CANADA GOLD CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS

For the Nine Month Period Ended September 30, 2011

(November 14, 2011)
GENERAL

The following management discussion and analysis ("MD&A") supplements the consolidated financial statements of the Company and the notes thereto for the nine month period ended September 30, 2011. It does not form a part of the financial statements and therefore should be read in conjunction with the Financial Statement report for the nine month period ended September 30, 2011 which discusses and analyses the financial condition and results of operations of Canada Gold Corporation (the "Company"). All dollar figures are expressed in Canadian dollars unless otherwise stated. These documents and additional information on the Company are available on the Company's website at www.canadagold.com or on SEDAR at www.sedar.com.

This MD&A may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

DESCRIPTION OF BUSINESS

Canada Gold Corp. was incorporated under the *Company Act* of British Columbia on November 8, 1984. During the nine months ended September 30, 2011, the Company adjusted its business plan to include exploration projects, entering into an option to acquire a 100% interest in the Sindeni Gold Project, subject to final regulatory approval. The Company is a reporting issuer in British Columbia and Alberta, and is listed on the TSX Venture Exchange in Canada (CI), the Frankfurt Stock Exchange in Germany (T9NB) and the OTC Bulletin Board in the United States (CNGZF).

The Company has undertaken and abandoned two projects in South America during the last year ended December 31, 2010. The Company is continually seeking out new opportunities for a project, and on July 27, 2011 (and amended on September 23, 2011), entered into a letter of intent with Falco Goldfields Limited to acquire a 100% interest in 4 prospecting licenses, potentially hosting gold and other minerals, totalling approximately 702 square kilometers in North-Eastern Tanzania (see Note 6 of financial statements). The Company's operations are primarily funded by equity subscriptions.

Financial results are now being reported in accordance with International Financial Reporting Standards ("IFRS"). As a result, accounting policies, presentation, financial statement captions and terminology used in this discussion and analysis differ from those used in previous financial reporting. Further details on the transition to IFRS are included in Notes 2 and 3 of the financial statements for the period ended September 30, 2011.

SUBSIDIARIES

Canadian Ore Processors Corp.

On August 17, 2009 ("Effective Date"), the Company adopted all resolutions from its June 26, 2009 Annual General and Special Meeting to acquire all of the issued and outstanding voting common shares of Canadian Ore Processors Corp. ("CanOrePro") in exchange for common shares of the Company. Per the June 15, 2009 Share Purchase Agreement (the "Agreement") and later amended on August 17, 2009, the Company issued 1,190,001 common shares with a deemed value of $0.34 per share in exchange for 2,380,002 CanOrePro voting common shares from its shareholders. The 2,380,002 common shares were later consolidated to 100 voting Class A common shares.

Grafton Resources Investment Ltd. ("Grafton") is a resource based realization fund managed in London, England by Newland Fund Management LLP and listed Irish Stock Exchange, initially owned 15,400,000 common shares of CanOrePro through a share exchange by issuing 231,623 Grafton shares to CanOrePro. The 15,400,000 common shares issued to Grafton were later consolidated to 100 non voting Class B common shares.

SUBSIDIARIES - Continued

Canadian Ore Processors Corp. - Continued

Through the share consolidation, the Company and Grafton each have 50% equity interest in CanOrePro. CanOrePro holds 100% equity interest in Procesador Canorepro S.A. a private Peruvian based company that is proposing to develop a toll based ore processing facility in Peru.

Per the Agreement, the Company had the option to purchase all of Grafton's Class B common shares of CanOrePro (the "Option"). The Option was exercisable for a period of 36 months with an aggregate value of US$10,000,000 and payable in cash or shares at the discretion of the Company.

The acquisition has been accounted for using the purchase method of accounting and accordingly the Company's consolidated financial statements include the operations of CanOrePro from the Effective Date of the transaction. The consideration is comprised of issuing 1,190,001 common shares with a deemed value of $0.34 per share for total consideration of $404,600. At the Effective Date, CanOrePro had a negative net asset value of $218,299, excluding the fair value of the Grafton shares. Since Grafton is a closed end fund and CanOrePro was privately held, the fair value of Grafton shares at the initial share exchange with CanOrePro cannot be determined. Fair value is determined by allocating all excess value of the purchase price to the Grafton shares. Based on this, the fair value of the Grafton shares is estimated to be $1,225,784 on the Effective Date resulting in no gain or loss from this acquisition.

