exercised during the period	(15,855,800)	0.05
Expired during the period	(17,079,029)	0.05
Balance, July 31, 2010	<u>4,800,000</u>	<u>\$0.10</u>

Subsequent to the year-end, 2,728,500 warrants were issued upon closing of the first tranche of a private placement in November 2010 and 31,000 common share purchase warrants were issued on the exercise of unit purchase options.

Unit Purchase Options (Broker Warrants)

The following table shows the continuity of unit purchase options during the period:

	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>
Balance, July 31, 2009	-	\$0.00
Options issued during the period	880,000	0.06
Balance, July 31, 2010	<u>880,000</u>	<u>\$0.06</u>

The Company paid a finder's fee of 880,000 Unit purchase options in relation to the private placement financing in March and April 2010. Each Unit purchase option is exercisable at a price of \$0.06 per Unit. Each Unit consists of one common share and one-half of one common share purchase warrant.

Subsequent to the year-end, 310,700 unit purchase options warrants were issued upon closing of the first tranche of a private placement in November 2010, and 62,000 shares and 31,000 common share purchase warrants were issued on the exercise of 62,000 unit purchase options.

Stock options

The following table shows the continuity of stock options during the period:

	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>
Balance, July 31, 2009	2,375,000	\$0.48
Issued during the period	6,000,000	0.10
Forfeited/expired during the period	(825,000)	0.41
Balance, July 31, 2010	<u>7,550,000</u>	<u>\$0.19</u>

As at November 22, 2010, the following stock options were outstanding:

Number of options	Exercise Price	Expiry Date
450,000	\$0.93	June 30, 2011
350,000	\$0.27	January 18, 2012
550,000	\$0.30	January 22 2013
6,000,000	\$0.10	March 7, 2015

PROPOSED TRANSACTION

The Company has not entered into any significant transaction, nor is it currently reviewing any such transaction, that has not been discussed within this MD&A.

SUBSEQUENT EVENTS

On October 19, 2010 the Company announced that it amended certain terms of the Limão option agreement with Matapi. The payment of Brazilian Reals 140,000 due to Matapi on October 15, 2010 has been deferred to November 30, 2010 and the requirements to incur exploration expenditures of US\$500,000 during each of the twelve month periods ending on October 20, 2010 and October 20, 2011 have been deferred to each of the twelve month periods ending on April 20, 2011 and April 20, 2012 respectively. The Company incurred a fee of Brazilian Reals 50,000 to defer these option payments.

On November 3, 2010, the Company received conditional approval from the TSX Venture Exchange for a non-brokered, private placement financing (the "Offering") of up to \$1,050,000. The Offering consists of up to 15,000,000 Units at a price of \$0.07 per Unit, with each Unit consisting of one Amerix common share and one-half common share purchase warrant, with each whole common share purchase warrant entitling the holder to purchase one Amerix common share at a price of \$0.11. The warrants will expire twenty-four months from the date of issue unless the closing price of the common shares has been \$0.25 or higher for ten consecutive trading days, in which case the warrants will expire thirty (30) days after a news release announcing an earlier expiry date. The Offering also includes provision for a finders' fee payable at a rate of up to 8% of gross proceeds from Unit sales and Unit-purchase options ("broker warrants") at a rate of up to 10% of the number of Units sold. The broker warrants will expire twenty-four months from the date of issue and are subject to the same acceleration rights as the Warrants. The securities issued in connection with the Offering are subject to a four month hold period from the date of issue. Net proceeds from the Offering will be used to continue to fund the Company's Limão exploration project in Brazil and for general working capital purposes. The Offering is subject to final regulatory approval.

On November 3, 2010, the Company closed the first tranche of the Offering and issued 5,457,000 Units for gross proceeds of \$381,990 and paid finders' fees of \$12,102 cash and 310,700 broker warrants.

Subsequent to the year-end the Company's wholly-owned Brazilian subsidiary, MVPR, was named as a co-defendant by eight workers hired by a contractor engaged by MVPR in Brazil. The workers are claiming that the contractor did not pay their wages. The approximate amount of the claim relating to unpaid wages is Brazilian R\$35,000 and the claim for damages is approximately Brazilian R\$285,000, for a total claim of approximately Brazilian R\$320,000. The Company and MVPR consider the claim to be without merit and intend to defend against it. No amount for the claim has been accrued in the Company's financial statements as at July 31, 2010.

