2011 ANNUAL REPORT

VOLTA RESOURCES INC.

“Volta…continuing our aggressive pace towards production at Kiaka.”

RECENT HIGHLIGHTS

- The proven and probable mineral reserve estimate at Kiaka stands at 126,078,587 tonnes @ a diluted grade (5% dilution) of 0.96 g/t gold for 3,888,322 ounces of gold. This reserve generates a mine life of more than 10 years at an average annual production rate of over 340,000 ounces of gold
- Resource inventory of 4,029,000 ounces of gold in the Measured and Indicated categories and 2,073,000 ounces of gold and 724,880 pounds of copper in the Inferred category
- Significant upside on strike and at depth at the Kiaka resource area and on numerous regional and local targets
- Owner of quality projects with demonstrable upside in an emerging region with proven potential for the discovery and development of world class gold deposits
- Funded for aggressive exploration and growth with more than $40 million in cash and no debt
- A board, management team and exploration team with extensive relevant experience in the region

2012 OBJECTIVES

- Commence NI 43-101 Full Feasibility Study at Kiaka
- Define high-grade gold mineralization at Kiaka South and produce resource report
- Complete further drilling at Gaoua Cu-Au porphyry targets
- Follow-up drilling at new gold discovery at Toulfe
- Finalize construction of new office in Ouagadougou (completion scheduled for April)
- Continue to rationalize existing portfolio of quality properties in Burkina Faso and Ghana

VOLTA IS...

A mineral exploration company focused on adding shareholder value through growth by excelling in the successful identification, acquisition, exploration and development of gold properties in West Africa.

The Company is currently fast tracking its flagship Kiaka Gold Project, located in Burkina Faso, towards a development decision.

President's Message to Shareholders

2011 saw your Company transition through several hurdles, as it added value and de-risked Volta's flagship Kiaka Gold Project ("Kiaka"). Through several aggressive drilling campaigns, the Company was able to generate impressive resource growth. Currently the resource at Kiaka is an impressive 117,420,000 tonnes @ 1.07 g/t gold in the Measured and Indicated categories for 4,029,000 ounces of gold, with another 29,960,000 tonnes @ 1.00 g/t gold for another 1,000,000 ounces of gold reporting in the Inferred category. In April of 2012, Volta announced a Prefeasibility Study (the "Study") based on the Measured and Indicated resources on the Main Zone at Kiaka.

…continued

The proven and probable mineral reserve estimate at Kiaka stands at 126,078,587 tonnes @ a diluted grade (5% dilution) of 0.96 g/t gold for 3,888,322 ounces of gold. This reserve generates a mine life of more than 10 years at an average annual production rate of over 340,000 ounces of gold per year, based on a metallurgical recovery of 89.84% and a gold price of $1,372 per ounce. The total cost to build the project was estimated at US$610 million and the average onsite operating costs were estimated at $671/oz of gold. The report estimated an NPV of US$548 million, based on an 8% discount rate and an IRR of 23.3% based on a 100% equity, pre-tax economic analysis. Based on the assumptions above, the payback period is pegged at 4.3 years.

The Study demonstrates a robust gold development opportunity. These are monumental results for Volta that widely exceeded our expectations and place Volta firmly on the path to production. It's notable that the strong economic benefits arise from conservative assumptions, and with numerous options for optimization, we are confident that we can make these numbers even more compelling. We will continue our aggressive drive towards production, continue drilling our new high-grade deposit and conclude the technical tasks required to begin a feasibility study as soon as possible. To this end, Volta is currently sending out requests for tender and plans to have its feasibility study completed by the end of Q1, 2013.

Even as Volta continued to add value and de-risk Kiaka, the general market sentiment and risk profile changed, adding considerable downward pressure on Volta's share price. The Company's strong cash position however, allows us to continue moving the project forward towards a development decision.

"2012 should prove to be a very exciting year with an approved 105,000 metres drilling budget…

The Study is based exclusively on the mineral resources defined in the Kiaka Central Area. Drilling undertaken 750 metres south of the Kiaka Central Area has identified the potential for an open-pit high-grade satellite resource. The drilling has so far identified continuous high-grade mineralization over a strike length of more than 175 metres to a vertical depth of 60 metres. In addition, potential parallel high-grade zones, arranged en echelon, have also been intersected. The Company is currently drilling this target with a view to defining a mineral resource estimate at the Kiaka South Area in early Q3, 2012. The close proximity of a possible high-grade satellite resource offers the project the opportunity for commencing production at a considerably higher-grade. Currently, the Kiaka South Area is not included in the Company's mineral resources estimates, mineral reserve estimates or in the Study.

The scale and robustness of Kiaka has resulted in multiple expressions of interest from a range of banks and project finance advisory groups seeking to assist the Company to secure appropriate financing arrangements for the project. Following a review of proposals submitted, the Company selected Standard Bank to provide advice on securing the financing for the Kiaka development.

Standard Bank's Head of Mining, Energy & Infrastructure Lending, Don Hultman, commented: "We are delighted with the opportunity to work with Volta's experienced management team to ensure the successful funding and development of their Kiaka Gold Project. Kiaka is proving to be one of the most exciting new gold projects in West Africa, with a considerable resource, strong annual production and potential for economic upside from identified satellite resources".

The Study has identified a number of opportunities to significantly optimize the Project. Volta has engaged Whittle Consulting to undertake a Project optimization study to highlight areas to focus on during the definitive feasibility study. The main benefit of Whittle Consulting's approach lies in its unique ability to optimize all parts of the business together. Novel philosophy and methodology are applied by highly experienced personnel, backed by advanced proprietary software, Prober, developed in stages over the past 25 years. This will enhance cash flow in the early years, further improve NPV, reduce the payback period and to provide stronger project economics.

At Volta's Gaoua Copper-Gold Project, the Company commenced drilling in Q2, 2012 in order to finalize an updated NI 43-101 compliant resource estimate. At Volta's Nassara Gold Prospect the Company is currently carrying out preliminary bottle roll testing on some of the samples in order to evaluate whether the sulphide ore has any refractory characteristics prior to carrying out its next phase of drilling on the program. Results are expected shortly.

In January 2012, the Company carried out a drilling campaign on its Toulfe target within the Titao Gold Project. The program confirmed the presence of a 300-500 metre wide mineralized corridor hosted in sheared and silicified granitic rocks. The wide, lower-grade mineralized envelope, comprising several zones of higher-grade gold mineralization, has been traced over the entire drilled portion, underlining the importance and potential of the mineralizing system. The drill holes tested the mineralization down to a maximum vertical depth of only 60 metres. The drilling was therefore limited to highly laterized and weathered lithologies. Deeper drilling, aimed at testing the mineralization underneath the weathered profile will be carried out in the second half of 2012.

2012 should prove to be a very exciting year with an approved 105,000 metres drilling budget. This will generate an enormous amount of data and improve the understanding of all of our active projects. We will be able to issue an updated resource for the Kiaka South Area which will allow us to incorporate this important resource into our definitive feasibility study. We also continue to keep our quality pipeline of projects, including new discoveries, moving forward.

I would like to thank all of the management and employees of Volta and its subsidiaries for their tireless work during 2011 as well as our directors who have provided invaluable guidance throughout the year. My thanks also go out to the many shareholders who have been very supportive of our programs during this difficult year.

Sincerely,

Kevin Bullock
President and Chief Executive Officer

May 14, 2012

Kiaka Gold Project (SRK Mineral Resource Statement)

Category	Tonnes *(Kt)*	Au *(g/t)*	Metal Au *(Kg)*	Metal Au *(Koz)*
Measured	31,370	1.13	35,300	1,135
Indicated	86,050	1.05	90,000	2,894
Measured and Indicated	**117,420**	**1.07**	**125,300**	**4,029**
Inferred	29,960	1.00	1,200	1,000

Notes: Mineralization based on a cut-off grade of 0.6 g/t gold within mineralized wireframe
March 20, 2012

left: **Victor King**, *COO*
right: **Kevin Bullock**, *President & CEO*

Management's Discussion and Analysis of Financial Results

Year Ended December 31, 2011

(March 27, 2012) (All amounts expressed in Canadian dollars, unless otherwise indicated)

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Volta Resources Inc. (the "Company" or "Volta") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2011. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2011, together with the notes thereto. These documents are available at www.voltaresources.com. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. As of January 1, 2010, The Company adopted International Financial Reporting Standards ("IFRS"). The audited annual consolidated financial statements of the Company for the year ended December 31, 2011 have been prepared using accounting policies consistent with IFRS. Readers of this MD&A should refer to "Changes in Accounting Policies" below for a discussion of IFRS and its effect on the Company's financial presentation. This MD&A has been prepared as at March 27, 2012 and contains forward-looking information that is subject to risk factors including those set out in the "Forward-Looking Statements " and elsewhere in this MD&A, including under "Risks and Uncertainties".

Nature of Business

The Company is an exploration and development company focused on properties in West Africa. Its primary assets include the Kiaka Gold Project, the Gaoua Project and the Titao Gold Project in Burkina Faso, West Africa.

Significant Developments

- On March 21, 2012, the Company announced the results of a further updated National Instrument 43-101 ("NI 43-101") compliant resources estimate at its Kiaka Gold Project. Phase III drilling has increased the confidence in the geological model, leading to 31.37 million tonnes @ 1.13 g/t Au for 1,135,000 ounces Au reporting to the Measured category, 86.05 million tonnes @ 1.05 g/t Au for 2,894,000 ounces Au reporting to the Indicated category and 29.96 million tonnes @ 1.00 g/t Au for 1,000,000 ounces Au reporting to the Inferred category.
- In March 2012, the Company substantially completed construction of its office facilities on the parcel of land purchased for that purpose in Ouagadougou, Burkina Faso.
- In February 2012, the Company announced that it had entered into an agreement with Randgold Resources Limited ("Randgold") whereby the Company will exchange its Kampti Permit in Burkina Faso and its Massabougou and Diele Permits in Mali, for eight Randgold permits in Burkina Faso, situated nearby, and contiguous to, the Company's Kiaka Gold Project. The Randgold permits will, together with the Company's Kiaka Gold Project, make up two project areas; the Greater Kiaka Project Area and the Po Project Area. The exchange is subject to certain conditions, including approval being obtained from the appropriate regulatory bodies in Burkina Faso and Mali.
- On February 14, 2012, the Company announced the discovery of a new high-grade mineralization situated approximately 700 metres southwest of its Kiaka Central Area deposit within the Kiaka Gold Project. The new mineralization was identified by reverse circulation ("RC") drilling carried out during the on-going Phase III program at the Kiaka Gold Project. Phase III comprises approximately 50,000 metres of drilling being undertaken to; extend resources in the Kiaka Central Area deposit, follow-up positive results in the Kiaka South Area within the Kiaka Gold Project, test several more ground geophysical targets and to undertake scout drilling on regional targets in the Kiaka Gold Project. The proximity and grade of these results may have a very positive impact on the economics of any future mine.
- On October 25, 2011, the Company hired Mr. Alexandru Arhire as its Vice President, Operations, thereby strengthening its management team. Mr. Arhire has been involved in several development projects in Burkina Faso.
- On October 20, 2011, the Company announced results from its ongoing 15,000 metre drilling program at its Nassara Gold Prospect, which confirm the presence of multiple parallel mineralized shears and confirmed the depth extension of the mineralization.
- During September and October, 2011, the Company completed a 5,300 metre drilling program at its Toulfe Prospect, which forms part of its Titao Gold Project. The results confirmed the presence of a 300-500 metre wide mineralized corridor, representing a new discovery for the Company.
- On September 21, 2011, the Company announced the results of a scout reverse circulation drilling program on its Nassara South-West Gold target, which confirm the prospectivity of parallel structures to its Nassara Main Zone, significantly adding to the overall potential of the area.

- On September 12, 2011, the Company initiated a Pre-Feasibility Study (the "Study") for its Kiaka Gold Project, in compliance with the requirements of National Instrument 43-101. The Company anticipates receiving the Study by late April 2012.
- On August 4, 2011, the Company issued 21,053,000 special warrants at a price of $1.90 per special warrant for aggregate gross proceeds to the Company of $40,000,700 (net proceeds of $37,631,741). On August 22, 2011, the Company obtained a receipt for a final short-form prospectus, which qualified the common shares issuable upon exercise of the special warrants for distribution to the public and subsequently the 21,053,000 special warrants were converted into 21,053,000 common shares of the Company.
- At December 31, 2011, the Company had cash and short-term investments of $49,403,081.

Selected Annual Information

The following table includes selected financial information for the past three years.

	December 31, 2011	December 31, 2010	January 1, 2010
Revenues	**–**	–	–
Interest and dividend income	**427,492**	242,020	111,015
Net loss	**(8,993,890)**	(7,794,529)	(28,046,649)
Basic and diluted loss per share	**(0.06)**	(0.07)	(0.46)
Total assets	**98,927,131**	68,334,996	32,490,686
Long-term liabilities	**–**	–	(2,000,000)
Dividends	**–**	–	–

Overview of Operations

Burkina Faso

Kiaka Gold Project

On March 21, 2012, the Company announced that an updated NI 43-101 compliant Mineral Resource estimate had been completed for the Kiaka Gold Project. The updated Mineral Resource estimate was prepared by SRK in collaboration with the Company's personnel. The estimate has been reported according to CIM Standards and will be supported by a NI 43-101 independent report which will be published in due course *(see press release issued by the Company dated March 21, 2012)*.

The new and updated resource estimate for the Kiaka Central Area deposit, which does not include any results from the newly discovered, high-grade Kiaka South Area *(see press release issued by the Company dated February 14, 2012)*, is summarized in the table below:

Mineral Resources at the Kiaka deposit as at March 20th, 2012

SRK Mineral Resource Statement, Kiaka Gold Project March 20, 2012

Type	Category	Tonnes (Kt)	Au (g/t)	Metal Au (Kg)	Metal Au (Koz)
Mineralized Bands	Measured	17,010	1.39	23,660	761
	Indicated	38,960	1.35	52,570	1,690
	Measured and Indicated	*55,970*	*1.36*	*76,230*	*2,451*
	Inferred	13,100	1.40	17,800	570
Halo Mineralization	Measured	14,360	0.81	11,640	374
	Indicated	47,080	0.80	37,460	1,204
	Measured and Indicated	*61,440*	*0.80*	*49,100*	*1,578*
	Inferred	16,900	0.80	13,500	430
Combined Total	Measured	31,370	1.13	35,300	1,135
	Indicated	86,050	1.05	90,000	2,894
	Measured and Indicated	*117,420*	*1.07*	*125,300*	*4,029*
	Inferred	30,000	1.00	31,200	1,000

Notes
Mineralized Bands based on a cut-off grade of 1 Au (g/t) within mineralized wireframe
Halo Mineralization based on a cut-off grade of 0.6 Au (g/t) within mineralized wireframe

All figures are rounded to reflect the relative accuracy of the estimate and the assigned categories

Phase III drilling in the Kiaka Central Area has achieved the objective of increasing the Measured and Indicated Category resources by 33% to over 4 million ounces of gold, with a further 1 million ounces in the Inferred Category. The deposit is proving to be geologically and geostatistically consistent, delivering results in line with (or even exceeding) expectations.

