



AMERIX PRECIOUS METALS CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2011

This Management's Discussion and Analysis is provided for the purpose of reviewing the fiscal year ended July 31, 2011 and comparing results to the previous period. This Management's Discussion and Analysis should be read in conjunction with the Company's audited consolidated financial statements for the fiscal year ended July 31, 2011 and notes thereto, that have been prepared by management in accordance with Canadian generally accepted accounting principles. All dollar amounts are expressed in Canadian dollars unless otherwise indicated. All of the scientific and technical information has been reviewed and approved by Jeffrey Reeder, P. Geo., and Executive Chairman of the Company. Mr. Reeder is a Qualified Person within the meaning of National Instrument 43-101. This report which is dated November 25, 2011 and the Company's other public filings can be found on SEDAR at (www.sedar.com).

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, forward looking statements can be identified by the use of words, such as "estimate", "consider", "expect", "anticipate", "objective" and similar expressions or variations of such words. Forward looking statements are, by their very nature, not a guarantee of the Company's future operational or financial performance and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward looking statements. No representation or warranty is intended with respect to anticipated future results, that estimates and projections will be sustained or that any project will otherwise prove to be economic.

Readers are cautioned not to place undue reliance on these forward looking statements, which speak only of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties elsewhere in this MD&A, actual events may differ materially from current expectations.

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 the exploration licenses to the Limão Gold Property, located in the Tapajos gold district, Para State, in Central Brazil, and holds a 2.5% Net Smelter Return Royalty (“NSR”) interest in the southern Ouro Roxo properties.

As of July 31, 2011, the Company had assets of approximately \$18,562,516; mineral properties and deferred exploration costs amounted to \$15,197,801, and cash and cash equivalents of \$3,313,923. The Company has current liabilities of approximately \$175,009 and no debt.

During the year ended July 31, 2011, the Company’s activities included the following:

The Company amended certain terms of the Limão option agreement with Matapi Exploração Mineral Ltda. (“Matapi”). The payment of Brazilian Reals 140,000 due to Matapi on October 15, 2010 was deferred to April 30, 2011 (and subsequently paid) and the requirements to incur exploration expenditures of US\$500,000 have been deferred to each of the twelve-month periods ending on December 20, 2011 (completed) and December 20, 2012 respectively. The Company also deferred payment of Brazilian Reals \$145,000 due on April 30, 2011 to October 31, 2011 (and subsequently paid). The Company paid a fee of Brazilian Reals 50,000 to defer these option payments.

On November 30, 2010, the Company completed a non-brokered, private placement financing (the “Offering”) for gross proceeds of \$922,740. The Offering consisted of 13,182,000 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 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 \$40,382 cash and 800,700 broker warrants. Insiders, as defined by the TSX Venture Exchange, participated in 17% of the financing. 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 have been used to continue the funding of exploration work at the Company’s Limão Gold Property, located in the Tapajos gold district, Para State, in Central Brazil, and for general working capital purposes.

The Company's wholly-owned Brazilian subsidiary, Mineração Vila Porto Rico Ltda. (“MVPR”), was named as a co-defendant by eight workers hired by a contractor engaged by MVPR in Brazil. The workers claimed that the contractor did not pay their wages. In April 2011, the Company came to a settlement with the workers hired by the contractor.

On January 25, 2011 the Company appointed Mr. Steve Brunelle as President and Chief Executive Officer. Mr. Jeffrey Reeder, who previously held that position, was appointed Executive Chairman of the Board.

At a special meeting of shareholders held on April 7, 2011, the shareholders of the Company elected Mr. Robert Crombie to the Board of Directors, bringing the total number of directors to six. Mr. Crombie has over 18 years of mining-related financial experience and is currently President of Crystallex International Corporation. Previously, Mr. Crombie held the positions of Vice President of Dresdner Bank (1999-2001) and the Chase Manhattan Bank (1994-1999) where he managed the origination and structuring of their Canadian mining finance initiatives. Between 1989 and 1992, he held positions with Corona Corporation, a Canadian mining company, including on-site at two of its mining operations. Mr. Crombie has a Master of Science degree in Mineral Economics from Penn State University and an Honours Bachelor of Commerce Degree from Queen’s University. Mr. Crombie will serve until the next annual meeting of Shareholders. At the special meeting, the shareholders also approved a special resolution authorizing the Board of Directors to consolidate the common shares of the Company (the “Common Shares”) on the basis of one (1) new Common Share for every three (3) old Common Shares (the “Consolidation”). Management proposed the Consolidation of the shares of the Company in order to increase its flexibility with respect to potential business transactions, including any possible future equity financings. The Consolidation received TSX Venture Exchange approval on April 27, 2011, and the shares commenced trading on a post-consolidated basis on May 2, 2011.