CHANGES IN ACCOUNTING POLICIES

Goodwill and Intangible Assets

Effective May 1, 2009, the Company adopted CICA Section 3064 “Goodwill and Intangible Assets”, which replaced CICA Handbook sections 3062, “Goodwill and Other Intangible Assets” and 3450, “Research and Development Costs”, as well as EIC-27, “Revenues and Expenditures During the Preoperating Period”, and part of Accounting Guideline 11, “Enterprises in the development stage”. Under previous Canadian standards, a greater number of items were recognized as assets than are recognized under International Financial Reporting Standards (“IFRS”). The provisions relating to the definition and initial recognition of intangible assets reduce the differences with IFRS in the accounting for intangible assets. The objectives of CICA 3064 are: 1) to reinforce the principle-based approach to the recognition of assets; 2) to establish the criteria for asset recognition and; 3) to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing asset items that do not meet the recognition criteria is eliminated. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The portions in the new standard relating to goodwill remain unchanged. The adoption of this standard had no impact on the Company’s presentation of its financial position or results of operations as at July 31, 2010.

Future Accounting Changes

International Financial Reporting Standards (“IFRS”)

In February 2008, the Canadian Accounting Standards Board confirmed that IFRS will replace Canadian GAAP in 2011 for Canadian publicly accountable profit-oriented enterprises. The Company will be required to report its results in accordance with IFRS for fiscal 2012. The adoption of IFRS on August 1, 2011 will require restatement for comparative purposes of amounts reported by the Company under Canadian GAAP for the year ended July 31, 2011. The Company has completed the initial diagnostic phase and will continue to update its disclosures throughout fiscal 2011 to reflect specific actions taken to facilitate changeover to IFRS effective August 2011.

Business combinations, consolidated financial statements and non-controlling interest -

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is

equivalent to the corresponding provisions of IFRS IAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company is not involved in any hedging program, nor is it a party to any financial instruments that may have an impact on its financial position.

ENVIRONMENTAL

The Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future and anticipates that such obligations will only arise when full scale development commences. As the Company's projects are still in the exploration and development stage and no significant environmental impact has occurred to date, the Company does not currently consider that expenditures required to meet any ongoing environmental obligations at the projects are material to its results or to financial condition to the Company at this time. However, these costs may become material in the future and will be reported in the Company's filings at that time.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the consolidated financial statements.

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings (MI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

IFRS ASSESSMENT AND CONVERSION PLAN

In February 2008, the CICA announced that Canadian generally accepted accounting principles for publicly accountable enterprises will be replaced by International Financial Reporting Standards (“IFRS”) for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal year. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to the Company’s reporting for the first quarter of 2011 for which the current and comparative information will be prepared under IFRS. The Company is required to apply all of those IFRS standards which are effective for fiscal year ending July 31, 2012 and apply them to its opening August 1, 2010 balance sheet.

The Company’s IFRS implementation project consists of three primary phases which will be completed by a combination of in-house resources and external consultants.

- Initial diagnostic phase (“Phase I”) – Involves preparing a preliminary impact assessment to identify key areas that may be impacted by the transition to IFRS. Each potential impact identified during this phase is ranked as having a high, moderate or low impact on the Company’s financial reporting and the overall difficulty of the conversion effort.
- Impact analysis, evaluation and solution development phase (“Phase II”) – Involves the selection of IFRS accounting policies by senior management and the review by the audit committee, the quantification of the impact of changes on the Company’s existing accounting policies on the opening IFRS balance sheet and the development of draft IFRS financial statements.
- Implementation and review phase (“Phase III”) – Involves training key finance and other personnel and implementation of the required changes to the Company’s information systems and business policies and procedures. It will enable the Company to collect the financial information necessary to prepare IFRS financial statements and obtain audit committee approval of IFRS financial statements.

Financial reporting expertise and communication to stakeholders

The Company has established a comprehensive IFRS transition plan and engaged third-party advisors to assist with the planning implementation of its transition to IFRS. The Company has also provided Audit Committee members with detailed project scoping, timelines and deliverables. Based on matters brought to their attention the Audit Committee members will review the Audit Committee Charter and make changes to reflect the requirements for IFRS financial expertise if deemed to be necessary. The Audit Committee will continue to receive periodic presentations and project status updates from the external consultant and management.