The current resource contained within a single open pit, with favourable strip ratio, geometry and metallurgical recoveries, provides a very robust basis for the pre-feasibility study currently underway. A maiden resource, due by early Q3 2012, from the recent high-grade discovery at the Kiaka South Area (not included in this resource update), located only 750 metres south of the current resource, could significantly enhance the quality of Kiaka Gold Project in the future.

The Company is continuing its Phase III drilling program at Kiaka that comprises approximately 50,000 metres of drilling being undertaken to extend resources in the Central Area, to follow-up the positive results in the South Area, to test several more ground geophysical targets and undertake scout drilling on regional targets on the Kiaka property *(see press release issued by the Company dated October 13, 2011)*.

Scout drilling 700 metres to the south of the Central Area has discovered a zone of new high-grade mineralization *(See press release issued by the Company dated February 14, 2012)*. The RC drill holes intersected high-grade mineralization over a strike length of more than 175 metres, between sections 3850N and 4000N. The mineralization, drilled to a vertical depth of only approximately 60 metres, is oriented northeast-southwest and is open to the southwest and at depth. The new mineralized body is characterized by high-grade intercepts, with single metre intervals regularly exceeding 10 g/t gold. Highlights from the reported RC holes include:

- KKRC280: 19.0 metres @ 5.53 g/t Au, including 12.0 metres @ 8.42 g/t Au
- KKRC280: 29.0 metres @ 2.47 g/t Au, including 23.0 metres @ 3.05 g/t Au
- KKRC285: 37.0 metres @ 1.55 g/t Au, including 9.0 metres @ 2.14 g/t Au and 6.0 metres @ 3.55 g/t Au
- KKRC291: 25.0 metres @ 5.15 g/t Au, including 12.0 metres @ 10.43 g/t Au
- KKRC292: 22.0 metres @ 2.23 g/t Au, including 13.0 metres @ 3.36 g/t Au
- KKRC299: 47.0 metres @ 2.93 g/t Au, including 15.0 metres @ 7.90 g/t Au and including 3.0 metres @ 23.35 g/t Au
- KKRC300: 26.0 metres @ 3.36 g/t Au, including 8.0 metres @ 9.27 g/t Au
- KKRC315: 15.0 metres @ 6.57 g/t Au
- KKRC321: 25.0 metres @ 9.22 g/t Au, including 10.0 metres @ 16.64 g/t Au

In October 2009, the Company purchased its 100% interest in the Kiaka Gold Project from Randgold, subject to a free participating right of 10%, up to a full feasibility study (held by a local Burkinabe company). The aggregate consideration for the Kiaka Gold Project comprised 20,000,000 common shares of the Company issued in November 2009 and cash consideration of $4,000,000, which has been paid in full.

The Kiaka Gold Project exploration permit originally covered an area of 244 kilometres^2. This has since been reduced to 184 kilometres^2, and is located approximately 140 kilometres southeast of the capital, Ouagadougou. The permit lies at the intersection of the northeast striking Tenkedougou greenstone belt and the regionally significant north striking Markoye Fault, in whose proximity some of the larger gold resources in Burkina Faso have been discovered. These include IAMGOLD's Essakane deposit (6.1 Moz), High River Gold's Taparko deposit (1.7 Moz), Orezone's Bombore deposit (3.5 Moz) and, on a splay, Endeavour's Youga deposit (1.5 Moz).

Randgold had spent in excess of US$6 million undertaking extensive exploration on the permit since 2004, including mapping, ground geophysics, soil sampling, pitting, trenching, Rotary-Air-Blast ("RAB") drilling, RC drilling and diamond drilling. Two zones were drilled by Randgold on the Kiaka Gold Project, the Kiaka Main Zone ("KMZ") and the Kiaka Hangingwall Zone ("KHZ"). The KMZ is a 2,800 metre long, steeply dipping, NE striking mineralized dilation structure with numerous intersections exceeding 100 m at >1 g/t. Significantly, there are discrete higher-grade zones within this well mineralized envelope that are associated with more intense deformation and alteration, suggesting good continuity. The KHZ is a 650 metre long N to NE striking mineralized structure, which is generally much narrower but with higher-grade than the KMZ. Some of the better intersections of KMZ are:

- 172.0 metres @ 1.32 g/t gold
- 122.0 metres @ 2.00 g/t gold
- 208.0 metres @ 1.46 g/t gold
- 45.0 metres @ 2.62 g/t gold

The Company commenced an aggressive drilling program in November 2009, completed this phase of the program in 2010 and delivered a maiden NI 43-101 compliant mineral resource estimate ("the NI 43-101 Estimate") on the Central Area of the Main Zone of the Kiaka Gold Project *(See press release issued by the Company dated June 29, 2010)*.

The NI 43-101 Estimate was carried out by independent consultants, SRK Consulting (UK) Ltd. based in Cardiff, United Kingdom ("SRK"). The NI 43-101 Estimate was based on more than 25,000 metres of drilling including 147 holes drilled by the Company and Randgold. The total resource defined in the June 2010 estimate included 41,250,000 tonnes at 1.04 g/t for 1,384,000 ounces in the Indicated category and 15,900,000 tonnes at 0.90 g/t for 480,000 ounces in the Inferred category.

SRK stated, and the Company concurred, that there is considerable potential to find additional resources in the Central Area of the Kiaka Gold Project.

As a result, in October 2010, the Company commenced a drilling program comprising more than 250 holes for approximately 50,000 additional metres of drilling in the Central Area at its Kiaka Gold Project and on June 29, 2011, the Company announced the completion of an updated NI 43-101 compliant mineral resource estimate for the project. The updated NI 43–101 technical report was released on August 8, 2011.

The Company's previous resource is contained within a Whittle optimized open pit, at a 0.6 g/t gold cut-off *(see press release issued by the Company dated June 29, 2010)*, extending to approximately 200 metres below surface. The new resource utilized the same cut-offs as well as constraining the mineralization within a Whittle optimized open pit extending to a maximum of between 450 and 500 metres.

The estimate was based on some 72,500 metres of diamond and RC drilling: 35 drill holes for 8,083 metres from Randgold and 365 drill holes for 64,572 metres from the Company's drilling campaign. In comparison to the NI 43-101 Estimate issued in 2010, an additional 245 drill holes had been incorporated, representing an additional 45,489 metres of drilling and some 45,862 new assays, representing a 69% increase in the size of the assay database. The drilling formed partly in-fill drilling to a spacing of 25 metres and extensional drilling on the 2010 block model at depth and along strike. The results of the drilling validated the previous interpretation and provided additional information to refine the geological model further during the 2011 modelling exercise. The drilling program used a series of scissor holes on alternative sections to assist in the modelling of the contacts of the Kiaka Main Zone (KMZ). These sections provided SRK with a higher degree of confidence in the updated geological model.

Kiaka is hosted by amphibolites and quartz-mica schists of the Tenkodogo Greenstone Belt. There is thin transported surface cover and artisanal spoil and oxidation has affected only the upper 20 to 30 metres of the underlying geology. The deposit has been interpreted as a north striking shear bounded corridor within which gold mineralization is concentrated in sub-vertical curvi-planar structures. The mineralized corridor (KMZ) varies from 50 to 260 metres wide and has a drill defined strike length of approximately 1.5 kilometres; it is flanked by a number of sub-parallel mineralized structures some 2 to 20 metres wide (referred to as the Kiaka Hanging Wall Zone ("KHZ")). The additional drilling has confirmed that higher-grade "mineralized bands" ranging between 5 metres and 50 metres wide extend with good continuity for 100 metres to 400 metres along strike and 50 metres to 200 metres down dip. These "mineralized bands" are hosted within a lower grade "halo mineralization" within a structural corridor that is 100 metres to 250 metres wide. The definition of these zones has been based on cut-off grades of 1.0 g/t and 0.6 g/t respectively.

The Company's 2010/2011 drilling program significantly increased the size of the geological database and therefore increased the confidence in the geological modelling, which could not be assigned during the 2010 modelling exercise due to the wider spaced drilling grids. The Company has updated the geological interpretation of the deposit, and supplied SRK with a series of cross-sections which have been geo-referenced and integrated into the electronic database. The use of the InnovX database compiled by the Company supports the enhanced understanding of the deposit and was used as a guide for the geological interpretation of series of low/barren units within the deposit.

The mineralization within the corridor is subdivided by sub parallel striking, steeply dipping dykes and a shallower dipping, gently folded sill that show significant presence throughout the deposit. The dykes described as Amphibolite units are present for up to 800 m along strike and 100 metres to beyond 500 metres down dip, with a thickness that ranges from 3 - 30 metres. The sill is continuous over 1 kilometre in strike and 500 metres down dip, showing a thickness that ranges from 5 - 20 metres. The deposit is slightly disrupted by a northwest-striking, shallow north-dipping fault, which has been modelled to assist in the assessment of the deposit continuity in this area. In relation to the centre of the deposit, the mineralization encountered to date does become weaker in the south, however remains relatively significant towards the north and thus potentially prospective towards the northern strike extents.

The estimate is based on a combination of diamond core and RC chip samples which were fire assayed for gold by ALS, SGS and BIGS laboratories in Ouagadougou. Field rejects from the mineralized intersections of the RRL RC drill holes have been re-sampled, fire assayed at ALS and included in the Company's assay database; comprehensive QAQC has demonstrated that sample preparation and laboratory performance for both drilling campaigns provided assays which are fit for the purpose of this estimate. Density determinations by water immersion give a well informed assessment of density by rock type. Holes drilled at between -50 and -60 degrees predominantly to the east with regular scissor holes to the west, are typically collared 50 metres apart along section lines which are spaced at 25 to 50 metre intervals through the main part of the deposit.

The grade estimation domains comprise the wide corridor and flanking structures which have been wireframed approximating a 0.3 g/t assay cut-off, and uses the modelled fault as a domain break. SRK has reviewed the statistics and geostatistics of the updated domained data, with the primary focus on the KMZ which provides the majority of the tonnage within the deposit. The improved domaining of the KMZ based on the geological data has increased the mean grade of the domain from 0.78 g/t to 0.92 g/t. The additional advantage of the improved domaining has been a reduction in the nugget variance from over 60% to 40% in the current estimate.

SRK produced a block model with block dimensions of 5 x 20 x 10 metres into which gold grades have been estimated using up to 24 of the 3 metre samples per block using an ordinary kriging routine with a search ellipse orientated to follow the dominant strike of each domain. The resultant block grade distribution reflects the curvilinear banding which the Company and SRK consider to be an important feature of the deposit.

SRK considered sampling density, distance from samples, and estimate quality in order to classify the mineral resource according to the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (December 2005) as required by NI 43-101. Further, SRK used reasonable costs, based on work completed, as part of an internal scoping study which are in line with the figures for the region and those used during the 2010 initial Mineral Resource Estimate. Process recoveries have been based on metallurgical test work completed by the Company and a long-term upside gold price of US$1170/oz to determine that the current resource and its potential depth extensions have sufficiently high-grade, width and proximity to surface to have reasonable prospects for economic extraction by open pit.

Additional drilling below the current Inferred Resource limit could add to the resources.

The table below shows the Measured, Indicated and Inferred Resources at incremental cut-off grades from 0.0 g/t to 1.4 g/t.

Selected incremental tonnes and grade per Classification category

Grade - Tonnage Table, Kiaka Deposit June 28, 2011

	Measured and Indicated				Inferred			
Cut-off g/t	Tonnes Kt	Au Grade g/t	Metal Au Kg	Metal Au (Koz)	Tonnes Kt	Au Grade g/t	Metal Au Kg	Metal Au (Koz)
1.40	12,210	1.77	21,640	700	3,900	1.89	7,300	230
1.20	22,760	1.55	35,250	1,130	8,200	1.57	12,900	410
1.00	**39,810**	**1.35**	**53,900**	**1,730**	**15,900**	**1.34**	**21,300**	**680**
0.90	51,160	1.26	64,670	2,080	21,100	1.24	26,200	840
0.80	63,340	1.18	75,020	2,410	26,300	1.16	30,700	990
0.70	76,690	1.11	85,020	2,730	32,600	1.08	35,300	1,140
0.60	**90,290**	**1.04**	**93,860**	**3,020**	**38,500**	**1.02**	**39,200**	**1,260**
0.50	102,320	0.98	100,500	3,230	42,800	0.97	41,600	1,340
0.40	112,210	0.94	104,980	3,380	45,600	0.94	42,900	1,380
0.20	122,060	0.89	108,060	3,470	48,000	0.91	43,600	1,400
0.00	167,730	0.68	114,860	3,690	80,000	0.61	48,400	1,560

The table below notes SRK's resource statement; SRK has elected to report resources from the "mineralized bands" at a cut-off grade of 1.0 g/t gold and the "halo mineralization" at a cut-off grade of 0.6 g/t gold.

Data quality, drill hole spacing and the interpreted continuity of grades controlled by the geological structure have allowed SRK to classify the majority of the deposit as an Indicated Mineral Resource, with a significant proportion of Measured Mineral Resources towards the surface, and deeper parts of the main corridor, strike extents and flanking structures have largely been classified as Inferred Mineral Resources.

Mineral Resource Estimate for Kiaka Gold Project as of 28th June 2011

		SRK Mineral Resource Statement, Kiaka Gold Project June 28, 2011			
Type	Category	Tonnes (Kt)	Au (g/t)	Metal Au (Kg)	Metal Au (Koz)
Mineralized Bands	Measured	14,040	1.43	20,030	644
	Indicated	25,770	1.31	33,870	1,089
	Measured and Indicated	*39,810*	*1.35*	*53,900*	*1,733*
	Inferred	15,900	1.30	21,300	680
Halo Mineralization	Measured	15,220	0.79	12,050	387
	Indicated	35,260	0.79	27,910	897
	Measured and Indicated	*50,480*	*0.79*	*39,960*	*1,284*
	Inferred	22,600	0.80	17,900	580
Combined Total	Measured	29,260	1.10	32,100	1,031
	Indicated	61,030	1.01	61,800	1,987
	Measured and Indicated	*90,290*	*1.04*	*93,900*	*3,018*
	Inferred	38,520	1.00	39,200	1,260

Notes
Mineralized Bands based on a cut-off grade of 1 Au (g/t) within mineralized wireframe
Halo Mineralization based on a cut-off grade of 0.6 Au (g/t) within mineralized wireframe

Comparison of the 2010 resource statement with the 2011 resource statement (table below) reveals a significant increase in the Mineral Resource at Kiaka, and confirms the initial geological model. In terms of the contained metal (Au Koz), the increase more than doubled the portion of Measured and Indicated material (an increase of 120%) with an increase of more than 100% also noted in the Inferred category, which can be attributed primarily to the strike and depth extensions and the improved definition of ore and waste zones within the KMZ.