On May 20, 2011, the Company filed a National Instrument 43-101 (“NI 43-101”) Technical Report for its Limão Gold Property. The report was prepared by Mr. Clinton Davis, P. Geo., who is a “qualified person” under the definition of NI 43-101. The Limão Gold Property is at an early stage of exploration, with no estimate of resources. A copy of the Technical Report can be found on the Company’s website at http://www.amerixcorp.com/reports_and_presentations.php, and at the Company’s profile on SEDAR.

On June 9, 2011, the exploration title rights for the Limão Gold Property were published in the Brazilian Official Gazette, Union’s Official Journal.

On June 22, 2011, the Company closed a “bought-deal” private placement offering (the “Offering”) with a syndicate of underwriters led by Canaccord Genuity Corp., and including Scotia Capital Inc. (the “Underwriters”). Amerix issued 18,200,000 units (the “Units”) for gross proceeds to the Company of C\$4,004,000. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will entitle the holder thereof to subscribe for one additional common share at an exercise price of C\$0.33 at any time prior to December 22, 2013.

The net proceeds raised under the Offering will be for the advancement of the Company’s Limão Gold Property and for general working capital purposes.

In connection with the Offering, the Underwriters were paid a cash commission in an amount equal to 6.5% of the gross proceeds of the Offering and were issued compensation options in an amount equal to 6.5% of the number of Units sold in the Offering, with each such compensation option exercisable to acquire one common share of the Company until June 22, 2013 at the offering price.

In July 2011, Amerix contracted Fugro-LASA-Geomag Aviation (“Fugro”) in Brazil to conduct an airborne geophysical survey of the Limão Gold Property.

Subsequent to July 31, 2011, the Company’s activities included the following:

Fugro completed approximately 1800 line kilometres of airborne surveying over the entire Limão property providing Amerix with magnetic and radiometric data.

MVPR was named as a co-defendant by individuals claiming to be members of the Ouro Roxo Cooperativa (the “Cooperativa”). The individuals are claiming that the agreement signed between the Cooperativa and MVPR on October 7, 2004, was not properly assigned by MVPR to a Brazilian National on August 30, 2007. 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, 2011 (see Subsequent Events).

The Company’s assets as at July 31, 2011 were \$18,562,516 compared to \$14,554,734 as at July 31, 2010. The main reason for the increase was due to the Company’s private placement financings in November 2010 and June 2011 for total gross proceeds of \$4,926,740.

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 private placement financing, public financing, the joint venturing of projects, 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, 2011 were \$770,691 compared to \$631,309 for the prior year period. All of the aforementioned \$770,691 expenditure was spent on the Limão property (2010 - \$631,309) and \$Nil was spent on the Ouro Roxo property (2010 - \$Nil).

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

	Properties		
	Ouro Roxo	Limao	Total
Balance, July 31, 2010	\$ 13,483,261	\$ 943,849	\$ 14,427,110
Expenditures during the period	-	770,691	770,691
Balance, July 31, 2011	<u>\$ 13,483,261</u>	<u>\$1,714,540</u>	<u>\$ 15,197,801</u>

Brazilian Mineral Properties and Exploration Costs

Limão Property

Background

The Limão property is comprised of two exploration concessions held by the Company's wholly-owned Brazilian subsidiary, MVPR, and on June 9, 2011, the exploration title rights for the Limão property were published in the Brazilian Official Gazette, Union's Official Journal. The property has been acquired subject to the terms of the Limão option agreement with Matapi. The Company had the option to earn a 100% interest in the Limão property by completing remaining payments of approximately Brazilian Reals 145,000 to Matapi, the counterparty to the Limão property agreement, by October 31, 2011 (paid on October 20, 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 December 20, 2011, and December 20, 2012, of which in excess of US\$500,000 has been spent to date against the December 2011 obligation.