Total consideration for the business combination was allocated based on estimated fair values on the acquisition date as follows:

		2009
Consideration Given:		
Common shares issued- 1,190,001 common shares	$	404,600
Finders fees- 100,000 common shares and cash		67,000
Filing and legal fees		32,142
		503,742
Purchase price allocation		
Current asset	$	2,882
Grafton shares		1,225,784
Current liabilities *(Note 4(i))*		(221,181)
Total net asset value		1,007,485
50% of CanOrePro		503,742
Purchase price discrepancy	**$**	**-**

On August 27, 2010, the Company cancelled the Option Agreement with Grafton and returned 231,623 Grafton units to Grafton due to its illiquidity in exchange for 100 non voting Class B common shares of CanOrePro. The 100 Class B common shares representing the other 50% outstanding common shares of CanOrePro were cancelled. In addition, Grafton also cancelled an outstanding US $200,000 short term non interesting bearing loan owed by CanOrePro. The Company currently owns 100% equity interest of CanOrePro. This transaction resulted in change in ownership but no change in control.

OVERALL PERFORMANCE

During the third quarter ended September 30, 2011 ("Q3–2011"), the Company entered into its option, subject to final regulatory approval, to acquire the Sindeni Project, incurring $86,219 in acquisition and deferred exploration expenses.

The Company incurred a loss of $442,028 or $0.03 per share during Q3-2011 as compared to a loss of $832,763 or $0.06 per share during the nine months ended September 30, 2010 ("Q3-2010"), representing a decrease in loss of $390,735.

OVERALL PERFORMANCE – Continued

The change in loss was primarily due to the following:

- A decrease in consulting fees of $146,756; from $179,743 during Q3-2010 to $32,987 during Q3-2011 as there were no active projects in the current period as compared to Q3-2010.
- A decrease in investor relations fees of $51,114; from $80,126 during Q3-2010 to $29,012 during Q3-2011 as the Company decreased it's activity significantly as a result of the abandonment of two South American projects.
- A decrease in office, administrative and rent of $59,695; from $114,251 during Q3-2010 to $54,556 during Q3-2011. During Q3-2011, the Company did not hold any active projects and decreased its activity significantly, downsizing its operations and overhead costs as compared to Q3-2010.
- A decrease in salaries of $125,364; from $125,364 during Q3-2010 to $Nil during Q3-2011. The higher expense in Q3-2010 was due to increased activity in Peru and Columbia, which were subsequently abandoned in the last half of the 2010 fiscal year, resulting in the elimination of salaries.
- A decrease in travel and promotion of $76,606; from $81,050 during Q3-2010 to $4,444 during Q3-2011 as the Company did not hold any active projects and consequently decreased its promotional and travel activities.

The Company's cash at September 30, 2011 totalled $161,536 compared to $291,332 at December 31, 2010.

The Company had an accumulated deficit, since inception, as of September 30, 2011 of $14,001,861 compared to $13,559,833 as of December 31, 2010 which has been funded primarily by the issuance of equity.

SELECTED ANNUAL INFORMATION

	IFRS **For the year ended December 31, 2010**	**Canadian GAAP** **For the year ended December 31, 2009**	**Canadian GAAP** **For the year ended December 31, 2008**
Total revenue	Nil	Nil	Nil
Gain (Loss) before discontinued operations and extraordinary items:			
(i) total for the year	($1,443,246)	($1,482,146)	($290,739)
(ii) per share	($0.10)	($0.15)	($0.03)
(iii) per share fully diluted	($0.10)	($0.15)	($0.03)
Net Income or (loss):			
(i) total for the year	($1,443,246)	($1,482,146)	($290,739)
(ii) per share	($0.10)	($0.15)	($0.03)
(iii) per share fully diluted	($0.10)	($0.15)	($0.03)
Total assets	$1,280,692	$4,576,596	$2,894,378
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared per-share	Nil	Nil	Nil