A close spaced in-fill drilling program focused on the core of the 2010 model, which has successfully been transferred into the Measured category. A study of the mean grades between these categories confirms the potential for higher-grade material near surface, in the order of 1.43 g/t. The deeper drilling significantly increased the Indicated and Inferred portions. In the 2010 Mineral Resource model, the dip extent was limited to 250 metres below surface, but the 2011 model extends further to between 450 and 500 metres below surface. A comparison of the mean grades in the combined Measured and Indicated categories for both Mineralized Bands and Halo Mineralization shows little variation between the two estimates, confirming the robust nature of the deposit.

Comparison of 2010 with 2011 Mineral Resource Estimate

		2010 KIAKA RESOURCE STATEMENT				2011 KIAKA RESOURCE STATEMENT			
Type	Category	Tonnes (Kt)	Au (g/t)	Metal Au (Kg)	Metal Au (Koz)	Tonnes (Kt)	Au (g/t)	Metal Au (Kg)	Metal Au (Koz)
Mineralized Bands	Measured	–	–	–	–	14,040	1.43	20,030	644
	Indicated	16,990	1.42	24,060	773	25,770	1.31	33,870	1,089
	Measured and Indicated	*16,990*	*1.42*	*24,060*	*773*	*39,810*	*1.35*	*53,900*	*1,733*
	Inferred	4,510	1.4	6,200	200	15,900	1.3	21,300	680
Halo Mineralization	Measured	–	–	–	–	15,220	0.79	12,050	387
	Indicated	24,260	0.78	18,990	611	35,260	0.79	27,910	897
	Measured and Indicated	*24,260*	*0.78*	*18,990*	*611*	*50,480*	*0.79*	*39,960*	*1,284*
	Inferred	11,400	0.8	8,800	280	22,600	0.8	17,900	580
Combined Total	Measured	–	–	–	–	29,260	1.10	32,100	1,031
	Indicated	41,250	1.04	43,100	1,384	61,030	1.01	61,800	1,987
	Measured and Indicated	*41,250*	*1.04*	*43,100*	*1,384*	*90,290*	*1.04*	*93,900*	*3,018*
	Inferred	15,900	0.90	15,000	480	38,520	1.00	39,200	1,260

SRK considered there to be good potential to find additional resources:

- The current model remains open at depth along the main mineralized strike interval
- The current model remains open along strike to the northeast where mineralization remains open to potential strike extension
- The current model remains open along strike to the southwest where scout drilling has encountered encouraging mineralization
- There is the potential for additional material alongside the KMZ within the hanging wall flanking structures
- Within the current mineralized wireframes more material is present at lower-grade cut-offs which may add additional ounces to the deposit should more favourable costs than currently assumed, be defined.

The following drilling highlights were generated during this phase of drilling *(See press releases issued by the Company dated November 29, 2010, December 15, 2010, January 6 & 20, 2011, February 22, 2011, March 3 & 31, 2011, April 20, 2011 and May 24 & 31, 2011)*:

- 63.6 metres @ 2.68 g/t gold
- 296.0 metres @ 1.07 g/t gold
- 216.0 metres @ 1.26 g/t gold
- 208.0 metres @ 1.64 g/t gold
- 312.8 metres @ 0.87 g/t gold
- 242.0 metres @ 1.41 g/t gold
- 137.85 metres @ 1.12 g/t gold

Metallurgical tests undertaken by SGS South Africa (Pty) Limited ("SGS") indicate that between 40% and 55% of gold at the Kiaka Gold Project should be recoverable by gravity separation in less than 3% of the mass. SGS concludes that overall recoveries of >90% could be expected from a fairly standard process route that includes crushing, milling (to 50% passing 75 micron), gravity concentration with intensive cyanidation of the concentrate, finer milling of the gravity tailings followed by CIL treatment.

There are other mineralized upside targets identified by soil sampling, pitting and RAB drilling within the immediate proximity of KMZ and KHZ, including the Eastern Target, Western 1 Target, Western 2 Target, Northern Target and the Southern Target. The Southern Target is the only one to be tested to date. The results from the two exploratory sections drilled across the geophysical anomaly in the South Area have not revealed broadly disseminated mineralization. This was thought to be due to the fact that the dominant lithology in the South Area is amphibolite and not the favourable quartz mica schist that hosts the wide mineralized zones in the structurally similar Central Area. However, due to significant intersections along the northerly trending contact between the amphibolite and quartz mica schists a narrower target that is approximately 300 metres long in the South Area was thought to be developing.

The Company has revisited the South Area with a tighter spaced RC drilling program and identified a newer style of mineralization. The new mineralization was identified by RC drilling carried out during the on-going Phase III program at the Company's Kiaka Gold Project. Phase III comprises approximately 50,000 metres of drilling being undertaken to extend resources in the Central Area, to follow-up positive results in the South Area, to test several more ground geophysical targets and undertake scout drilling on regional targets on the Kiaka property *(see press release issued by the Company October 13, 2011)*.

This recently completed RC drilling in the Kiaka South Area tested a known gold anomaly and comprised 80 holes (4,410 metres) drilled on a 25x25 metre grid pattern, covering 13 sections (3675N - 4025N). The RC drill holes intersected high-grade mineralization over a strike length of more than 175 metres, between sections 3850N and 4000N.

These results reveal another dimension of the growing Kiaka Gold Project. These high-grade results are near surface, near existing resources, and the mineralization remains open at depth. The close proximity of this new discovery to the existing deposit means that any significant mineralization will become part of any future mine plan.

The last holes on the southernmost drilled sections (3750N) returned similar high-grade mineralized intervals, confirming the results of nearby located scout drill hole RRL KDH09, drilled by Randgold in 2006, and suggesting the possibility of the presence of another mineralized lens.

The Company is currently finalizing an updated NI 43-101 compliant resource estimate for the Kiaka Gold Project. These Kiaka South results will not be included in this updated resource estimate and consequently, they will not be used in the Pre-Feasibility Study currently being finalized by Wardrop Tetra-Tech. They will however, be an important component in the ultimate Feasibility Study.

As part of an additional check, 368 high-grade mineralized samples were re-assayed independently by the BIGS laboratory in Ouagadougou. The results fully confirmed the ALS Chemex Laboratories assays. The re-assays, carried out on duplicate samples stored initially at the Company's Kiaka premises, returned similar results for the high-grade intervals (>10 g/t Au), suggesting that the nugget effect may potentially be limited.

The Company has also tested the Western 1 and 2 Targets with no significant intersections encountered.

A composite geophysical image clearly highlights that most of the mineralization identified so far at the Kiaka Gold Project is contained between two, well-defined, NE trending "tram track" structures. Furthermore, the wide zone of mineralization, confirmed by the Company's drilling in the Central Area, coincides with north trending cross structures and magnetic highs. This pattern is repeated in the South Area and to the north as well as on possible parallel structures. These geophysical results show structural relationships similar to those already confirmed by drilling the KMZ in the Central Area. These results define excellent targets for wide zones of mineralization and offer the potential for expanding the overall deposit.

Regionally, there are another 5 prospects including Niaogo-Gozi, Kiaka Dam, Kiaka East, Sondo and Gueka. These were identified by Randgold using regional and in-fill soil sampling, followed up by mapping, rock chip sampling, limited trenching and RAB drilling. These prospects lie within analogous mineralized environments to the Kiaka Main area.

Recently the Company has, using geophysics, geochemistry and geological mapping and trenching, delineated a drill target at Niaogo-Gozi that it plans to drill as part of the Phase III program. Regional work has piqued the interest of the Company along the Markoye Fault system to the point that the Company signed a Permit Exchange Agreement with Randgold whereby the Company is exchanging one permit in Burkina Faso (Kampti) and two in Mali (Massabougou and Diele) for eight of Randgold's permits (the "Randgold Permits") in Burkina Faso (Daworo, Tiakane, Bourou, Basgana, Yibogo, Safoula, Nakomgo and Tanema) nearby, and contiguous to, the Company's Kiaka Gold Project, where the Company has already outlined NI 43-101 compliant resources of 90.29 million tonnes @ 1.04 g/t Au for 3,018,000 ounces Au in the Measured and Indicated categories and 38.52 million tonnes @ 1.00 g/t Au for 1,260,000 ounces Au in the Inferred category *(see press release issued by the Company dated June 29, 2011)*. The properties share the same prospective geological characteristics, being located within or close to the Markoye Fault Corridor, which also hosts Iamgold's Essakane Mine (6.1 million ounces Au), High River Gold's Taparko Mine (1.7 million ounces Au) and Orezone's Bombore Project (3.5 million ounces Au). The new properties straddle northeast trending Birimian greenstone belts that have been impacted by extensive shearing along the Markoye Fault.

The Randgold Permits, together with the Kiaka Gold Project, will be grouped into two Project Areas:

- the Greater Kiaka Project Area, including Kiaka, Tanema, Basgana, Safoula, Yibogo and Nakomgo
- the Po Project Area including Daworo, Tiakane and Bourou.

The acquisition of these new permits consolidates a very significant position for the Company along one of the most prospective gold bearing structures in Burkina Faso. Regional exploration undertaken by Randgold has identified several targets on the ground and the Company has planned to carry out follow-up work to bring some of them to drill ready stage by the next field season.

Gaoua Project

The Gaoua Project comprises the Gaoua Copper Gold Porphyry Prospect (the "Gaoua Porphyry Prospect") and the Nassara Gold Prospect. The Gaoua Project incorporates the 100%-owned contiguous Malba, Souhouera and Danyoro permits representing 687.5 kilometre^2 in area. The Company's exploration rights to the Malba property expired in April 2011 and the Company has applied for new exploration rights to the property. The Souhouera permit, acquired by the Company on September 12, 2005, was renewed until September 2011 and the Company has submitted an application for renewal of the exploration rights for an additional three year term. The Company had the right to explore the Danyoro property until October 2011 and has submitted an application for renewal of the exploration rights for an additional three year term. The Company has officially been requested to pay the license renewal fees for all of these exploration rights and has made these payments. Such requests are the key step in the exploration right renewal process.

The Gaoua Porphyry Prospect hosts a number of copper-gold prospects including Mt. Biri, Dienemera, Bouserra and Gongondy. The permits cover approximately 35 kilometres in strike length of the prospective structural corridor that is thought to host most of the known copper-gold and gold occurrences in the region. Over 23,000 metres of diamond drilling has been carried out by the Company at the Gaoua Porphyry Prospect to date and an initial NI 43-101 resource statement has been completed (the "Gaoua Resource Estimate"). At a 0.45% copper equivalent cut-off grade, the Dienemera and Gongondy deposits host an initial Inferred Resource of 82,600,000 tonnes grading 0.40% copper and 0.40 g/t gold for a total of 724,880,000 lbs of copper and 1,072,900 ounces of gold.

The Gaoua Resource Estimate was prepared by SRK based on over 26,661 metres of diamond drilling in 92 holes and 1,305 metres in 15 reverse circulation holes on the project, (including drilling on the property prior to the Company acquiring its interest). The Gaoua Resource Estimate follows the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions standards for mineral resources and reserves, and has been completed in accordance with the standards of disclosure for mineral projects as defined by NI 43-101. A breakdown of the tonnage and grade, at various cut-offs, for the two deposits are presented below. (See SRK report titled "Mineral Reserve Estimate for the Gaoua Project, Burkina Faso" filed on www.sedar.com on March 23, 2009).

Deposit	Cut-off Grade (CuEQ %)	Tonnage (tonnes)	%	Copper Lbs	g/t	Gold Oz	%	Copper Equivalent Lbs
Dienemera	0.60	9,200,000	0.64	129,632,000	0.25	74,600	0.79	160,276,000
	0.50	18,100,000	0.54	214,510,000	0.22	128,600	0.67	267,421,000
	0.45	**23,000,000**	**0.50**	**255,075,000**	**0.21**	**155,300**	**0.63**	**319,009,000**
	0.40	27,800,000	0.47	372,802,000	0.20	237,700	0.59	364,424,000
	0.30	41,700,000	0.41	372,802,000	0.18	237,700	0.51	470,687,000
	0.20	57,400,000	0.35	440,704,000	0.15	284,700	0.44	557,769,000
Gongondy	0.60	27,200,000	0.43	257,279,000	0.62	541,300	0.80	479,946,000
	0.50	45,800,000	0.38	387,793,000	0.52	768,200	0.70	703,936,000
	0.45	**59,600,000**	**0.36**	**469,805,000**	**0.48**	**917,600**	**0.65**	**847,236,000**
	0.40	78,300,000	0.33	568,793,000	0.44	1,102,200	0.59	1,022,283,000
	0.30	125,900,000	0.28	766,547,000	0.37	1,506,400	0.50	1,386,266,000
	0.20	170,400,000	0.24	893,974,000	0.33	1,793,000	0.43	1,631,641,000
Total	0.60	36,400,000	0.48	386,911,000	0.53	616,000	0.80	640,222,000
	0.50	63,900,000	0.43	602,303,000	0.44	896,800	0.69	971,357,000
	0.45	**82,600,000**	**0.40**	**724,880,000**	**0.40**	**1,072,900**	**0.64**	**1,166,245,000**
	0.40	106,100,000	0.37	858,921,000	0.38	1,282,500	0.59	1,386,707,000
	0.30	167,600,000	0.31	1,139,349,000	0.32	1,744,100	0.50	1,856,953,000
	0.20	227,800,000	0.27	1,334,678,000	0.28	2,077,700	0.43	2,189,410,000

Figures have been rounded

SRK have constrained the resource in optimized open pits based on reasonable technical and economic parameters which they consider to have reasonable prospects for eventual economic extraction. The table above summarises the in-situ mineral resource stated at a 0.45% Copper Equivalent ("CuEQ") cut-off grade within the defined mineralization models. CuEQ has been calculated from assumed revenues of US$3,000/t copper and US$700/oz gold with metallurgical recovery assumed to be 85% and 70% respectively. Gold grade has been multiplied by 0.6 and added to the copper grade to provide a CuEQ grade. The cut-off grade further assumes typical costs of US$2/tonne for mining and US$10/tonne for processing and general administration costs.

The 687.5 kilometre^2 Gaoua Project area includes a 35 kilometre long anomalous porphyry trend, clearly defined during a high definition airborne geophysical survey completed in 2008 and it is along this trend that the Dienemera and Gongondy deposits reside. The deposits outcrop approximately 7 kilometres apart and exhibit similar distinctive geophysical signatures. Similar signatures along the corridor indicate that potential exists for additional deposits that are under transported cover between Gongondy and Dienemera and along the greater 35 kilometre strike extent. The raw data has been analyzed and thirty targets have been identified. There is, as a result, potential to extend the current resources and significantly enhance the overall potential of the Gaoua Porphyry Prospect.

A 435 hole (3,340 metres) auger drilling campaign identified a large copper-gold anomaly between the Dienemera and Gongondy deposits on the Gaoua Porphyry Prospect. The program also extended the potential to the west of the existing Gongondy deposit. The program was carried out in order to:

1. Test targets highlighted by processing high resolution heli-borne geophysical data, supported by ground Induced Polarization ("IP") geophysical surveys undertaken in the 6 kilometre gap between the Dienemera and Gongondy deposits. This gap area is covered by complex regolith, including transported laterite and alluvium, which has resulted in muting or even masking the geochemical response normally provided by soil sampling. The auger drilling program has identified a large copper-gold anomaly at Boussera, about half-way between the Gongondy and Dienemera deposits. Copper and gold results for samples taken in saprolite at the base of the holes regularly exceed 500 ppm in copper and 0.1 g/t in gold and are similar to those found over the copper-gold porphyry mineralization delineated at both the Gongondy and Dienemera deposits.