The Limão property is situated along the NW-SE Tocantinzinho Trend located in the Tapajos gold district, Para State, in Central Brazil. 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 that 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.

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.

During fiscal 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 at the time 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 May 20, 2011, the Company filed a National Instrument 43-101 ("NI 43-101") Technical Report for its Limão Gold Property. The report was prepared by Mr. Clinton Davis, P. Geo., who is a "qualified person" under the definition of NI 43-101. The Limão Gold Property is at an early stage of exploration, with no estimate of resources. A copy of the Technical Report can be found on the Company's website at http://www.amerixcorp.com/reports_and_presentations.php. and at the Company's profile on SEDAR.

The ability of the Company to retain ownership of the Limão property is contingent on the Company having sufficient finances to complete all obligations under its agreement. Currently the Company has sufficient funds to fulfill these obligations.

Current Exploration

On November 2, 2009, the Company announced that its 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. The following table shows the individual results of the 11 samples taken from the pyritic syeno-granitic rocks.

Sample #	g/t Au	oz/t Au
10001	68.33	1.99
10006	6.88	0.20
10007	2.37	0.07
10008	10	0.29
10009	7.44	0.22
10010	9.69	0.28
10011	106.6	3.10
10012	65.33	1.90
10013	43.95	1.28
10014	47.67	1.39
10015	56.63	1.65

Also, in 2009 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.

During May, 2010, the Company completed the first phase of exploration on the Limão property. The initial phase of the 2010 exploration program comprised of 1,664 one-metre auger holes and 42 deeper auger holes ranging from 2 to 4.8 metre 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 (i.e. artisanal miners) 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 property. 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-metre auger holes were completed on a line spacing of 100 meters and samples were taken along cut lines at 20 metre 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 (see table above). The 2010 exploration program extended the Central grid and covered an area of 1.12 square kilometres. Several hundred one-meter auger holes defined a strong east-west anomaly measuring 1300 metres long. The pit area is located 200 metres north of the gold-in soil anomaly.

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. It must be noted that the previous exploration is historical and has not been verified. The field crew was able to 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 have been prepared by Acme Laboratories in Itaituba, Brazil, and analyzed by Acme Laboratories in Vancouver, and Santiago, Chile.

On May 20, 2011, the Company filed a National Instrument 43-101 (“NI 43-101”) Technical Report for the Limão property. The report was prepared by Mr. Clinton Davis, P. Geo., who is a “qualified person” under the definition of NI 43-101. Mr. Davis had previously visited the property in late 2009 and took one independent sample from the sulphide rich syeno-granitic intrusive rocks, which returned a high-grade result of 57.4 grams per tonne gold or 1.67 ounces per tonne. The Limão property is at an early stage of exploration, with no estimate of resources. A copy of the Technical Report can be found at SEDAR and on the Company’s website at http://www.amerixcorp.com/reports_and_presentations.php.

During August and September 2011, Fugro completed approximately 1800 line kilometres of airborne surveying over the entire Limão property providing Amerix with magnetic and radiometric data.

Previously, the Amerix exploration work at Limão had consisted primarily of geochemical surveying on grid lines over old pits and workings that had been developed by artisanal workers, “garimpos” in the near surface, weathered, saprolitic material. From the earlier geochemical survey work, Amerix geologists have outlined three areas of anomalous gold at the property:

- Limão Pit Area
- North Grid
- South Grid

These grids cover only a small central portion of the large > 10,000 hectare property. The airborne data will be used to identify the geophysical character of the previously determined gold mineralization and to identify similar characteristics, where they may occur on the rest of the Limão property.

Amerix is preparing its next work program, which will consist of following up new targets determined from the airborne geophysical surveying as well as extending the geochemical surveys at the North and South grids. The new targets will be covered with gridded geochemical sampling that has proved to be effective at Limão. Samples are taken at regular intervals along the grid lines. These samples are carefully extracted using a hand auger that probes 1 metre into the saprolitic or weathered surface rock. All samples are collected and then sent out for gold analysis under the QA/QC supervision of the Company’s geologists. Geochemical gold anomalies are followed up with closer-spaced sampling, and then followed with deeper mechanical augering that can reach depths up to 10 metres. This additional sampling is designed to better determine the orientation and location of bedrock gold mineralization underlying the weathered saprolite. This technique helps define eventual targets for diamond drill testing.