CANADA GOLD CORPORATION

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RESULTS OF OPERATIONS

Sindeni Project

The Company entered into a letter of intent, dated July 27, 2011 and amended September 23, 2011, with Falco Goldfields Limited to acquire a 100% interest in 4 prospecting licenses, potentially hosting gold and other minerals, totalling approximately 702 square kilometers in North-Eastern Tanzania. These prospecting licenses, collectively called the Sindeni Project, are located within the Mozambique Geological Belt, and are located approximately 40 kilometers from the northeastern boundary of Canaco Resources Inc., (TSX-V: CAN), Magambazi Property, in the Handeni district in the Tanga region, northeastern Tanzania. The Mozambique Belt is highly deformed with shear zones developed on a north-eastern and mostly west north-western trend. Folding is present at both regional and local scale. These structures are an important target area for gold mineralization within the fold hinge zones, while erosion of the latter results in numerous small-scale alluvial workings within the Handeni District. The Canaco Magambazi Property is located on a northwest-southeast trending structure with artisanal gold workings nearby. The Sindeni Property has similar northwest-southeast trending structures, also with artisanal gold workings nearby. Canada Gold's initial exploration focus will be on two large areas near these artisanal workings.

The consideration for the acquisition are cash payments of US $1,050,000, incurring exploration expenditures of US $4,000,000 and the issuance of 3,500,000 shares from treasury over a 3 year period. The optionor retains a 2.5% net smelter return royalty of which, 1.5% can be purchased for US $2,000,000 at any time, once all considerations have been satisfied.

Payment Date	US Cash	Shares	Work Commitment
On TSX Filing - Paid	$ 50,000	-	-
On TSX-V Approval	$ 100,000	1,000,000	-
On 6 month Anniversary	$ 150,000	500,000	-
On 12 month Anniversary	$ 150,000	500,000	-
On 18 month Anniversary	$ 150,000	500,000	-
On 24 month Anniversary	$ 150,000	500,000	$ 2,000,000
On 30 month Anniversary	$ 150,000	500,000	-
On 36 month Anniversary	$ 150,000	-	$ 2,000,000
Total	**$ 1,050,000**	***3,500,000**	**$ 4,000,000**

**** All shares issued are subject to a minimum 4 month hold from the date of issuance or as directed by the TSX-V***

The Company commissioned Mr. Nico Scholtz, (Pr. Sci. Nat), the principal geologist of Scarab Environmental & Geological Enterprises to review the property and provide a NI 43-101 compliant report, which was received by the Company during the third quarter ended September 30, 2011. In addition, Canada Gold contracted Rexattorneys of Tanzania, who completed the requisite due diligence on the status and ownership of the prospecting licenses and issued an independent legal opinion.

The acquisition of the above prospecting licenses and the consideration payable have obtained conditional TSX-V approval on September 27, 2011, and are subject to final TSX-V and regulatory approvals.

Peruvian Mineral Processing Project

CanOrePro holds 100% equity interest in Processador Canorepro S.A. ("Processador") a private Peruvian based company that was proposing to develop a mineral based ore processing facility in Northern Peru. As of April 13, 2010, the Company announced it had reduced its activities in Peru due to the changing dynamics in the Northern Region. Various factors such as proliferation of small, legal and illegal processing plants in the north has resulted in a change in the ore supply dynamics which has contributed to this reduction in the Company's activities. The difficulty in acquiring land, community acceptance and permitting in the north also contributed to the Company's decision to withdraw from Peru. As at June 30, 2010, management had ended existing social and environmental studies, and other ongoing expenses in Peru to conserve cash flow.

RESULTS OF OPERATIONS – Continued

RHG Project

The Company held options to earn 100% interest in the RHG project located in the Liard Mining Division of British Columbia.

On September 30, 2008, the Company entered into an assignment agreement with GMV Minerals Inc. ("GMV"), a Canadian reporting issuer with shares listed on the TSX Venture Exchange. Under the terms of the assignment agreement, all costs and benefits granted to Georgia Ventures from the Option Agreement has been assigned to GMV.