2. Test the copper-gold mineralized breccia body west of a post-mineral gabbro intrusive at Gongondy (the Gongondy West zone), beneath transported alluvial cover. Copper and gold results for samples taken in saprolite at the base of the auger drill holes in the Gongondy West zone regularly exceed 500 ppm in copper and 0.1 g/t in gold. This confirms that the potential at the Gongondy West zone extends for over 1,000 m, potentially adding to the current resource within the Gaoua Resource Estimate.

3. Further extend the copper-gold mineralization of the Gongondy West zone described above to the west, due to the persistent and strong gold anomalism (>0.1 g/t with the maximum value being 1.9 g/t gold) encountered. This drilling confirms that the copper-gold mineralization is zoned with a relatively gold-rich halo extending for 250 to 400 m to the west of the copper mineralization and for more than 1,500 m along strike. The gold-rich halo remains open to the south.

4. Extend mineralization already defined in the current NI 43-101 compliant resource estimate. Both lines intersected copper-gold mineralization confirming that the Gongondy mineralized breccia may extend for an additional 300 m to the south, and still remain open.

The Company has decided to carry out further drilling programs in 2012 in order to finalize an updated NI 43-101 compliant resource estimate. Drilling is scheduled to commence in Q2, 2012.

Nassara Gold Prospect

Gold assay results from a soil sampling and scout trenching program carried out over the Nassara Gold Prospect identified a gold discovery within the Gaoua Project. Initial trench results identified a mineralized interval of 44 metres at 1.82 g/t gold including 20.5 metres at 3.56 g/t gold.

An initial 4 hole RC program confirmed the continuity at depth of the gold mineralization intersected by trenches. All four holes intersected sizeable gold mineralization in a NW-SE striking shear structure that has now been drill-tested over a length of 200 m and is open in all directions. Highlights of the results are:

- 5.0 metres @ 3.96 g/t gold
- 7.0 metres @ 1.53 g/t gold
- 2.0 metres @ 1.47 g/t gold
- 15.0 metres @ 4.45 g/t gold

These results confirmed the overall prospectivity of the southern portion of the Boromo Greenstone Belt, which includes the Company's Gaoua copper-gold porphyry deposits (Gongondy, Dienemera, Bouserra and Mont Biri).

The Nassara Gold Prospect is located in the southwestern corner of the Danyoro permit, one of the three contiguous permits held by the Company, which together comprise the Gaoua Copper-Gold Project. The prospect was initially identified during previous regional geological mapping and soil geochemical surveys (250x250 metres). Recent in-fill soil geochemical surveying (50x125 metres) confirmed the presence of extensive gold-in-soil anomalism coincident with a pronounced northwest striking airborne magnetic lineament. The gold-in-soil anomaly, best outlined by the 20ppb contour, has been continuously traced over more than 4 kilometres to date and remains open in both directions. Along the anomalous trend, gold values greater than 0.1 g/t gold (100ppb) are relatively common with several peak values exceeding 1 g/t gold.

Additional trenching has been carried out to test the anomaly at several other positions along the 4 kilometre gold anomaly defined so far. In addition, further in-fill soil sampling has been undertaken to extend the anomaly along the magnetic lineament which extends for more than 10 kilometres on the Company's Danyoro permit.

The Company completed over 30 RC drill holes over a 3 kilometre strike length of the Nassara Gold Prospect anomaly, as well as four deeper diamond drill holes. The holes were drilled to lengths of up to 180 metres, all inclined at -55° to the north-west. In all, 3,516 drill samples and 540 control samples (standards, duplicates and blanks) were submitted to ALS Chemex's laboratories in Ouagadougou, Burkina Faso. The Company's sampling and assay procedures included QA/QC elements that employed the inclusion of certified standards and blanks. The drilling program, comprising 35 drill holes (3,515 metres), targeted a 2.2 kilometre portion of a 10 kilometre long northwest trending shear zone associated with gold in bedrock *(see press release issued by the Company dated June 16, 2010)*. The program has identified three northwesterly plunging ore shoots, each with a strike length between 400 and 600m. The gold mineralization occurs in quartz veining hosted along the sheared contact between volcanic flows and graphitic schists. The ore shoots dip 45-60° to the southwest. The highlights from the drilling program include:

- NRC6: 11.0 metres @ 2.18 g/t gold, from 38.0 metres
- NRC7: 8.0 metres @ 2.10 g/t gold, from 32.0 metres
- NRC14: 5.0 metres @ 6.50 g/t gold, from 47.0 metres
- NRC17: 13.0 metres @ 0.96 g/t gold, from 32.0 metres
- NRC26: 19.0 metres @ 2.22 g/t gold, from 2.0 metres
- NRC31: 9.0 metres @ 11.15 g/t gold, from 51.0 metres

The Company continues to outline new mineralized trends on parallel zones to the Nassara main area using geophysics and geochemistry.

At the beginning of June 2011, the Company commenced a combined RC and diamond drilling program for a total of approximately 15,000 metres at its Nassara Gold Prospect. The current program will follow-up the positive drilling results obtained in January and June-August 2010 *(see press releases issued by the Company dated January 28, 2010 and August 12, 2010).*

The Company has completed approximately half of the drilling program to date which is designed to test three wider and higher-grade sections along the 2.5 kilometres of strike identified so far along the Nassara Main Zone as well as extending the drilling depth to 150 metre vertical metres. The drilling confirmed the presence of multiple parallel mineralized shears and confirmed the depth extension of the mineralization. The shears are part of a larger regional shear system extending in excess of 100 kilometres from Batié in the Southeast to Gaoua in the North. The mineralization occurs in proximity to the contact of mafic rock formations (volcanoclastics and/or volcanics), which constitute the hanging wall, and a sedimentary unit (schists), constituting the footwall. Drilling also appears to confirm that the mineralization exhibits higher grades and improved widths in discrete zones along strike, currently interpreted as being northwesterly plunging shoots with a surface footprint ranging between 300 m and 600 m along strike. The mineralization is related to intensive silicification (local quartz veining) and sericitization, carbonation and weak sulphidation. Some of the highlights of the program to date are *(see press release issued by the Company dated October 20, 2011)*;

- S10N: 23.0 metres @ 2.04 g/t gold, from 3.0 metres
- S32N: 16.0 metres @ 3.12 g/t gold, from 140.0 metres
- S20N: 15.0 metres @ 1.09 g/t gold, from 164.0 metres
- S24N: 15.0 metres @ 1.44 g/t gold, from 153.0 metres

The Company also announced drilling results from a scout, RC drilling program on the Nassara South-West Gold target ("Nassara SW") in Burkina Faso. This is the first drilling program to be conducted on this target, which is located on a parallel structure approximately 1.4 kilometres to the southwest of the Nassara Main Zone.

The following results *(see press release issued by the Company dated September 14, 2011)* confirm the prospectivity of parallel structures to the Nassara Main Zone, significantly adding to the overall potential of the area;

- YRC03: 10.0 metres @ 1.37 g/t gold, from 23.0 metres
- YRC04: 8.0 metres @ 1.75 g/t gold, from 39.0 metres
- YRC05: 3.0 metres @ 1.21 g/t gold, from 27.0 metres
- YRC06: 10.0 metres @ 1.01 g/t gold, from 61.0 metres

The Company is currently carrying out preliminary bottle roll testing on some of the samples from Nassara in order to evaluate whether the sulphide ore has any refractory characteristics prior to carrying out its next phase of drilling on the program. Results are expected shortly.

Titao Gold Project

The Titao Gold Project consists of four contiguous concessions in the north of Burkina Faso, being the Titao South, Titao I, Barga II, and the Toulfe North concessions totaling 709 kilometres^2. The Company has applied for a further contiguous permit contiguous, Titao Sud Ouest.

The Titao Gold Project area is almost entirely overlain by transported alluvium or laterite.

In late 2008, The Company carried out a 5,853 line-kilometre heliborne geophysical survey over the area where the results were analyzed and will be used to develop a geochemical auger drilling program. The Company has a tractor mounted auger drill that will be utilized at the Titao Gold Project as well as other projects that require drilling through superficial cover in order to obtain geochemical samples.

The scout geochemical auger drilling *(see press release issued by the Company dated April 29, 2010)* has identified several gold anomalies on the Titao Gold Project. Significantly, the program has identified a large gold anomaly on the northernmost tested target, Toulfe, where gold results for samples taken in saprolite, at the base of the holes, regularly exceed 0.1 g/t gold with peaks of 2.18 g/t gold.

In September 2011, the Company completed a 5,300 metre drilling program at Toulfe, which aimed at testing the central part of the Toulfe auger anomalism over 1.8 kilometres of strike. This initial phase of drilling has provided more insight on the style of mineralization at Toulfe.

The program confirmed the presence of a 300-500 metre wide mineralized corridor hosted in sheared and silicified granitic rocks *(See press release issued by the Company dated January 24, 2012)*. The wide, lower-grade mineralized envelope, comprising several zones of higher-grade gold mineralization, has been traced over the entire drilled portion, underlining the importance and potential of the mineralizing system. The drill holes tested the mineralization down to a maximum vertical depth of only 60 metres. The drilling was therefore limited to highly laterized and weathered lithologies. Deeper drilling, aimed at testing the mineralization underneath the weathered profile will be carried out in the second half of 2012. The mineralization remains open along strike. The highlights from the drilling program include:

- TRC10: 3.0 metres @ 2.92 g/t gold from 18.0 metres
- TRC22: 3.0 metres @ 1.11 g/t gold from 11.0 metres
- TRC32: 8.0 metres @ 2.98 g/t gold from 8.0 metres
- TRC37: 9.0 metres @ 1.36 g/t gold from 36.0 metres
- TRC38: 25.0 metres @ 1.21 g/t gold from 2.0 metres
- TRC46: 7.0 metres @ 1.96 g/t gold from 12.0 metres, including 3.0 metres @ 3.69 g/t gold
- TRC65: 3.0 metres @ 1.98 g/t gold from 40.0 metres
- TRC69: 5.0 metres @ 1.72 g/t gold from 25.0 metres
- TRC74: 21.0 metres @ 0.95 g/t gold from 10.0 metres, including 11.0 metres @ 1.31 g/t gold

More drilling, both in-fill and extension along strike, is planned at Toulfe in the latter part of 2012 after an in depth assessment of the results of the current drill campaign.

Office Facilities

In July 2011, the Company commenced construction of its office facilities on the parcel of land purchased for that purpose in Ouagadougou. This project will provide the Company with full administrative facilities at a total cost, including the land purchase, of approximately $1,000,000. The office facilities are substantially complete and to date, the Company has spent $400,000 and has outstanding construction payments of approximately $600,000.

Ghana

The Company currently holds six Prospecting Licenses on the Bui Belt, two Reconnaissance Licenses on the Bibiani-Sefwi Belt and one Reconnaissance and two Prospecting Licenses on the Maluwe Basin as follows:

Bui Belt	Bibiani-Sefwi Belt	Maluwe Basin
Prospecting Licenses	*Reconnaissance Licenses*	*Prospecting Licenses*
Akrobi Kakum	Banda Ahenkro	Kuri
Brohani	Nkenkasu	Tinga
Chenchu		*Reconnaissance Licenses*
Cluster		Kalebu
Krachikrom		
Parabu		

Standard permitting procedures related to exploration on any Prospecting License issued by the Minerals Commission of Ghana requires annual renewal of Environmental Permits for Mineral Exploration ("EPA Permits") to be issued by the Ghanaian Environmental Protection Agency ("EPA"). The Company has received correspondence and has been verbally informed by the EPA that, other than for its Banda Ahenkro and Nkenkasu licenses, no EPA Permits will be renewed. This decision affects the Company's Akrobi Kakum, Brohani, Chenchu, Cluster, Krachikrom, Parabu, Kuri and Tinga Prospecting Licenses and the Company's Kalebu Reconnaissance License. These Licenses (the "Contested Licenses") are considered by the EPA to lie within an area of influence of the Bui Dam, which is currently under construction.

The Company suspended exploration activities on the Contested Licenses during the year ended December 31, 2009 and given the uncertainty of the situation, determined that the Contested Licenses be written down to a nominal valuation. As a result, a write-down of their value in the amount of $15,238,676 was recorded in the Consolidated Statement of Operations for the year ended December 31, 2009.

Despite meetings and correspondence with government officials and repeated requests for formal explanations for the refusal to grant the EPA Permits, the Company has not been provided with any technical justification for withholding the renewal of the EPA Permits. The Company believes it has met all of the requirements and conditions pertaining to the renewal of these EPA Permits and therefore believes it is in full compliance. All other statutory conditions required to maintain the prospecting licenses in good standing have been met.

The Ghanaian Ministry of Environment, Science and Technology recently established a committee to review the decision of the EPA. The committee has held an initial hearing, carried out an onsite visit to some of the Company's properties as well as an onsite visit to the Bui Dam. The Company awaits the conclusions of the Committee and further information regarding the next stage of the process.

On August 28, 2007, the Company concluded a two-part agreement with Newmont Ghana Gold Limited ("Newmont") and Newmont USA Limited ("NUSA"), (collectively, the "Newmont Group") comprising a joint venture agreement (the "Banda Ahenkro Joint Venture") on the 488 square kilometre Banda Ahenkro Property on the Sefwi Belt; and the waiving of NUSA's back-in rights on the Company's Bui Belt properties. Under the terms of the agreement, NUSA waived its historical back-in rights to projects on the Company's thirteen properties within the boundary of the old Bui Reconnaissance License, subject to a 1% NSR on production from the properties. In exchange for this waiver, the Company granted Newmont an initial 49% equity interest in its Banda Ahenkro license on the Sefwi Belt. Newmont has the right to earn another 21% (up to 70% in total) by spending US$1,500,000 on exploration over four years. Newmont may then elect to earn an additional 10% interest (up to 80% in total) by completing a feasibility study on the property.

Recent work resulted in the announcement of drill results from a 4 hole RC scout drilling program undertaken by joint venture partner, Newmont Ghana Gold Limited, a subsidiary of Newmont Mining Corporation (NYSE:NEM) ("Newmont") at the Sadjafi Prospect on the Banda Ahenkro JV ground *(see press release issued by the Company dated January 31, 2012)*. The Banda Ahenkro JV properties straddle the projected southwestward extension of the Ahafo Shear Zone, which hosts Newmont's >10 million ounce gold Ahafo Gold Mine.

The Sadjafi Prospect comprises a northeasterly trending coincident soil geochemistry/ground resistivity geophysical anomaly associated with a structural contact between volcanic and sedimentary lithologies. The target includes two main clusters of anomalism with an aggregate strike length of 5 kilometres. The initial scout drilling program carried out by Newmont comprised only 4 RC holes drilled on a fence straddling the NE anomaly.