Amerix is planning an aggressive campaign of follow up geochemical sampling of all the potential gold targets on the Limão property over the upcoming months. Targets will be prioritized and the Company anticipates drill testing the priority targets, early in 2012. The Company is presently working to secure appropriate permits necessary for this drilling. Amerix has sufficient funds on hand to complete this first round of drill testing, including the “Limão Pit” target.

Management believes it has sufficient funds on hand to meet obligations through to December 2012. Additional funds, as required in the future, will need to be raised successfully on the capital markets or through strategic relationships.

Ouro Roxo

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 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 mineral interests with Amerix retaining a 2.5% NSR 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 NSR payable to Matapi. Amerix has the right to buy-out this underlying 2.0% NSR and has had discussions 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.

As of the date of this report, the Company has not received any royalty income from the Consortium due to delays in the Consortium achieving commercial production. The Company anticipates that it will begin to receive royalty income during fiscal 2012.

The Company's ability to maintain its interest in the Ouro Roxo royalty is conditional upon the Company making all required payments to Matapi, including payment of its underlying 2.0% NSR. 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 Ouro Roxo royalty, including forfeiting all payments made to date. See "Risk Factors".

RESULTS OF OPERATIONS

Selected Annual Information:

	Year Ended July 31st, 2011 (Audited) \$	Year Ended July 31st, 2010 (Audited) \$	Year Ended July 31st, 2009 (Audited) \$
Net Loss	\$ (1,369,924)	\$ (767,494)	\$ (973,723)
Net Loss per Share	(0.03)	(0.01)	(0.01)
Working Capital (Deficiency)	3,189,706	(52,162)	(195,909)
Properties:			
Mineral properties & Exploration Costs	15,197,801	14,427,110	13,795,801
Other Assets	Nil	Nil	Nil
Total Assets	18,562,516	14,554,734	14, 017,158
Shareholders' Equity			
Dollar amount	\$ 17,822,507	\$ 13,827,948	\$ 12,932,992
Number of Shares Outstanding	63,693,434	121,579,602	96,023,802

Summary of Quarterly Results:

	Revenues	Net Income (Loss)	Loss/Share Basic and Diluted
October 31, 2009	Nil	(114,973)	(0.00)
January 31, 2010	Nil	(135,389)	(0.00)
April 30, 2010	Nil	(505,991)	(0.02)
July 31, 2010	Nil	(11,141)	(0.00)
October 31, 2010	Nil	(136,557)	(0.00)
January 31, 2011	Nil	(452,734)	(0.01)
April 30, 2011	Nil	(340,235)	(0.01)
July 31, 2011	Nil	(440,398)	(0.01)

Three and Twelve Months ended July 31, 2011:

Canadian Dollars	Three months ended July 31,		Twelve months ended July 31,	
	2011	2010	2011	2010
Operating expenses				
Management fees	67,500	45,150	225,000	156,000
Professional fees	35,408	29,312	115,183	107,886
Office and general	11,497	9,924	55,999	48,749
Investor relations	10,455	29,462	91,119	156,715
Rent	9,000	12,000	28,250	36,400
Transfer agent & filing fees	9,390	3,309	54,890	31,782
Travel and promotion	8,158	1,575	27,978	20,267
Loss (gain) on foreign exchange	17,977	409	13,492	(305)
Stock-based compensation	256,025	-	743,025	330,000
Total operating expenses	425,410	131,141	1,354,936	887,494
Future income tax expense (recovery)	18,000	(120,000)	18,000	(120,000)
Total expenses for the period	443,410	11,141	1,372,936	767,494
Mineral interest and exploration cost expenditures	328,732	151,348	770,691	631,309
Financing activities (net)	3,587,478	104,165	4,612,958	1,326,550
Working capital (deficiency)	3,189,706	(52,162)	3,189,706	(52,162)