The Company has completed the preliminary diagnostic phase and will continue to update its disclosures throughout fiscal 2011 to reflect specific actions taken to facilitate adoption of IFRS effective August 1, 2011. The Company will also continue to review and update its preliminary conclusions from the diagnostic phase during fiscal 2011 as new facts emerge. The differences that have been identified in the diagnostic phase are summarized below.

a) **Transitional Impact on Financial statement presentation and classification**

The Company's financial statements will have a different format upon transition to IFRS.

The components of a complete set of IFRS financial statements are: statement of financial position (balance sheet), statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes including accounting policies. Income statement will be presented as a component of the statement of comprehensive income. Balance sheet may be presented in ascending or descending order of liquidity. Income statement is classified by each major functional area – marketing, distribution, etc.

Impact on Company: The Company will reformat the financial statements in compliance with IAS 1.

b) **IFRS-1 Transitional policy choices and exceptions for retrospective application**

IFRS contains certain policy choices and exceptions for retrospective application none of which are expected to materially impact the Company. Prior to reporting interim financial statements in accordance with IFRS for the quarter ending October 30, 2012, the Company will decide which optional exemptions to elect under IFRS 1.

c) **Mandatorily applicable standards with retrospective application (i.e., not specifically exempt under IFRS - 1)**

Mineral resource properties and deferred exploration costs

Upon adoption of IFRS the Company will have a choice between retaining its existing policy of capitalizing all pre feasibility evaluation and exploration (“E&E”) expenditures and electing to change its policy retrospectively to expense all pre feasibility E&E costs.

Impact on Company: The Company will make a final determination of its policy in this area during Phase II.

Provision for environmental rehabilitation

The Company had no asset retirement obligation at July 31, 2010.

IFRS – IFRS 37 applies to a constructive obligation, where the event creates valid expectations that the entity will discharge the obligation, as well as a legal obligation. The amount recognized should be the best estimate of the expenditure required to settle the obligation at the balance sheet date. Present value should be used where the effect of the time value of money is material. The discount rate (or rates) utilized should be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. Provisions should be reviewed at each balance sheet date and adjusted to reflect the current best estimate. **Canadian GAAP** – CICA Section 3110 applies to legal obligations associated with the retirement of a tangible long-lived asset. Such an obligation is to be initially measured at fair value in the period in which the obligation is incurred, unless it cannot be reliably measured at that date.

Impact on the Company: The Company does not expect any transitional impact.

Functional currency

The Company uses the Canadian \$ as both its functional and reporting currency. IAS 21 contains a more comprehensive framework for the determination of functional currency.

***Impact on Company:** During Phase II the Company will review the IAS 21 criteria to determine whether there is a material impact upon transition at August 1, 2010 or at July 31, 2011 and for the interim periods and the year then ended. The Company does not expect any significant transitional impact.*

Share based compensation

IFRS: Under IFRS 2, graded vesting awards must be accounted for as though each instalment is a separate award. IFRS does not provide for an election to treat the instruments as a pool and recognize expense on a straight line basis. **Canadian GAAP:** Straight line basis is permissible under Canadian GAAP.

***Impact on Company:** The Company has historically recognized option expense on a straight line basis but does not expect to record any transitional entries for options unvested at August 1, 2010 to comply with IFRS 2 methodologies, as all outstanding options had vested as at that date.*

Information systems and processes and controls

Based on findings from the diagnostic phase of the project the Company does not expect that adoption of International Accounting Standards will have a pervasive impact on its present systems and processes. The Company expects to implement certain minor changes to the general ledger account descriptions as well as the calculation methodologies currently in use for certain specific financial statement areas such as asset impairment, share based compensation etc. As the accounting policies are selected, appropriate changes to ensure the integrity of disclosure controls and procedures will be made. For example, any changes in accounting policies could result in additional controls or procedures being required to address reporting of first time adoption as well as ongoing IFRS reporting requirements. At this point, the Company has not determined its final accounting policy choices. The certifying officers plan to complete the design, and initially evaluate the effectiveness of, any significant changes to controls in the third quarter of fiscal 2011 to prepare for certification under IFRS in fiscal 2012.

OTHER MD&A REQUIREMENTS

Additional information relating to the Company, including its audited annual consolidated financial statements, its unaudited quarterly financial statements and related management discussion and analysis for each period therein is available on SEDAR at www.sedar.com.