The highlights from the scout drilling on this section include:

- SJRC0002: 10 metres @ 0.47 g/t Au, including 2 metres @ 1.21 g/t Au from 10 metres
- SJRC0003: 8 metres @ 4.58 g/t Au, including 2 metres @ 13.65 g/t Au from 30 metres

The initial results confirm bedrock mineralization over the full 200 metre width drilled on this section. The coincident geochemistry and geophysical anomaly, straddling the interpreted extension of a regionally important gold bearing structure such as the prolific Ahafo Shear Zone is significant.

Tinga Gold Project

The Company believes that the Tinga Property has the potential to support a 500,000-1,000,000 ounce gold camp. The aim is to expand the Far East resource down dip and along strike and to explore the other geochemical anomalies on the Tinga Property for satellite deposits.

RSG Global of Perth, Australia completed a National Instrument 43-101 compliant resource estimation for the Far East gold deposit in October 2007 which provided the following resource estimate: *(See RSG Global Consulting Pty Ltd report titled "Tinga Far East Gold Project Ghana, West Africa" filed on SEDAR November 1, 2007)*.

Summary Resource Statement for Tinga Far East Gold Deposit
Subdivided by Resource Category (above 0.5 g/t Gold lower cut-off) as at August 20, 2007

	Indicated Resource			Inferred Resource		
Deposit	Tonnage	Grade (g/t gold)	Gold Ounces	Tonnage	Grade (g/t gold)	Gold Ounces
Tinga Far East	1,340,000	3.61	155,000	717,000	3.33	77,000

The resource model is based on drilling undertaken over a strike extent of 2,000 metres down to an average depth of 100 metres and to a maximum depth of 190 metres below surface. The mineralized structure is continuous and coherent over 900 metres in the core of the Main Zone area.

Subject to resolution of the Bui Dam impasse described above, the Company will explore various opportunities for extracting value from the Tinga Gold Project.

The Company has various other licenses in Ghana at lesser advanced stages than those described above.

Interests in mineral licenses

The Company's interests in all mineral licenses in Burkina Faso and Ghana are subject to a 10% carried interest granted to the respective Government when a project proceeds to the exploitation phase.

Summarized Financial Results

(in 000's)

	Year ended December 31	
	2011	2010
Interest and dividend income	**$ 427**	$ 242
Foreign exchange (loss) gain	**(104)**	26
General and administrative costs	**(5,097)**	(4,560)
Stock-based compensation	**(3,571)**	(2,811)
Amortization	**(649)**	(320)
Loss on sale of marketable securities available for sale	**–**	(196)
Write-down of mineral interests	**–**	(176)
Net loss	**$ (8,994)**	$ (7,795)

Interest income

During the year ended December 31, 2011, the Company earned interest of $427,492 (2010 - $242,020) from funds invested in deposit certificates issued by banking institutions. The increase in interest income earned during the year ended December 31, 2011 as compared to the comparable period in 2010 reflects the Company's additional cash on deposit resulting from its financing transactions during the past 12 months. Interest earned from the increase in amounts on deposit was offset by decreased interest rates paid on deposits during the year.

General and administrative costs

General and administrative costs for the year ended December 31, 2011 were approximately 9% higher than the comparable period in the previous year. The categories of expense most affected were salaries and professional fees, which were $3,129,161 for the year ended December 31, 2011 as compared with $2,831,366 for the previous year. The increase was primarily due to increases in management remuneration. Also affected were travel and general expenses, which increased as a result of the increased level of exploration activity. The Company's legal and accounting fees were also affected by the increase in corporate and exploration activities.

Stock-based compensation

The stock-based compensation expense reflects the fair value of options granted to directors, senior officers, employees and consultants of the Company. The options vest immediately and are exercisable for a maximum period of five years from the date of the grant.

During the year ended December 31, 2011, 3,405,000 Options (2010 - 3,930,000 Options) were issued to directors, senior officers, consultants and employees of the Company. The fair value of the Options granted was estimated at $3,571,500 (2010 - $2,811,040) using the Black-Scholes option pricing model, using the following assumptions:

Expected option life 4 years (2010 - 4 to 5 years)
Volatility 100% (2010 - 58% to 60%)
Risk-free interest rate 1.31% to 2.38% (2010 - 2.44% to 2.85%)
Dividend yield 0.00% (2010 - 0.00%)

Amortization

The increase in amortization and depreciation expense from $320,468 for the year ended December 31, 2010, compared with $648,855 for the year ended December 31, 2011, reflects the increased expenditures on property, plant and equipment undertaken as a result of the Company's ramp-up of exploration activities on the Kiaka Property.

Foreign Exchange

The foreign exchange movement during the year ended December 31, 2011 reflects the movements of the United States dollar and Euro relative to the Canadian dollar. The Company's cash and cash equivalents and short-term investments are held in Canadian dollars. U.S. dollars are purchased to fund the Company's limited activities in Ghana and Euros are purchased to fund activities in Burkina Faso.

Mineral interests

Included in mineral interests are transactions related to the November 13, 2009 acquisition of the Kiaka Gold Project. As consideration for the purchase, the Company issued 20,000,000 of its common shares and incurred a liability of $4,000,000 to the seller, payable in amounts of $1,000,000 on each date 6, 12, 18 and 24 months following November 13, 2009. $2,000,000 was paid to the seller during the year ended December 31, 2010 and the balance payable in amounts of $1,000,000 on each of May 13, 2011 and November 31, 2011. The value of the 20,000,000 shares issued was $7,600,000.

The Company spent $15,517,982 (2010 - $8,616,227) on exploration activities and $1,654,103 (2010 - $1,554,262) on property, plant and equipment during the year ended December 31, 2011.

Quarterly Results

Summarized quarterly results for the past eight quarters in accordance with Canadian GAAP are as follows:

				Quarter ended
	December 31, 2011	**September 30, 2011**	**June 30, 2011**	**March 31, 2011**
Interest	**131,494**	**120,701**	**71,412**	**103,885**
Net loss for the period	**(2,366,705)**	**(4,219,560)**	**(1,348,415)**	**(1,059,210)**
Basic loss per share	**(0.02)**	**(0.03)**	**(0.01)**	**(0.01)**

				Quarter ended
	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Interest and dividends	120,335	98,464	14,815	8,406
Net loss for the period	(1,896,237)	(2,267,860)	(2,418,922)	(1,211,510)
Basic loss per share	(0.01)	(0.02)	(0.02)	(0.01)

Liquidity and Capital Resources

The consolidated financial statements for the year ended December 31, 2011 have been prepared on a going concern basis whereby the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments of a material nature would be necessary in the carrying value of assets such as mineral interests, liabilities, the reported expenses, and the balance sheet classifications used. Management continues to pursue financing opportunities for the Company to ensure that it will have sufficient cash to carry out its planned exploration program beyond the next year.

On August 4, 2011, the Company closed a private placement of 21,053,000 special warrants convertible into common shares for net proceeds of approximately $37,630,000, to be allocated towards the exploration and development of the Company's portfolio of gold properties in West Africa and towards general corporate and working capital purposes, as follows:

(a) approximately $27,060,000 is expected to be spent in connection with ongoing exploration work at the Kiaka Property during 2011 and 2012, which expenditures are expected to include geophysics and geochemistry, diamond and reverse circulation drilling, and professional studies including social, environmental, hydrogeological, geotechnical, metallurgical and engineering, prefeasibility and feasibility, as well as camp, transportation, personnel and overhead expenses at the project; and

(b) the balance of approximately $10,543,000 towards ongoing exploration work on the Company's other portfolio of properties, general corporate and working capital expenses, including, without limitation, such expenses as head office rent and overhead, employee, executive and director compensation, accounting and legal expenses, reporting issuer expenses and normal day to day business expenses.

In October 2010, the Company acquired a parcel of land in Ouagadougou, Burkina Faso at a cost of $216,675, on which it has constructed administrative offices for its Burkina Faso operations at an anticipated cost of $784,000.

The Company continues to manage its costs, focusing on its higher potential properties including the Kiaka Gold Project, the Gaoua Project and the Titao Gold Project, as described above. It also continues to pursue business acquisition opportunities in addition to joint venture opportunities with compatible partner companies having access to capital.

At December 31, 2011, the Company had working capital of $47,746,691 (December 31, 2010 - $32,060,570).

The Company presently has no revenue producing operations and is dependent on the capital markets for its funding.

Contractual obligations

The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution, protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its licenses or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company does not believe that any provision for such costs is currently required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

The Company has office lease commitments as follows:

2012	$	100,096
2013		41,707
2014		–
Total	$	141,803

Common Share Data (as at March 27, 2012)

Common shares outstanding	155,370,363
Options issued to directors, senior officers, employees and consultants	9,834,367
Common shares outstanding assuming exercise of all options	165,204,730

Related Party Transactions

	Year ended December 31, 2011	Year ended December 31, 2010
Amount paid for legal services to a legal firm of which an officer of the Company is a partner.	**$ 294,758**	$ 251,099
Amount paid for consulting services to a geological consulting firm of which an officer of the Company is the principal.	**311,946**	363,962
Amount paid for the services of the current Chief Financial Officer ("CFO") of the Company to a company of which the CFO is the President and major shareholder.	**–**	299,200
Amount paid for strategic and financial advisory services to a firm of which a director of the Company is the managing partner.	**–**	178,767

Risks and Uncertainties

The Company is in the development stage and has not determined whether its mineral interests contain economically recoverable ore reserves. The Company's future viability is dependent on renewal of its permits and licenses which are subject to intermittent renewal, the existence of ore reserves and on the ability of the Company to obtain financing for its exploration programs and development of such reserves and ultimately on the profitability of operations or disposition of its mineral interests.

Other risks and uncertainties the Company faces at present are market risk, foreign exchange risk and environmental risk.

Market risk is the risk of loss that may arise from changes in interest rates, foreign exchange rates and metal prices, particularly gold and copper. An extended period of depressed metal prices could make access to capital more difficult and the Company is dependent on capital markets to fund its exploration and ultimately, its development programs.

Foreign exchange risk arises since most of the Company's costs are in currencies other than the Canadian dollar. Fluctuations in exchange rates between the Canadian dollar and the Euro and/or the U.S. dollar could materially affect the Company's financial position. Management periodically considers reducing the effect of exchange risk through the use of forward currency contracts but has not entered into any such contracts to date.

Environmental regulations affect the cost of exploration and development as well as future mining operations; however, management does not believe that any provision against environmental regulations is currently required.

For a complete discussion on risk factors, please refer to the Company's Annual Information Form dated March 27, 2012 filed on www.sedar.com.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements requires management to make certain estimates that affect the amounts reported in these consolidated financial statements. The accounting estimates considered to be significant include estimates of the recoverability of mineral interests, stock-based compensation, future income taxes and property, plant and equipment.

The recoverability of the amounts shown for mineral interests is dependent on the existence of economically recoverable reserves, the ability to obtain financing to complete the development and exploitation of such reserves, its ability to meet its obligations under various agreements and the success of future operations or dispositions.

The Company uses a Black-Scholes model to determine the fair value of options and warrants. The main factor affecting the estimates of stock-based compensation is the stock price volatility used. The Company uses volatility rates of comparable companies in the estimate of future volatilities.

Changes in Accounting Policies

Transition to and Initial Adoption of IFRS

January 1, 2011 is the date that IFRS replaced Canadian generally accepted accounting standards (Canadian GAAP) as the financial reporting framework for the Company.

The annual consolidated financial statements of the Company for the year ended December 31, 2011 have been prepared in accordance with accounting policies consistent with IFRS and are the Company's first consolidated annual financial statements to be presented in accordance with IFRS. Previously, the Company prepared its consolidated annual and consolidated interim financial statements in accordance with Canadian GAAP.

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company elected to apply the following optional exemptions in its preparation of an opening IFRS statement of financial position as at January 1, 2010, the Company's "Transition Date".

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition to IFRS. The Company elected to apply IFRS 3 prospectively from the Transition Date, thereby not restating business combinations that occurred prior to the Transition date.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those that were made under Canadian GAAP.

Changes to accounting policies

The Company changed certain accounting policies to be consistent with IFRS. The changes to its accounting policies have not resulted in significant changes to the recognition and measurement of assets, liabilities, equity and expenses within its financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

(i) Impairment of non-financial assets

IFRS requires a write-down of non-financial assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows or other applicable measures. Canadian GAAP requires a write-down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company has a policy of reviewing its non-financial assets each quarter, to determine whether there are any indications of impairment. Where there were such indications of impairment, the non-financial assets are written down as appropriate.

(ii) Decommissioning liabilities (Asset Retirement Obligations ("AROs"))

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

While the Company does not currently have any AROs, the Company's accounting policies related to decommissioning liabilities have been changed to reflect these changes.

(iii) Deferred taxation

Under IFRS, a deferred tax liability is not recognized if it arises from the initial recognition of an asset in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit. The deferred tax liability that arose on the acquisition of the Company's subsidiary, Wentworth Resources (Pty) Ltd, has been reversed on the Company's transition to IFRS.

	December 31, 2011 ($)	December 31, 2010 ($)	January 1, 2010 ($)
Future income taxes liability eliminated	–	148,096	148,096
Mineral interests asset reduced	–	148,096	148,096

Impact on condensed interim statements of financial position:

There is no impact on the condensed interim statements of loss and comprehensive loss or on the condensed interim statements of cash flows.

(iv) Presentation

Certain amounts in the unaudited interim statements of financial position, statements of loss and comprehensive loss and statements of cash flows have been reclassified to conform to the presentation adopted under IFRS.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

There were no changes to the Company's internal controls over financial reporting in the year ended December 31, 2011, which have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

As of December 31, 2011, the Company evaluated its disclosure controls and procedures and internal control over financial reporting, as defined by the Canadian Securities Administrators. These evaluations were carried out under the supervision of and with the participation of management, including the Company's president and chief executive officer and the chief financial officer. Based on these evaluations, the president and chief executive officer and the chief financial officer concluded that the design of these disclosure controls and procedures and internal control over financial reporting were effective.

Other

In February 2011, the board of directors of the Company approved the adoption of a shareholder rights plan agreement ("SRP") which was adopted to provide adequate time for the Board and the Company's shareholders to assess any unsolicited take-over bid (a "Bid") which might be received, to provide the Board with sufficient time to explore and develop alternatives for maximizing shareholder value and to provide the Company's shareholders with an equal opportunity to participate in the Bid and protect them from unfair or coercive tactics. The SRP was by the shareholders of the Company at the Company's annual meeting of shareholders, held June 22, 2011.

Forward-Looking Statements

Except for the historical statements contained herein, this management's discussion and analysis presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and other minerals and metals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to international operations, risks related to the integration of acquisitions; risks related to joint venture operations; actual results of current exploration activities; actual results of current or future reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and other minerals and metals; possible variations in ore reserves, grade or recovery rates; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the management and officers of Volta believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Additional Information

Additional information, including the Company's quarterly and annual consolidated financial statements, annual information form, technical reports and other disclosure documents may be found by accessing the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com. The Company's website is located at www.voltaresources.com.

Independent Auditors' Report

To the Shareholders of Volta Resources Inc.