Three Months ended July 31, 2011

The Company incurred operating expenses of \$425,410 for the three months ended July 31, 2011, compared to \$131,141 for the prior year period. Management fees of \$67,500 (2010 - \$45,150) are higher than the prior period due to the hiring of a new President and CEO at the end of January 2011. Professional fees increased to \$35,408 (2010 - \$29,312) due predominately to legal fees relating to the June 2011 private placement financing. Investor relations of \$10,455 (2010 - \$29,462) was lower during the current quarter compared to the prior year period as the Company no longer engages capital market advisory consultants. Transfer agent and filing fees of \$9,390 (2010 - \$3,309) were higher during the current quarter due to costs associated with the Company's June 2011 private placement financing. Travel and promotion expense of \$8,158 (2010 - \$1,575) relates to marketing activities during the period. Foreign exchange loss of \$17,977 (2010 - \$409) was due to the strengthening of the Brazilian Real relative to the Canadian dollar during the period. Stock-based compensation of \$256,025 (2010 - \$Nil) relates to the grant of 1,225,000 stock options in July 2011. All other cash and non-cash expenses were comparable with those experienced in the prior financial period.

During the three months ended July 31, 2011, the Company incurred \$328,732 in mineral interest and exploration cost expenditures (2010 - \$151,348) on the Limão property.

The Company raised net proceeds of \$3,587,478 from financing activities during the three months ended July 31, 2011 (2010 - \$104,165).

Twelve Months ended July 31, 2011

The Company incurred operating expenses of \$1,354,936 for the twelve months ended July 31, 2011, compared to \$887,494 for the prior year. Management fees of \$225,000 (2010 - \$156,000) were higher due to an increase in management fees paid to the CEO and CFO, which was effective April 2010 and the hiring of a new President and CEO in January 2011. Professional fees of \$115,183 (2010 - \$107,886) during the twelve months ended July 31, 2011 reflect higher legal fees associated with the special meeting of shareholders held in April 2011 and the June 2011 private placement, partially offset by otherwise generally lower legal fees during the period. Transfer agent and filing fees of \$54,890 (2010 \$31,782) were higher than the prior year as a result of the special meeting of shareholders in April 2011 and subsequent consolidation of shares, and the June 2011 private placement financing. Travel and promotion of \$27,978 (2010 - \$20,267) is higher than last year due to increased marketing of the Company during the fourth quarter. Foreign exchange loss of \$13,492 (2010 - gain of \$305) was due to the weakening of the Canadian dollar relative to the Brazilian Real during the period. Stock-based compensation of \$743,025 (2010 - \$330,000) relates to the granting of 2,891,663 stock options during the year (2010 - 2,000,000 stock options). All other cash and non-cash expenses were in line with those experienced in the prior financial period.

During the twelve months ended July 31, 2011, the Company incurred \$770,691 in mineral interest and exploration cost expenditures (2010 - \$631,309) on the Limão property. The cumulative historical mineral interest and exploration cost balance as at July 31, 2011, was \$15,197,801 (July 31, 2010 - \$14,427,110).

The Company raised net proceeds of \$4,612,958 from financing activities during the twelve months ended July 31, 2011 (2010 - \$1,326,550).

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary source of funding to meet future exploration expenditures and cover administrative costs is to raise equity financing through private placements or the exercise of warrants and stock options.

As at July 31, 2011, the Company had cash and cash equivalents of \$3,313,923, total current assets of \$3,364,715 and total current liabilities of \$175,009, resulting in working capital of \$3,189,706 (July 31, 2010 – deficit of \$52,162).

In November 2010, the Company completed a private placement financing by issuing 13,182,000 common shares and 6,591,000 common share purchase warrants for net proceeds of approximately \$882,000.

In June 2011, the Company closed a bought deal private placement offering of 18,200,000 common shares and 9,100,000 common share purchase warrants for net proceeds to the Company of approximately \$3,600,000.

During the twelve months ended July 31, 2011, 539,571 warrants were exercised for gross proceeds of \$143,122.