During the year ended December 31, 2009, the Company received 250,000 common shares from GMV as part of instalment payments per the Option Agreement. As at December 31, 2009, GMV defaulted on both cash and stock payments to the Company in addition to committing to minimum expenditure on the property by GMV per the Option Agreement. As a result of the default on the Option Agreement, the Company recognized an impairment on of $388,409 (2008- $697,946) on the RHG property resulting in a carrying value of nil.

On April 6, 2010, GMV officially terminated its Option Agreement and the RHG claims lapsed on April 15, 2010. The Company has not renewed these claims.

On April 13, 2010, the Company announced that it had initiated a full pre-investment study in Colombia, South America, through the Company's new wholly owned subsidiary, Canada Gold Colombia S.A.S. The main objective of the study was to identify a suitable location for a modern ore processing facility which could be supported by a surety of ore supply and the partnership of various stakeholders, however on August 27, 2010, the Company announced that the Colombia pre-investment study concluded with mixed results, and the 6 regions investigated did not produce sufficient ore supply commitments required to financially justify the Company's plan to build a modern mineral processing facility. As a result, the Company discontinued all activities in Columbia.

SUMMARY OF QUARTERLY RESULTS

	IFRS **4th Quarter Ended December 31, 2011**	**IFRS** **3rd Quarter Ended September 30, 2011**	**IFRS** **2nd Quarter Ended June 30, 2011**	**IFRS** **1st Quarter Ended March 31, 2011**
(a) Revenue	n/a	**Nil**	**Nil**	**Nil**
(b) Earnings (loss) for period	n/a	**($205,207)**	**($145,360)**	**($86,555)**
(c) Earnings (loss) per share	n/a	**($0.02)**	**($0.01)**	**($0.01)**
	IFRS **4th Quarter Ended December 31, 2010**	**IFRS** **3rd Quarter Ended September 30, 2010**	**IFRS** **2nd Quarter Ended June 30, 2010**	**IFRS** **1st Quarter Ended March 31, 2010**
(a) Revenue	Nil	Nil	Nil	Nil
(b) Earnings (loss) for period	$497,222	($240,057)	($350,585)	($355,382)
(c) Earnings (loss) per share	($0.03)	($0.02)	($0.03)	($0.02)
	Canadian GAAP **4th Quarter Ended December 31, 2009**	**Canadian GAAP** **3rd Quarter Ended September 30, 2009**	**Canadian GAAP** **2nd Quarter Ended June 30, 2009**	**Canadian GAAP** **1st Quarter Ended March 31, 2009**
(a) Revenue	Nil	Nil	Nil	Nil
(b) Earnings (loss) for period	($1,006,195)	($175,981)	($155,982)	($143,988)
(c) Earnings (loss) per share	($0.09)	($0.02)	($0.02)	($0.02)

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LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2011, the Company reported working capital of $568,865. Net decrease in cash for the nine months ended September 30, 2011 was $129,796 leaving cash on hand in the amount of $161,536.

Current assets excluding cash at September 30, 2011 consist of amounts receivable of $11,112, prepaid expenses of $1,063, and marketable securities of $400,762.

Current liabilities as at September 30, 2011 consist of accounts payable and accrued liabilities of $5,608.

The Company will require additional capital funding to be able to meet its commitments and intended exploration and development activities. The Company's planned activities for the current fiscal yearend anticipate additional exploration and development on the Sindeni Project, exceeding its current cash reserves and will require additional capital to fund these activities. The funds required for the planned activities in the current fiscal year are expected to be raised through additional equity financings.

During the nine month period ended September 30, 2011, the Company generated gross proceeds of $221,872 from its financing activities:

a) The Company sold 402,500 common shares of Animas Resources Inc. for total proceeds of $100,277;

b) The Company sold 700,000 common shares of Canada Rare Earths Inc. for total proceeds of $103,925;

c) The Company sold 45,000 common shares of GMV Minerals Inc. for total proceeds of $17,670.

Included in marketable securities as at September 30, 2011, are 2,000,010 common shares of Animas Resources Inc., having a fair market value of $360,003; 80,000 common shares of GMV Minerals Inc. with a fair market value of $24,000; and 44,101 common shares of Canada Rare Earths Inc. with a fair market value of $16,759.