We have audited the accompanying consolidated financial statements of Volta Resources Inc., which comprise the consolidated statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010, the consolidated statements of comprehensive loss, changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Volta Resources Inc. as at December 31, 2011, December 31, 2010 and January 1, 2010, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Canada

March 27, 2012

Management's Responsibility for Financial Reporting

All the information in the annual consolidated financial statements and management's discussion and analysis of financial results ("MD&A") of Volta Resources Inc. ("the Company"), is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company (the "Board"). The consolidated financial statements and the MD&A were prepared by management. The annual consolidated financial statements were prepared in accordance with International Financial Reporting Standards and the MD&A in accordance with disclosure requirements generally accepted in Canada.

The preparation of financial statements and MD&A requires the selection of appropriate accounting principles and the use of estimates and judgment by management to present fairly and consistently the consolidated financial position and results of operations of the Company. Estimates are necessary when transactions affecting the current accounting period cannot be finalized with certainty until future periods. In management's opinion, such estimates have been properly reflected in the audited annual consolidated financial statements and MD&A. Systems of internal accounting controls are designed and maintained by management in order to provide reasonable assurance, on a cost-effective basis, of the reliability of this financial information.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the annual consolidated financial statements and MD&A of the Company. The Board carries out this responsibility principally through its Audit Committee (the "Committee") composed of three directors, none of whom are members of management. The Committee meets periodically with management and the Company's independent auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues and meets to review the annual consolidated financial statements and MD&A and the independent auditors' report to the shareholders. The Committee reports its findings to the Board for consideration when approving the annual consolidated financial statements and the MD&A for issuance to shareholders. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or reappointment of the Company's independent auditors.

The annual consolidated financial statements have been audited on behalf of the shareholders by the Company's independent auditors, KPMG LLP, Chartered Accountants, in accordance with generally accepted auditing standards. The auditors' report outlines the scope of their examination and their opinion on the consolidated financial statements.

Kevin Bullock
President and Chief Executive Officer

Alan Rootenberg
Chief Financial Officer

March 27, 2012

Consolidated Statements of Financial Position

(expressed in Canadian dollars)

	December 31 2011	December 31 2010 (Note 13)	January 1 2010 (Note 13)
Assets			
Current assets			
Cash	$ 697,392	$ 815,176	$ 629,555
Short-term investments	48,705,689	34,544,331	8,914,174
Amounts receivable	644,881	364,635	82,956
Supplies	210,760	465,675	17,081
	50,258,722	36,189,817	9,643,766
Mineral interests *(note 3)*	45,363,098	29,845,116	21,404,851
Property, plant and equipment *(note 4)*	3,247,098	2,241,850	1,008,056
Marketable securities available for sale	–	–	375,800
Other assets	58,213	58,213	58,213
	$ 98,927,131	$ 68,334,996	$ 32,490,686
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities *(note 3)(a))*	$ 2,381,731	$ 4,001,997	$ 3,233,074
Other liabilities	130,300	127,250	117,336
	2,512,031	4,129,247	3,350,410
Amount payable on purchase of mineral interest *(note 3(a))*	–	–	2,000,000
	2,512,031	4,129,247	5,350,410
Shareholders' Equity			
Capital stock *(note 5)*	132,088,663	94,456,922	52,223,960
Contributed surplus	2,147,190	2,147,190	1,605,512
Stock options *(note 6)*	7,425,117	3,853,617	1,768,255
Accumulated deficit	(45,245,870)	(36,251,980)	(28,457,451)
	96,415,100	64,205,749	27,140,276
	$ 98,927,131	$ 68,334,996	$ 32,490,686

Commitments *(note 9)*

The accompanying notes form an integral part of these consolidated financial statements.

Approved on behalf of the Board

Kevin Bullock
Director

Robert Whittall
Director

Volta Resources Inc.

Consolidated Statements of Comprehensive Loss

(expressed in Canadian dollars)

For the years ended December 31,		2011		2010
Interest income	$	427,492	$	242,020
Total income	$	427,492	$	242,020
Stock-based compensation		3,571,500		2,811,040
Salaries		2,747,853		2,210,734
Office and general		1,770,234		1,625,722
Amortization		648,855		320,468
Professional fees		579,308		723,132
Foreign exchange loss (gain)		103,632		(26,453)
Total expenses		9,421,382		7,664,643
Net and comprehensive loss before the undernoted		(8,993,890)		(7,422,623)
Loss on sale of marketable securities available for sale		–		(195,944)
Write-down of mineral interests *(note 3(i))*		–		(175,962)
Net loss	$	(8,993,890)	$	(7,794,529)
Basic loss per share *(note 7)*	$	(0.07)	$	(0.07)
Diluted loss per share *(note 7)*	$	(0.07)	$	(0.07)

Volta Resources Inc.

Consolidated Statements of Deficit

For the years ended December 31,		2011		2010
Accumulated deficit, beginning of year	$	(36,251,980)	$	(28,457,451)
Net loss		(8,993,890)		(7,794,529)
Accumulated deficit, end of year	$	(45,245,870)	$	(36,251,980)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

(expressed in Canadian dollars)

	Capital stock *(note 5)* ($)	Warrants *(note 5)* ($)	Contributed Surplus ($)	Stock and Compensation Options *(note 6)* ($)	Accumulated Deficit ($)	Total Equity ($)
Balance, January 1, 2010	52,223,960	–	1,605,512	1,768,255	(28,457,451)	27,140,276
Shares and warrants issued pursuant to private placement	4,685,462	3,291,928	–	–	–	7,977,390
Warrants exercised	3,291,928	(3,291,928)	–	–	–	–
Shares issued pursuant to prospectus financing	32,438,889	–	–	–	–	32,438,889
Stock options exercised	1,058,259	–	422,447	(422,447)	–	1,058,259
Compensation options exercised	574,424	–	–	–	–	574,424
Fair value of compensation options exercised	184,000	–	–	(184,000)	–	–
Stock options granted	–	–	–	2,811,040	–	2,811,040
Stock options expired	–	–	119,231	(119,231)	–	0
Net loss for the year	–	–	–	–	(7,794,529)	(7,794,529)
Balance, December 31, 2010	**94,456,922**	**–**	**2,147,190**	**3,853,617**	**(36,251,980)**	**64,205,749**
Shares issued pursuant to prospectus financing	37,631,741	–	–	–	–	37,631,741
Stock options granted	–	–	–	3,571,500	–	3,571,500
Net loss for the year	–	–	–	–	(8,993,890)	(8,993,890)
Balance, December 31, 2011	**132,088,663**	**–**	**2,147,190**	**7,425,117**	**(45,245,870)**	**96,415,100**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

(expressed in Canadian dollars)

For the years ended December 31,	2011	2010
Operating Activities		
Net loss for the year	$ (8,993,890)	$ (7,794,529)
Non-cash items:		
Stock-based compensation	3,571,500	2,811,040
Amortization	648,855	320,468
Loss on sale of marketable securities available for sale	–	195,944
Write-down of mineral interests	–	175,962
Changes in non-cash working capital	357,453	48,564
Cash used for operating activities	(4,416,082)	(4,242,551)
Investing Activities		
Short-term investments	(14,161,358)	(25,630,157)
Deferred exploration costs	(15,517,982)	(8,616,227)
Payment made for acquisition of Kiaka License *(note 3(a))*	(2,000,000)	(2,000,000)
Property, plant and equipment acquired	(1,654,103)	(1,554,262)
Proceeds from sale of marketable securities available for sale	–	179,856
Cash used for investing activities	(33,333,443)	(37,620,790)
Financing Activities		
Proceeds from issue of securities	40,000,700	39,230,050
Proceeds from exercise of warrants	–	3,291,928
Proceeds from exercise of options	–	1,632,684
Share issue costs	(2,368,959)	(2,105,700)
Cash provided by financing activities	37,631,741	42,048,962
Increase (decrease) in cash and cash equivalents	(117,784)	185,621
Cash, beginning of year	815,176	629,555
Cash, end of year	$ 697,392	$ 815,176
Income taxes paid	$ –	$ –
Interest paid	$ –	$ –
Non-cash investing activities:		
Amount payable on acquisition of Kiaka License *(note 3(a))*	$ –	$ 2,000,000

The accompanying notes form an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

1. Nature of Operations

The Company was incorporated March 31, 2008 under the Business Corporations Act (Ontario). Its activities are directed toward exploration and development of mineral projects in West Africa.

Basis of presentation and first-time adoption of International Financial Reporting Standards ("IFRS")

These are the Company's first audited annual consolidated financial statements presented in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). IFRS 1 First-Time Adoption of IFRS ("IFRS 1") has been applied with a transition date of January 1, 2010 and the impact of the transition from Canadian GAAP to IFRS is explained in note 13.

The accounting policies set out below have been applied consistently to all periods presented, including the opening balance sheet at January 1, 2010 (note 13) for purposes of transition to IFRS. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results in accordance with IFRS have been included.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 13. This note includes reconciliations of equity and total comprehensive loss for comparative periods and of equity at the date of transition reported under previous Canadian GAAP to those reported for those periods and at the date of transition under IFRS.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Company are summarized as follows:

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

(b) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Accounts which require management to make material estimates include, exploration and evaluation expenditures, property, plant and equipment, and stock-based compensation expense.

(c) Functional and Presentation Currency

The functional and presentation currency, as determined by management of the Company, is the Canadian Dollar. Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates, are recognized in the consolidated statements of comprehensive loss.

The results and financial position of the Company's subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- monetary assets and liabilities are translated at the closing exchange rate at the date of each statement of financial position;
- non-monetary assets and liabilities are translated using the exchange rate at the date of the transaction;
- income and expenses for each statement of income and comprehensive income are translated at average exchange rates for the period, and;
- equity transactions are translated using the exchange rate at the date of the transaction.

(d) Short-term investments

Short-term investments represent short-term money market instruments with maturities greater than 90 days and less than one year at date of acquisition.

(e) Mineral interests

Mineral interests consist of the Company's exploration and evaluation expenditures which are considered to have the characteristics of property, plant and equipment. As such, the Company capitalizes all exploration and evaluation costs, including acquisition costs, field exploration and field supervisory costs relating to specific properties, until those properties are brought into production. In the event that the properties are abandoned, sold or considered to be impaired in value, an impairment charge will be made.

(f) Property, plant and equipment

Property, plant and equipment ("PPE") is recorded at cost. Items of PPE are amortized over their expected useful life on a straight-line basis. Where an item of PPE comprises significant components with different useful lives, the components are regarded as separate items of PPE and depreciated or written down accordingly. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including significant inspection and overhaul expenditures, are capitalized. Depreciation rates for each class of asset are as follows:

Office equipment	20% to 33%
Field equipment	20% to 25%
Vehicles	20%
Buildings	10%

(g) Impairment of long-lived assets

Long-lived assets including mineral interests and property, plant and equipment are reviewed to determine whether indications of impairment exist, at which point management determines whether a write-down of their carrying amount is required. Since the Company has not established mineral reserves, it does not have a basis to prepare cash flow projections to support the carrying amount of these assets. As a result, other factors are considered in determining whether a write-down is required.

(h) Financial instruments

The carrying amount of cash, short-term investments, amounts receivable, accounts payable and accrued liabilities and other liabilities represent their fair value, due to their short-term nature.

(i) Deferred income taxes

The Company uses the asset and liability method in accounting for income taxes. Under this method of tax allocation, deferred income and tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on deferred income tax assets and liabilities of a change in tax rates is included in income in the year in which the change is enacted or substantively enacted. The amount of deferred income tax assets recognized is limited to the amount that is more likely than not to be realized.

(j) Stock-based compensation

The Company has a stock-based compensation plan. The Company recognizes as an expense the cost of stock-based compensation based on the estimated fair value of options granted to employees, consultants, officers and directors. The fair value of each stock option granted is estimated on the date of the grant using the Black-Scholes option-pricing model and is expensed over the vesting period.

(k) Basic and diluted loss per share

Basic loss per share is computed based on the weighted average number of common shares outstanding during the year. For the years ended December 31, 2011 and December 31, 2010, stock options outstanding were not included in the computation of diluted loss per share as their inclusion would be anti dilutive.

(l) Changes in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2011 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

(a) IFRS 9 Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

(b) IFRS 10 'Consolidated Financial Statements' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

(c) IFRS 11 'Joint Arrangements' ("IFRS 11") was issued by the IASB in May 2011 and will replace IAS 31 Interests in Joint ventures and SIC 13 - Jointly Controlled Entities - Non-Monetary Contributions by Venturers. IFRS 11 is effective for annual period beginning on or after January 1, 2013.

(d) IFRS 12 'Disclosure of Interests in Other Entities' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

(e) IFRS 13 'Fair Value Measurement' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

(f) IFRIC 20 'Stripping costs in the production phase of a surface mine' - effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity from the stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods.

3. Mineral Interests

The Company's interests in all mineral licenses in Burkina Faso, Ghana and Mali are subject to a 10% carried interest granted to the respective Government when a project proceeds to the exploitation phase.

	January 1, 2010 $	Additions 2010 $	December 31, 2010 $	Additions 2011 $	December 31, 2011 $
Burkina Faso:					
Kiaka Project (a) :					
Acquisition of mineral property	11,600,000	–	11,600,000	–	11,600,000
Exploration expenditures	675,479	6,988,915	7,664,394	12,622,315	20,286,709
	12,275,479	6,988,915	19,264,394	12,622,315	31,886,709
Gaoua Project (b):					
Acquisition of mineral interest	729,322	–	729,322	–	729,322
Option payments received	(131,746)	–	(131,746)	–	(131,746)
Exploration expenditures	3,947,329	1,357,831	5,305,160	2,255,152	7,560,312
	4,544,905	1,357,831	5,902,736	2,255,152	8,157,888
Kampti Project (c):					
Exploration expenditures	2,261,979	28,635	2,290,614	4,454	2,295,068
Other Burkina Faso projects:					
Acquisition of mineral interests	84,111	–	84,111	–	84,111
Exploration expenditures	886,844	224,794	1,111,638	636,061	1,747,699
Write-down of exploration costs	(42,123)	–	(42,123)	–	(42,123)
	928,832	224,794	1,153,626	636,061	1,789,687
Total Burkina Faso	20,011,195	8,600,175	28,611,370	15,517,982	44,129,352
Ghana:					
Tombe (d):					
Acquisition costs	3,073,438	–	3,073,438	–	3,073,438
Exploration expenditures	109,635	–	109,635	–	109,635
Write-down of exploration costs	(3,183,072)	–	(3,183,072)	–	(3,183,072)
	1	–	1	–	1
Chert Ridge (e):					
Acquisition costs	1,573,214	–	1,573,214	–	1,573,214
Exploration expenditures	238,736	–	238,736	–	238,736
Write-down of exploration costs	(1,811,949)	–	(1,811,949)	–	(1,811,949)
	1	–	1	–	1
Tinga (f):					
Acquisition costs	1,573,214	–	5,800,000	–	5,800,000
Exploration expenditures	238,736	–	483,479	–	483,479
Write-down of exploration costs	(1,811,949)	–	(6,283,478)	–	(6,283,478)
	1	–	1	–	1
Other Ghana (g)(h):					
Acquisition costs	7,120,056	–	7,120,056	–	7,120,056
Exploration expenditures	768,192	16,052	784,244	–	784,244
Write-down of exploration costs	(7,017,024)	–	(7,017,024)	–	(7,017,024)
	871,224	16,052	887,276	–	887,276
Total Ghana	871,227	16,052	887,279	–	887,279
Mali:					
Exploration expenditures	522,429	–	522,429	–	522,429
Write-down of exploration costs (i)	–	(175,962)	(175,962)	–	(175,962)
Total Mali	522,429	(175,962)	346,467	–	346,467
Company Total	**21,404,851**	**8,440,265**	**29,845,116**	**15,517,982**	**45,363,098**

Burkina Faso

(a) In October 21, 2009, the Company purchased a 100% interest in the Kiaka Gold Project in Burkina Faso, subject to a free participating right of 10%, up to a full feasibility study (held by a local Burkinabe company). As consideration for the purchase, the Company, on November 13, 2009, issued 20,000,000 of its common shares, valued at $7,600,000, to the seller and incurred a liability of $4,000,000 to the seller, payable in amounts of $1,000,000 on each date 6, 12, 18 and 24 months following November 13, 2009. At December 31, 2011, this liability had been paid in full. The Company has the right to explore the property until June 2013 and intends to apply for a mining license during the current renewal period.