As at the date of this report, the Company has 63,693,434 common shares outstanding together with 5,191,660 stock options and 14,178,759 warrants. Included in the warrants are 1,183,000 compensation options, and 403,997 broker warrants which if exercised would result in the issue of 403,997 common shares and 201,999 common share purchase warrants. The Company's fully diluted position is 83,265,852 common shares. As at the date of this report none of the outstanding stock options, compensation options, and common share purchase warrants are "in the money".

COMMITMENTS AND CONTINGENCIES

As at the date of this report the Company has the following contractual obligations:

Contractual Obligations	Total	2012	2013	2014
Long term debt	-	-	-	-
Capital lease obligations	-	-	-	-
Operating obligations (Cdn 000's)	87	24	36	27
Purchase obligations	-	-	-	-
Other Long Term Obligations				
Limão exploration expenditures (US 000's)	500	500	-	-
Vila Porto Rico	-	-	-	-

Operating Obligations

The Company signed a lease agreement for a new office space effective May 1, 2011. The term of the lease is for a period of three years, expiring on April 30, 2014. The annual lease payments are approximately \$36,000.

Limão exploration expenditures

The obligations for the Limão property represent exploration expenditure commitments as property payment obligations. Matapi retains a two per cent NSR in respect of the Limão Property and will receive an additional 127,750 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.

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 December 20, 2011, and December 20, 2012. As at the date of this report, the Company has incurred in excess of US\$500,000 in expenditures towards its December 20, 2011, obligation.

Ouro Roxo

Should an independent study confirm that the Ouro Roxo property contains a minable reserve (in the probable category or better) of at least 2,000,000 ounces of gold the Company will be required to issue 322,083 common shares to Matapi.

Other

The Company plans to continue to explore the Limão property during fiscal 2012. Long term obligations will depend upon the results of these exploration programs.

The Company does not anticipate that it will require additional financing in order to meet its financial obligations for the next twelve months.

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

For the three and twelve months ended July 31, 2011 the Company had the following related party transactions:

<u>Related party</u>	Three Months ended July 31,		Twelve Months ended July 31,	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Single Jack Investments ⁽¹⁾	\$ 7,500	\$ 19,500	\$ 60,000	\$ 55,500
Steve Brunelle ⁽²⁾	\$ 37,500	-	\$ 75,000	-
Dan Hamilton ⁽³⁾	\$ 22,500	\$ 19,500	\$ 90,000	\$ 55,500
Ad Hoc Consultores ⁽⁴⁾	\$ 25,089	\$ 21,841	\$ 95,821	\$ 56,841

⁽¹⁾ Single Jack Investments (“Single Jack”) is a private company controlled by Mr. Jeffrey Reeder. Mr. Reeder was the Chief Executive Officer (“CEO”) of Amerix up to January 25, 2011, after which he became Executive Chairman of the Company. Payments made to Single Jack up to January 31, 2011 are on account of Mr. Reeder’s services as CEO of Amerix. Payments made to Mr. Reeder from February 1, 2011 are on account of his services as Executive Chairman of Amerix.

⁽²⁾ Mr. Steve Brunelle was appointed the Chief Executive Officer (“CEO”) of Amerix on January 25, 2011. Payments made to Mr. Brunelle up to July 30, 2011 are on account of Mr. Brunelle’s services as CEO of Amerix.

⁽³⁾ Mr. Hamilton is the Chief Financial Officer of the Company. Payments made to Mr. Hamilton are on account of Mr. Hamilton’s services as Chief Financial Officer.

⁽⁴⁾ Ad Hoc Consultores (“Ad Hoc”) is a private company in Brazil controlled by Mr. Luciano Borges. Mr. Borges is a Director of the Company and the President and General Manager of the Company’s Brazilian subsidiary, MVPR. Payments made to Ad Hoc are on account of Mr. Borges’ services as President and General Manager of MVPR.

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.