OUTSTANDING SHARE DATA

A summary of common shares, common share options, Unit-purchase options and common share purchase warrants at November 22, 2010, is tabled below:

Common shares issued	127,098,602
Common share options	7,350,000
Unit purchase options – Shares	1,693,050
- Warrants	846,525
Warrants	<u>7,559,500</u>
Fully diluted common shares	<u>143,701,152</u>

RISK FACTORS

Investment in a natural resource company involves a significant degree of risk. The degree of risk increases substantially where the Company's properties are in the exploration, as opposed to the development or production stage. All of the Company's properties are in the exploration stage. There are a number of risks inherent to the Company's business. These may be summarized as follows:

Limited Business of the Company: Other than the Company's option to acquire the Vila Porto Rico Property and the Limão Property in Brazil, the Company has no material non-cash assets. There is no assurance the Company will be able to finance the acquisition of properties or the exploration or development thereof.

Exploration and Development: All of the resource properties in which the Company has an interest or the right to acquire an interest are in the exploration stage and without a known body of commercial ore. Development of any resource property held or acquired by the Company will only follow obtaining satisfactory exploration results. Exploration for and the development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Company's exploration activities will result in any discovery of commercial ore.

Substantial expenditures are required to establish reserves through drilling, to develop processes to extract reserves and to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. Few properties that are explored are ultimately developed into producing mines.

Loss of Brazilian Properties: The Company has not paid the full purchase price for its Brazilian exploration property and there is the risk the property vendor may seek to repossess the property if the required payments are not made as scheduled.

Environmental and Government Legislation: Existing and possible future environmental legislation, regulations, and actions could cause significant expense, capital expenditures, restrictions, and/or delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any mining properties is subject to various reporting requirements and to obtaining certain governmental approvals and there is no assurance that such approvals, including environmental approvals, will be obtained without delay, or at all.

Any exploration program executed by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining project is affected both by production costs and by markets for the project's metals, which in turn may be influenced by factors including the supply and demand for such metals, the rate of inflation, the inventories of larger producers, the political environment and changes in international investment patterns.

Environmental Factors: All phases of the Company's future operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's business.

Financing: The Company does not presently have sufficient financial resources to complete, by itself, the exploration required to develop its properties to an advanced stage. The exploration and 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 or other means. There is no assurance that the Company will be successful in obtaining the required financing.

Limited Operating History and Lack of Cash Flow: The Company has a limited business history. The Company has no history of earnings or cash flow from its present operations. The only present source of funds available to the Company is through the sale of equity or debt securities or borrowing. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on any property it has or it acquires and the Company may not realize a return on its investment. While the Company may generate additional working capital through equity offerings, borrowing, sale or the joint venture development of its properties and/or a combination thereof, there is no assurance that any such funds will be available. Failure to obtain such additional capital, if needed, would have a material adverse effect on the Company.

The Company has neither declared nor paid dividends during the past five years and does not anticipate doing so in the foreseeable future.

Conflicts of Interest: Certain of the directors and officers of the Company are also directors, officers or shareholders of other companies that are engaged in the business of acquiring, exploring and developing natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, to disclose any material interest which they may have in any project or opportunity of the Company, and to abstain from voting on such matter.

Operating Hazards and Risks: Future operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. The nature of the risks associated with the Company's business are such that liabilities might exceed insurance policy limits, the liabilities and hazards might not be insurable, or the Company may elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

The Company may become subject to liability for personal injury, property, or environmental damage, and other hazards of mineral exploration against which it cannot insure or against which it may elect not to insure due to high premium costs or other reasons. Payment of such liabilities could have a material adverse effect on the financial position of the Company.

Permits and Licenses: Upon acquisition of a property interest, 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.

Fluctuating Prices: The Company's future revenues, if any, are expected to be in large part derived from the extraction and sale of precious metals. The price of those commodities fluctuates widely and is affected by numerous factors beyond the Company's control including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot be predicted accurately.

FORWARD LOOKING STATEMENTS

This discussion may contain forward-looking statements that involve a number of risks and uncertainties including statements regarding the outlook for the Company's business and operational results. By nature, these risks and uncertainties could cause actual results to differ materially from what has been indicated. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined from estimates, capital and operating costs varying significantly from estimates, delays in or failure to obtain governmental, environmental or other project approvals and other factors including those risks and uncertainties identified above. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information as a result of new information, future results or other such factors which affect this information, except as required by law.