(b) The Gaoua project includes the Malba, Souhouera and Danyoro properties. The Malba property was acquired by the Company in June 2004 and is being explored for gold and copper gold deposits. The Company's exploration rights to the property expired in April 2011 and the Company has applied for new exploration rights to the property. The Souhouera property is located immediately south of the Malba concession. This concession was acquired by the Company on September 12, 2005, had been renewed until September 2011 and the Company has submitted a normal course renewal application for an additional three year term. The Danyoro property is located immediately south of the Souhouera concession. The Company had the right to explore this property until October 2011 and the Company has submitted a normal course renewal application for an additional three year term. Previously the Gaoua project was subject to an earn-in agreement with Freeport McMoRan Exploration Corporation ("FMEC"). In January, 2009, FMEC informed Volta that they would not be continuing with the option agreement. FMEC has relinquished all rights to the project and retains no interest.

(c) The Kampti concession was granted to the Company in September 2004, and through successive renewals, has been renewed until September 2013.

In December 2011, the Company entered into an agreement whereby the Company will exchange its Kampti Permit in Burkina Faso and its Massabougou and Diele Permits in Mali, for eight permits in Burkina Faso, situated nearby, and contiguous to, the Company's Kiaka Project. The exchange is subject to approval being obtained from the appropriate regulatory bodies in Burkina Faso and Mali.

Ghana

(d) Tombe is a gold prospect located on the Bui Belt and is part of the Chenchu license. It was acquired in 1997 and is subject to a 1% net smelter royalty ("NSR") (note 3(g)).

(e) Chert Ridge is a gold prospect located on the Bui Belt and is part of the Cluster license. It was acquired in 1997 and is subject to a 1% NSR (note 3(g)).

(f) Tinga is a gold license located in northern Ghana which was acquired in 2005 (note 3(g)).

(g) Standard permitting procedures related to exploration on any Prospecting License issued by the Minerals Commission of Ghana requires annual renewal of Environmental Permits for Mineral Exploration ("EPA Permits") to be issued by the Ghanaian Environmental Protection Agency ("EPA"). The Company has received correspondence and has been verbally informed by the EPA that, other than for its Banda Ahenkro and Nkenkasu licenses, no EPA Permits will be renewed. This decision affects the Company's Akrobi Kakum, Brohani, Chenchu (which includes the Tombe gold prospect), Cluster, (which includes the Chert Ridge gold prospect), Krachikrom, Parabu, Kuri and Tinga Prospecting Licenses and the Company's Kalebu Reconnaissance License. These Licenses (the "Contested Licenses") are considered by the EPA to lie within an area of influence of the Bui Dam, which is currently under construction.

The Company suspended exploration activities on the Contested Licenses during the year ended December 31, 2009 and given the uncertainty of the situation, determined that the Contested Licenses be written down to a nominal valuation. As a result, a write-down of their value in the amount of $15,238,676 was recorded in the Consolidated Statement of Operations for the year ended December 31, 2009.

The Ghanaian Ministry of Environment, Science and Technology recently established a committee to review the decision of the EPA. The committee has held an initial hearing, carried out an onsite visit to some of the Company's properties as well as an onsite visit to the Bui Dam. The Company awaits further information regarding the next stage of the process.

(h) The Company granted Newmont Ghana Gold Limited and Newmont USA Limited ("Newmont"), an initial 49% equity interest in its Banda Ahenkro license on the Sefwi Belt. Newmont has the right to earn another 21% (up to 70% in total) by spending US$1,500,000 on exploration over four years. Newmont may then elect to earn an additional 10% interest (up to 80% in total) by completing a feasibility study on the property.

(i) The Company was not awarded an exploration permit for its Digan license in Mali and as a result, during the year ended December 31, 2010, the Company wrote off expenditures of $175,962 incurred exploring this property (note 3(d)).

4. Property, Plant and Equipment

	2011		
	Cost	Accumulated amortization	Net book value
Land (a)	**$ 264,430**	**$ –**	**$ 264,430**
Buildings (a)	**1,306,346**	**145,494**	**1,160,852**
Vehicles	**843,149**	**469,875**	**373,274**
Field equipment	**1,812,406**	**636,507**	**1,175,899**
Office equipment	**683,292**	**410,649**	**272,643**
	$ 4,909,623	**$ 1,662,525**	**$ 3,247,098**

	2010		
Land	$ 227,409	$ –	$ 227,409
Buildings	500,188	66,053	434,135
Vehicles	617,076	402,868	214,208
Field equipment	1,404,921	240,375	1,164,546
Office equipment	505,926	304,374	201,552
	$ 3,255,520	$ 1,013,670	$ 2,241,850

(a) In October 2010, the Company acquired a parcel of land in Ouagadougou, Burkina Faso, on which it has commenced construction of administrative offices for its Burkina Faso operations. The land comprises 1,500 square metres and was acquired at a cost of $253,692. As at December 31, 2011, construction costs of $313,457 had been incurred and as at the date of this report, construction has been substantially completed.

(b) As at December 31 2011, $3,122,469 of the Company's property, plant and equipment is located in Burkina Faso and $124,629 is located in Canada.

5. Capital Stock

(a) Authorized - unlimited common shares
(b) Issued and outstanding

	Warrants		Capital stock	
	(#)	($)	(#)	($)
Balance, December 31, 2009	**–**	**–**	**98,541,887**	**52,223,960**
Shares and warrants issued pursuant to private placement (i)(ii)(iii)	3,196,047	3,291,928	6,392,095	4,685,462
Warrants exercised (i)(ii)(iii)	(3,196,047)	(3,291,928)	3,196,047	3,291,928
Shares issued pursuant to prospectus financing (iv)	–	–	22,258,000	32,438,889
Stock options exercised	–	–	2,026,024	1,058,259
Compensation options exercised (v)	–	–	1,511,645	574,424
Fair value of compensation options exercised (v)	–	–	–	184,000
Balance, December 31, 2010	–	–	**133,925,698**	**94,456,922**
Shares issued pursuant to prospectus financing (vi)	–	–	21,053,000	37,631,741
Balance, December 31, 2011	–	–	**154,978,698**	**132,088,663**

(i) On March 22, 2010, the Company closed a private placement for gross proceeds of $4,000,000. The Company issued 5,405,404 common shares and 2,702,702 warrants. Each warrant entitled the bearer to acquire one common share of the Company at an exercise price of $1.03 per share before March 22, 2015. In June 2010, all 2,702,702 warrants were exercised for gross proceeds of $2,783,783.

(ii) Pursuant to the Company's purchase of a 100% interest in the Kiaka Gold Project in Burkina Faso as indicated in 3(a) above, the seller ("the Seller") had the right to participate pro-rata in all equity issues contemplated by the Company, provided at the time of such issue the Seller held a minimum of 15 per cent of the total issued and outstanding shares in the capital of the Company (the "Pre-Emptive Right").

Following the private placement indicated in 5(b)(i) above, the Seller exercised its Pre-Emptive Right and invested $730,151 in a private placement investment. The Company issued 986,691 common shares and 493,345 warrants to the Seller. Each warrant entitled the bearer to acquire one common share of the Company at an exercise price of $1.03 per share before March 29, 2015. In June 2010, all 493,345 warrants held by the Seller were exercised for gross proceeds of $508,145.

Through the sale of a portion of its holdings, the Seller's holdings have reduced to below 15 percent and as a result, the Seller has lost it's Pre-Emptive Right.

(iii) The fair value of the warrants issued as described in 5(b)(i) and 5(b)(ii) above, were estimated at $2,153,002 using the Black-Scholes option pricing model, using the following assumptions:

Expected option life 5 years
Volatility 60%
Risk-free interest rate 2.90%
Dividend yield 0.00%

(iv) On June 2, 2010, the Company issued 22,258,000 special warrants at a price of $1.55 per special warrant for aggregate gross proceeds to the Company of $34,499,900 (net proceeds of $32,438,889). Each special warrant entitled the holder thereof to receive, without payment of additional consideration, one common share of the Company. On July 14, 2010, the Company received a receipt for a final Short-Form Prospectus which qualified the common shares issuable upon exercise of the special warrants for distribution to the public and subsequently, the 22,258,000 special warrants were converted into 22,258,000 common shares of the Company.

(v) During the year ended December 31, 2010, compensation options, issued to the underwriters of an October 21, 2009 private placement, were exercised for proceeds to the Company of $574,424.

(vi) On August 4, 2011, the Company issued 21,053,000 special warrants at a price of $1.90 per special warrant for aggregate gross proceeds to the Company of $40,000,700 (net proceeds of $37,631,741). Each special warrant entitled the holder thereof to receive, without payment of additional consideration, one common share of the Company. On August 22, 2011, the Company received a receipt for a final Short-Form Prospectus which qualified the common shares issuable upon exercise of the special warrants for distribution to the public and subsequently, the 21,053,000 special warrants were converted into 21,053,000 common shares of the Company.

6. Stock and Compensation Options

The Company maintains a stock option plan (the "Plan") for the directors, officers, consultants and employees of the Company and any present and future subsidiary of the Company. The purpose of the Plan is to attract, retain and motivate management, staff and consultants by providing them with the opportunity, through stock options, to acquire a proprietary interest in the Company and benefit from its growth. The maximum number of options issuable by the Company is 10% of the issued and outstanding common shares. Options are exercisable for a maximum period of five years from the date of grant and vest on issue.

A summary of the status of the Plan as at December 31, 2011 and 2010 and changes during the years ended on those dates is as follows:

	2011			2010		
	Options		**Weighted Average Exercise Price**	Options		Weighted Average Exercise Price
Outstanding and exercisable at beginning of year	**6,821,032**	**$**	**0.56**	5,609,369	$	0.63
Granted (i)	**3,405,000**		**1.86**	3,930,000		1.53
Exercised (ii)	**–**		**–**	(2,026,024)		0.52
Expired	**–**		**–**	(692,313)		1.23
Outstanding and exercisable at end of year	**10,226,032**		**1.37**	6,821,032	$	0.56
Compensation options						
Outstanding and exercisable at beginning of year	**–**	**$**	**–**	1,511,645	$	0.38
Issued	**–**		**–**	–		–
Exercised (ii)	**–**		**–**	(1,511,645)		0.38
Outstanding and exercisable at end of year	**–**	**$**	**–**	–	$	–

(i) During the year ended December 31, 2011, 3,405,000 Options (2010 - 3,930,000 Options) were issued to directors, senior officers, consultants and employees of the Company. These Options are exercisable for a maximum period of five years from the date of the grant. The fair value of the Options granted was estimated at $3,571,500 (2010 - $2,811,040) using the Black-Scholes option pricing model, using the following assumptions:

Expected option life 4 years (2010 - 4 to 5 years)
Volatility 100% (2010 - 58% to 60%)
Risk-free interest rate 1.31% to 2.38% (2010 - 2.44% to 2.85%)
Dividend yield 0.00% (2010 - 0.00%)

(ii) No Options were exercised during the year ended December 31, 2011. During the year ended December 31, 2010, the Company received $1,632,684 from the exercise of 3,537,669 stock and compensation options.

The following table summarizes information on stock options outstanding as at December 31, 2011 and 2010

Options Outstanding and Exercisable

Exercise Price $	Number Outstanding December 31, 2011	Remaining Contractual Life - Years	Number Outstanding December 31, 2010	Remaining Contractual Life - Years
2.050	50,000	4.24	–	–
1.900	2,855,000	4.65	–	–
1.850	250,000	4.28	–	–
1.540	2,110,000	3.63	2,110,000	4.63
1.530	1,750,000	3.26	1,750,000	4.26
1.380	250,000	4.84	–	–
1.230	50,000	0.64	50,000	1.64
1.200	391,665	0.18	391,665	1.18
0.990	41,667	0.91	41,667	1.91
0.900	66,667	0.95	66,667	1.95
0.610	1,481,033	1.42	1,481,033	2.42
0.590	100,000	1.48	100,000	2.48
0.170	100,000	2.46	100,000	3.46
0.130	730,000	2.37	730,000	3.37
	10,226,032		6,821,032	

7. Loss Per Common Share

The Company has not included in the calculation of diluted earnings per share the effect of its outstanding stock and compensation options as the effect would be anti-dilutive.

	2011	2010
Net loss for the year	$ (8,993,890)	$ (7,794,529)
Weighted average number of common shares outstanding		
Basic	141,481,706	117,315,833
Effect of dilutive stock options and warrants	–	–
Diluted	141,481,706	117,315,833
Loss per share		
Basic	$ (0.07)	$ (0.07)
Diluted	$ (0.07)	$ (0.07)

8. Income Taxes

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred income tax assets have not been recognized in respect of the following items:

	2011 $	2010 $
Share issue costs	859,462	527,747
Capital losses carried forward	321,791	377,518
Non-capital losses carried forward	7,674,914	6,107,862
Property, plant and equipment	339,478	185,642
Mineral interests	2,194,957	2,265,200
Other	86,125	92,608

As at December 31, 2011 the Company had the following Canadian income tax attributes to carry forward:

	$
Capital Losses	2,574,327
Non-capital Losses	15,702,022

The non-capital loss carry forwards begin to expire in 2014. The net capital loss carry forwards may be carried forward indefinitely, but can only be used to reduce capital gains. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The reconciliation of the combined Canadian federal and provincial statutory income tax rate on the loss for the years ended December 31 is as follows:

	2011		2010	
	$	%	$	%
Loss before recovery of income taxes	**8,993,890**		7,794,529	
Expected income tax recovery	**(2,540,774)**	**28.3**	(2,416,304)	31.0
Increase (decrease) resulting from:				
Tax benefits not recognized	**1,920,149**	**(21.3)**	1,627,622	(20.9)
Difference between tax rates in foreign jurisdictions	**56,781**	**(0.6)**	34,374	(0.4)
Difference between current and deferred tax rates	**120,971**	**(1.3)**	341,451	(4.4)
Permanent differences and other	**442,873**	**(5.1)**	412,857	(5.3)
Effective tax rate	**–**	**–**	–	–

The statutory tax rate decreased during 2011 as a result of the reduction in Canadian federal and provincial statutory income tax rates as compared with 2010.