Directors, key management and other related parties were awarded the following share options under the employee share option plan:

Twelve months ended July 31, 2011:

	Date of Grant	Number of options	Exercise Price	Expiry Date
Jeffrey Reeder	February 8, 2011	166,666	\$0.375	February 8, 2013
	July 19, 2011	150,000	\$0.22	July 19, 2016
Steve Brunelle	January 25, 2011	1,000,000	\$0.375	January 25, 2016
	July 19, 2011	150,000	\$0.22	July 19, 2016
Robert Crombie	July 19, 2011	200,000	\$0.22	July 19, 2016
Luciano Borges	July 19, 2011	150,000	\$0.22	July 19, 2016
Daniel Noone	July 19, 2011	100,000	\$0.22	July 19, 2016
William Whitehead	July 19, 2011	100,000	\$0.22	July 19, 2016
Dan Hamilton	July 19, 2011	150,000	\$0.22	July 19, 2016
Ryan Grywul	February 8, 2011	166,666	\$0.375	February 8, 2013
	July 19, 2011	150,000	\$0.22	July 19, 2016
Joe Brunelle	July 19, 2011	50,000	\$0.22	July 19, 2016

Twelve months ended July 31, 2010:

	Date of Grant	Number of options	Exercise Price	Expiry Date
Luciano Borges	March 7, 2010	500,000	\$0.30	March 7, 2015
Daniel Noone	March 7, 2010	250,000	\$0.30	March 7, 2015
William Whitehead	March 7, 2010	500,000	\$0.30	March 7, 2015
Dan Hamilton	March 7, 2010	500,000	\$0.30	March 7, 2015
Ryan Grywul	March 7, 2010	83,333	\$0.30	March 7, 2015

SHARE CAPITAL

The following information for number of outstanding common shares, warrants, and stock options has been adjusted for the 3-for-1 share consolidation, which received TSX Venture Exchange approval on April 27, 2011. The Company's shares began trading on a post-consolidated basis effective May 2, 2011.

Common shares (adjusted for share consolidation on May 2, 2011)

Issued

	<u>Number of Shares</u>	<u>Amount</u>
Balance, July 31, 2010	40,526,530	\$19,394,916
Private placements	22,594,000	4,926,740
Fair value of warrants issued	-	(1,435,973)
Fair value of warrants issued as finder's fee	-	(272,857)
Finder's fee - cash	-	(456,904)
Exercise of warrants	539,571	143,122
Fair market value of exercise of warrants	-	65,704
Property interest acquisition	<u>33,333</u>	<u>8,500</u>
Balance, July 31 and November 25, 2011	<u>63,693,434</u>	<u>\$22,373,248</u>

Warrants (adjusted for share consolidation on May 2, 2011)

The following table shows the continuity of common share purchase warrants and unit purchase options (broker warrants) during the period:

	Common share Purchase Warrants	Broker Warrants	Total Warrants	Average Exercise Price
Balance, July 31, 2010	1,600,000	293,330	1,893,330	\$0.27
Granted as part of private placement	11,296,996	1,449,888	12,746,884	0.32
Granted on exercise of broker warrants	78,116		78,116	0.30
Exercised during the period	(383,350)	(156,221)	(539,571)	0.27
Balance, July 31 and November 25, 2011	<u>12,591,762</u>	<u>1,586,997</u>	<u>14,178,759</u>	<u>\$0.31</u>

Stock options (adjusted for share consolidation on May 2, 2011)

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, 2010	2,516,662	\$0.57
Granted during the period	2,891,663	0.31
Forfeited/expired during the period	(216,665)	2.49
Balance, July 31 and November 25, 2011	<u>5,191,660</u>	<u>\$0.34</u>

As at November 25, 2011, the following stock options were outstanding:

Number of options	Exercise Price	Expiry Date
116,666	\$0.81	January 18, 2012
183,333	\$0.90	January 22 2013
666,663	\$0.375	February 8, 2013
1,999,998	\$0.30	March 7, 2015
1,000,000	\$0.375	January 25, 2016
1,225,000	\$0.22	July 19, 2016

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

MVPR was named as a co-defendant by individuals claiming to be members of the Ouro Roxo Cooperativa (the "Cooperativa"). The individuals are i) seeking the annulment of the agreement signed between the Cooperativa and MVPR on October 7, 2004, and subsequently assigned by MVPR to a Brazilian National on August 30, 2007; ii) reinstatement of their squatter rights in the area of the Garimpo Ouro Roxo; iii) payment of moral damages and property damages corresponding respectively to 20% and 10% of the total amount of gold produced during the period worked at Garimpo Ouro Roxo; and iv) payment of any environmental damages caused in the area. 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, 2011.

CHANGES IN ACCOUNTING POLICIES

The significant accounting policies follow those of the July 31, 2011 audited financial statements unless otherwise disclosed.

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.

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 the financial condition of 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.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

In February 2008, the CICA announced that Canadian Generally Accepted Accounting Principles ("GAAP") 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 2012 fiscal year (ending October 31, 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 1") – 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 our financial reporting and the overall difficulty of the conversion effort.
- Impact analysis, evaluation and solution development phase ("Phase 2") – 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 our existing accounting policies on the opening IFRS balance sheet and the development of draft IFRS financial statements.
- Implementation and review phase ("Phase 3") – Involves training key finance and other personnel and implementation of the required changes to our information systems and business policies and procedures. It will enable the Corporation to collect the financial information necessary to prepare IFRS financial statements and obtain audit committee approval of IFRS financial statements.

The table below summarizes the expected timing of key activities related to the Company's transition to IFRS.

Initial analysis of key areas for which changes to accounting policies may be required.	Completed
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives.	Completed
Assessment of first-time adoption (IFRS 1) requirements and alternatives.	Completed
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives	Substantially completed
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements	Substantially completed with continuing review during fiscal 2012
Management and employee education and training	Substantially completed
Quantification of the Financial Statement impact of changes in accounting policies	Substantially completed

Financial reporting expertise and communication to stakeholders

The Company has provided Audit Committee members with detailed project scoping, project structure, significant policy impact areas, detailed timetable and a summary of accounting differences. This included a discussion of key accounting choices available under IFRS 1, First-time adoption of IFRSs, in particular, the treatment of mineral evaluation and exploration expenditures. 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 necessary. The Audit Committee will continue to receive periodic presentations and project status updates from the external consultant and management.

The Company has substantially completed Phase 1 and Phase 2 and will continue to finalize the differences in connection with the October 31, 2011 interim financial statements.

The differences that have been identified in the Phase 1 and 2 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. or by nature of the items.

Impact on the 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-1 contains the following policy choices with respect to first-time adoption that are applicable to the Company.

Property, plant & equipment - cost

IFRS 1 provides a choice between measuring property, plant and equipment at its fair value at the date of transition and using those amounts as deemed cost or using the historical cost basis under Canadian GAAP.

Impact on Company: The Company expects to use the historical cost carrying values as determined under Canadian GAAP for transitional purposes.

c) **Mandatory 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 is evaluating the policy options and will make a final determination of its policy in the current period.

Property, plant and equipment (“PP&E”) - components

IFRS: IAS 16 contains more extensive guidance with respect to components within PP&E. When an item of property, plant and equipment comprises individual components for which different depreciation methods or rates are appropriate, each component is accounted for separately (component accounting). **Canadian GAAP:** Section 3061 essentially contains similar guidance but is less extensive.

Impact on Company: The Company has determined that there is no transitional impact.

Provision for environmental rehabilitation

The Company had no asset retirement obligation at August 1, 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 has determined that there is no transitional impact.*

Functional currency

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

Impact on Company: *The Company has followed the guidance in IAS 21 and determined that there is no impact on its transitional balance sheet as at August 1, 2011.*

Share based compensation

IFRS: Under IFRS 2, graded vesting awards must be accounted for as though each installment 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 recognized option expense on a graded basis and therefore does not expect any material transitional adjustments.*

Impact on information systems and processes and controls

Based on work completed so far the Company does not expect that adoption of IFRS 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. The certifying officers are currently evaluating the effectiveness of any significant changes to controls, if any, 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, compensation options, Unit-purchase options and common share purchase warrants at November 25, 2011, is tabled below:

Common shares issued	63,693,434
Common share options	5,191,660
Compensation options	1,183,000
Unit purchase options – Shares	403,997
- Warrants	201,999
Warrants	<u>12,591,762</u>
Fully diluted common shares	<u>83,265,852</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:

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.

Limited Business of the Company: Other than the Company's option to acquire the Limão Property in Brazil and its interest in the Ouro Roxo NSR, 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 future expenditure obligations in order to complete the purchase of its Limão exploration property and there is the risk the property vendor may seek to repossess the property if the required expenditures 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.

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.