9. Commitments

The Company has office lease commitments as follows:

2012	$	100,096
2013		41,707
2014		–
Total	$	141,803

In July 2011, the Company commenced construction of its office facilities on the parcel of land purchased for that purpose in Ouagadougou, Burkina Faso. The total cost, including the land purchase will be approximately $1,000,000. To date, the Company has spent $570,000 and has outstanding construction commitments of approximately $430,000.

10. Capital Management

The Company considers its capital structure to consist of share capital, contributed surplus and stock options. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support the acquisition, exploration and development of mining interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external equity financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2011. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company has no external debt and is dependent on the capital markets to finance exploration and development activities.

11. Financial Instruments

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

The Company's credit risk is primarily attributable to short-term investments and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Short-term investments consist of deposits having a maturity of greater than three months and less than one year at date of acquisition with Schedule 1 banks, from which management believes the risk of loss to be remote. Amounts receivable consist of advances to suppliers and goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to amounts receivable is remote. The Company does not hold any non-bank asset backed commercial paper.

(b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of December 31, 2011, the Company had a cash balance of $697,392 (December 31, 2010 - $815,176) plus short-term investments of $48,705,689 (December 31, 2010 - $34,544,331) to settle current liabilities of $2,512,031 (December 31, 2010 - $4,129,247). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(d) Interest rate risk

The Company has cash balances and no interest bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions.

(e) Foreign currency risk

Foreign exchange risk arises since most of the Company's costs are in currencies other than the Canadian dollar. Fluctuations in exchange rates between the Canadian dollar and the Euro and/or the U.S. dollar could materially affect the Company's financial position. Management periodically considers reducing the effect of exchange risk through the use of forward currency contracts but has not entered into any such contracts to date.

(f) Sensitivity analysis

The Company classifies its cash as held-for-trading, which are measured at fair value. Short-term investments comprise deposits having a maturity of greater than three months and less than one year at date of acquisition with Schedule 1 banks. Amounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The carrying values of cash and cash equivalents, short-term investments, amounts receivable, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period.

Short-term investments include deposits at call which are at variable rates. Sensitivity to a plus or minus 1% change in rates would affect net loss by approximately $487,000.

12. Related Party Transactions

	Year ended December 31, 2011	Year ended December 31, 2010
Amount paid for legal services to a legal firm of which an officer of the Company is a partner.	**$ 294,758**	$ 251,099
Amount paid for consulting services to a geological consulting firm of which an officer of the Company is the principal.	**311,946**	363,962
Amount paid for the services of the current Chief Financial Officer ("CFO") of the Company to a company of which the CFO is the President and major shareholder. (i)	**–**	299,200
Amount paid for strategic and financial advisory services to a firm of which a director of the Company is the managing partner.	**–**	178,767

(i) This services arrangement ended December 31, 2010 when the CFO became a full time employee of the Company.

Remuneration of the Company's directors and its Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Vice President Finance, Vice President Exploration and Vice President Operations was as follows:

	Year ended December 31, 2011	Year ended December 31, 2010
Salaries and benefits (a)	**$ 2,167,088**	$ 1,846,758
Stock-based compensation	**2,738,950**	2,143,660
Total	**$ 4,906,038**	$ 3,990,418

(a) Included in salaries and benefits are director fees. The independent directors of the Company do not have employment or services contracts with the Company. They receive director fees and stock options for their services.

These related party services were provided 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.

13. Conversion to IFRS

January 1, 2011 is the date that IFRS replaced Canadian GAAP as the financial reporting framework for the Company.

These are the Company's first set of audited annual consolidated financial statements prepared in accordance with accounting policies consistent with IFRS.

(a) First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has elected to apply the following optional exemptions in its preparation of an opening IFRS statement of financial position as at January 1, 2010, the Company's "Transition Date".

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition to IFRS. The Company has elected to apply IFRS 3 prospectively from the Transition Date, thereby not restating business combinations that occurred prior to the Transition date.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those that were made under Canadian GAAP.

The Company's Transition Date IFRS unaudited statement of financial position is included as comparative information in the unaudited interim statements of financial position in these financial statements.

(b) Changes to accounting policies

The Company has changed certain accounting policies to be consistent with IFRS. The changes to its accounting policies have not resulted in significant changes to the recognition and measurement of assets, liabilities, equity and expenses within its financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

(i) Impairment of non-financial assets
IFRS requires a write-down of non-financial assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows or other applicable measures. Canadian GAAP requires a write-down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company has a policy of reviewing its non-financial assets (including as at January 1, 2010 and December 31, 2010), to determine whether there are any indications of impairment. Where there are such indications of impairment, the non-financial assets are written down as appropriate.

(ii) Decommissioning liabilities (Asset Retirement Obligations ("AROs"))
IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

While the Company does not currently have any AROs, the Company's accounting policy related to decommissioning liabilities has been changed to reflect these changes.

(iii) Deferred taxation
Under IFRS, a deferred tax liability is not recognized if it arises from the initial recognition of an asset in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit. The deferred tax liability that arose on the acquisition of the Company's subsidiary, Wentworth Resources (Pty) Ltd, has been reversed on the Company's transition to IFRS.

	December 31, 2011 ($)	December 31, 2010 ($)	January 1, 2010 ($)
Future income taxes liability eliminated	–	148,096	148,096
Mineral interests asset reduced	–	148,096	148,096

Impact on condensed interim statements of financial position:

There is no impact on the condensed interim statements of loss and comprehensive loss or on the condensed interim statements of cash flows.

(iv) Presentation

Certain amounts in the consolidated statements of financial position, consolidated statements of comprehensive loss and consolidated statements of cash flows have been reclassified to conform to the presentation adopted under IFRS.

(c) Reconciliation between IFRS and Canadian GAAP

(i) The January 1, 2010 Canadian GAAP balance sheet has been reconciled to IFRS as follows:

	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets			
Current assets			
Cash	$ 629,555	$ –	$ 629,555
Short-term investments	8,914,174	–	8,914,174
Amounts receivable	82,956	–	82,956
Supplies	17,081	–	17,081
	9,643,766	–	9,643,766
Mineral interests	21,552,947	(148,096)	21,404,851
Property, plant and equipment	1,008,056	–	1,008,056
Marketable securities available for sale	375,800	–	375,800
Other assets	58,213	–	58,213
	$ 32,638,782	$ (148,096)	$ 32,490,686
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	$ 5,233,074	$ –	$ 3,233,074
Other liabilities	117,336	–	117,336
	5,350,410	–	3,350,410
Amount payable on purchase of mineral interest	–	–	2,000,000
Deferred income taxes	148,096	(148,096)	–
	5,498,506	(148,096)	5,350,410
Shareholders' Equity			
Capital stock	52,223,960	–	52,223,960
Contributed surplus	1,605,512	–	1,605,512
Stock options	1,768,255	–	1,768,255
Accumulated deficit	(28,457,451)		(28,457,451)
	27,140,276		27,140,276
	$ 32,638,782	$ (148,096)	$ 32,490,686

(ii) The December 31, 2010 Canadian GAAP balance sheet has been reconciled to IFRS as follows:

	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets			
Current assets			
Cash	$ 815,176	$ –	$ 815,176
Short-term investments	34,544,331	–	34,544,331
Amounts receivable	364,635	–	364,635
Supplies	465,675	–	465,675
	36,189,817	–	36,189,817
Mineral interests	29,993,212	(148,096)	29,845,116
Property, plant and equipment	2,241,850	–	2,241,850
Marketable securities available for sale	–	–	–
Other assets	58,213	–	58,213
	$ 68,483,092	$ (148,096)	$ 68,334,996
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	$ 4,001,997	$ –	$ 4,001,997
Other liabilities	127,250	–	127,250
	4,129,247	–	4,129,247
Deferred income taxes	148,096	(148,096)	–
	4,277,343	(148,096)	4,129,247
Shareholders' Equity			
Capital stock	94,456,922	–	94,456,922
Contributed surplus	2,147,190	–	2,147,190
Stock options	3,853,617	–	3,853,617
Accumulated deficit	(36,251,980)		(36,251,980)
	64,205,749		64,205,749
	$ 68,483,092	$ (148,096)	$ 68,334,996

The Company's adoption of IFRS had no impact on the unaudited condensed consolidated interim statement of comprehensive loss and the unaudited condensed consolidated interim statement of cash flows for the year ended December 31, 2010.

(iv) Reconciliation of comprehensive loss and equity

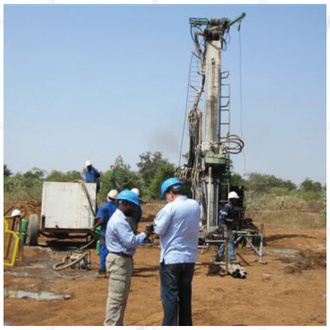
Comprehensive loss

	Year ended December 31, 2010
Comprehensive loss under Canadian GAAP	$ (7,794,529)
Adjustments for differing accounting treatments	–
Comprehensive loss under IFRS	$ (7,794,529)

Equity

	December 31, 2010	January 1, 2010
Total shareholders' equity under Canadian GAAP	$ 64,205,749	$ 27,140,276
Adjustments for differing accounting treatments	–	–
Total equity under IFRS	$ 64,205,749	$ 27,140,276

OUR PROJECTS



Kiaka

Volta is aggressively fast tracking its flagship Kiaka Gold Project toward a development decision. Currently the NI 43-101 compliant resource statement includes 4,029,000 ounces of gold in the Measured and Indicated category and 1,000,000 ounces of gold in the Inferred category. The geometry of the deposit allows for cheap bulk open pit mining at low stripping ratios, with theopportunity to mine higher-grade starter pits in the early years of production. High-grade mineralization has recently been discovered just 700 m from the existing large resource. A NI 43-101 Pre-Feasibility Study is due in Q2.

Gaoua

In 2009, Volta announced a maiden NI 43-101 compliant resource statement indicating 725,000,000 pounds of copper and 1,073,000 ounces of gold in the Inferred category. The Company will carry out further drilling this year in order to update the current resources within this 692 km^2 property.

Nassara

The Nassara prospect is located in the southwestern corner of the Danyoro permit, part of the Gaoua group of concessions. The prospect was initially identified during soil geochemical surveys, where extensive goldin-soil anomalism over more than 10 km has been found to be coincident with a distinctive northwest striking airborne magnetic lineament. Trenching and scout RC drilling has identified mineralization in bedrock over 2 km, with three distinctive plunging ore shoots with results including 20.5 m @ 3.56 g/t, 15 m @ 4.45 g/t, 9 m @ 11.5 g/t, 5 m @ 6.5 g/t and 19 m @ 2.22 g/t.

Titao

The Titao Gold Project area occurs within an individual segment of the NNE trending Hounde Greenstone Belt, in the ENE inflection of the belt and near the junction with the Boromo-Goren belt. Mapping and reconnaissance surveys have shown that the Titao permits are underlain by volcanic and volcanosedimentary formations, intruded by several plutons, and are traversed by a major NE trending shear zone. The Company has completed a 5,300 metre drilling program at Toulfe, which aimed at testing the central part of the Toulfe auger anomalism over 1.8 km of strike yielding highlights of 8.0 m @ 2.98 g/t gold from 8.0 m, 7.0 m @ 1.96g/t gold from 12.0 m and 25.0 m @ 1.21 g/t gold from 2.0 m.

CORPORATE INFORMATION

Head Office

Volta Resources Inc.
Suite 602 - 67 Yonge Street
Toronto, Ontario
Canada M5E 1J8
Tel: 416 867 2299
Fax: 416 867 2298
Email: questions@voltaresources.com
Web Site: www.voltaresources.com

Ghana Office

First Floor, Silver Star Tower
#28 & 29 Airport City
PO Box CT-2652 Cantonments
Accra, Ghana
Tel: 233 302 772 708
Fax: 233 302 778 630

Burkina Faso Office

Avenue SEMBENE OUSMANE
parcelle 06, lot 12, Section 480
Zone A7 secteur 15 (Ouaga 2000)
04 BP 8274 Ouaga 04
Tel: 226 50 50 43 84
Fax: 226 50 48 58 35

Registrar and Transfer Agent

Equity Financial Trust Company
Suite 400, 200 University Avenue
Toronto, Ontario
Canada M5H 4H1

Legal Counsel

Cassels Brock & Blackwell LLP
Toronto, Ontario, Canada

Auditors

KPMG LLP
Toronto, Ontario, Canada

Exchange Listing

Toronto Stock Exchange - Symbol: VTR

Shares Outstanding: 155,370,363
Fully Diluted: 165,204,730

May 8, 2012

Directors and Officers

Gordon Bogden, Non Executive Chairman & Director

Kevin Bullock, President, CEO & Director

Victor King, COO & Director

Alexander J. Davidson, Director

Robert Francis, Director

Lewis Lawrick, Director

Robert Whittall, Director

Guy Franceschi, VP Exploration

Alan Rootenberg, Chief Financial Officer

Alex Arhire, VP Operations

Dylan Pillay, VP Finance

Mark Bennett, Assistant Secretary

RECENT ACHIEVEMENTS

- The proven and probable mineral reserve estimate at Kiaka stands at 126,078,587 tonnes @ a diluted grade (5% dilution) of 0.96 g/t gold for 3,888,322 ounces of gold. This reserve generates a mine life of more than 10 years at an average annual production rate of over 340,000 ounces of gold.
- Current NI 43-101 compliant resource statement for the Kiaka Gold Project, comprises Measured Resources of 1,135,000 ounces from 31.37 million tonnes @ 1.13 g/t Au, Indicated Resources of 2,894,000 ounces from 86.05 million tonnes @ 1.05 g/t Au and Inferred Resources of 1,000,000 ounces from 30.00 million tonnes @ 1.00 g/t Au.
- Confirmed wide gold mineralization, including continuity of higher-grade zones, which could potentially support bulk open-pit mining with low stripping ratios at Kiaka.
- Confirmed Kiaka strike extent of up to 1.9 km and depth potential to 440 metres vertical.
- Discovered new high-grade mineralization only 700 m south of the Kiaka Central Area.
- Commenced metallurgical testing showing recoveries of >90%.
- Commenced pre-feasibility study at Kiaka (results due in early Q2, 2012).
- Increased land position around Kiaka by 800% along prospective Markoye Fault.
- Completed second phase drilling at Nassara with highlights of 23.0 m @ 2.04 g/t Au and 16.0 m @ 3.12 g/t Au.
- New gold discovery at Toulfe with gold mineralization identified by RC drilling for over 1.8 km in strike. Highlights include 8.0 m @ 2.98 g/t Au, 7.0 m @ 1.96 g/t Au and 25.0 m @ 1.21 g/t Au.

www.voltaresources.com