On July 22, 1010, the Company received 744,101 common shares of Canada Rare Earths Inc. a TSX-V company with a deemed value of $111,615 as a payment against advances the Company previously made to a company controlled by directors and officers of the Company for rent and office expenses.

Animas elected to pay the Company prior receivables outstanding in common shares by issuing 408,697 common shares valued at $216,609 for the January 31, 2010 receivable; 514,150 common shares valued at $159,387 for the July 10, 2010 receivable; and 499,251 common shares valued at US $250,000 for the January 31, 2011 receivable. All shares have been released from escrow.

During the last year ended December 31, 2010, the Company granted 838,889, three year incentive stock options to directors, officers and consultants with an exercise price of $0.11 per share. The Company also granted 50,000, two year stock based compensation options to Falcon Point Capital Partners as part of an investor relations agreement, of which 25,000 options expired as of September 30, 2011 due to the termination of the investor relations agreement, and 25,000 options were exercised. Total stock-based compensation cost for the period ended September 30, 2011 was $4,156 (2010 - $Nil), and is included in consulting fees.

OFF - BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in these consolidated financial statements, are as follows:

a) During the period, management fees of $106,500 (2010 - $101,250) were paid to companies controlled by directors and/or officers of the Company.

b) During the period, accounting fees of $26,250 (2010 - $36,000) were paid to a company controlled by an officer.

RELATED PARTY TRANSACTIONS - Continued

The above transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the consideration established and agreed to by the related parties and are on terms and conditions similar to non-related parties.

During the 2010 fiscal yearend, the Company had advanced $15,306 (December 31, 2010 - $15,306; January 1, 2010 - $85,282) to a company controlled by directors and officers of the Company for future rent and office expenses. The amount is non-interest bearing with no formal terms of repayment. During the nine months ended September 30, 2011, this amount has been repaid by the related party.

THIRD QUARTER

During the third quarter ended September 30, 2011, the following significant transactions occurred:

a) The Company sold 302,500 common shares of Animas Resources Inc. for total proceeds of $74,562;

b) The Company sold 45,000 common shares of GMV Minerals Inc. for total proceeds of $17,670;

c) On August 31, 2011, the Company's office lease agreement expired, and on September 1, 2011, the Company entered into a new lease agreement for shared office space for a period of five years;

d) On September 27, 2011, the Company received conditional TSX-V acceptance on the option to acquire a 100% interest in the Sindeni Gold Project, Tanzania.

For the three months ended September 30, 2011, total general and administrative expenses for the period was $105,372 (2010 – $235,373). During the three months ended September 30, 2011, there was a significant decrease in expenses as compared to the same period last year, as the Company did not have any active projects. Higher expenses were incurred in all categories last year due to activities in Peru and Columbia during the first half of the year. As a result of the CanOrePro acquisition on August 17, 2009, the Company paid salaries, expanded its office space, and maintained administrative activities for two additional subsidiaries including CanOrePro and Processador.

General and Administrative Expenditures for the Three Months Period Ended September 30, 2011.

	September 30, 2011	September 30, 2010
Accounting and audit fees	**13,200**	21,450
Consulting fees	**10,890**	20,712
Interest and bank charges	**638**	524
Investor relations	**8,616**	18,154
Legal	**6,114**	23,440
Management fees	**36,000**	33,750
Office, rent and administrative	**26,919**	34,738
Salaries	**-**	17,267
Stock based compensation cost	**-**	43,225
Transfer agent, listing and filing fees	**2,637**	1,817
Travel and promotion	**358**	20,296
Total	**$105,372**	$235,373

SUBSEQUENT EVENTS

a) On October 1, 2011, 408,889 incentive stock options, exercisable at $0.39 expired.

b) On October 12, 2011, the Company entered into an investor relations agreement with Trident Financial Corp., pursuant to which Trident will provide investor relations services to the Company, effective October 15, 2011, for a period of one year. Under the terms of the agreement, the Company will compensate Trident $7,500 per month for the one year term, and grant 260,000 incentive stock options at a price of $0.17 per share, exercisable until August 26, 2013. The options are subject to vesting provisions pursuant to which 25% of the options granted will vest in each quarter over 12 months.

c) In addition to the stock options granted above, on October 12, 2011, the Company granted an additional 1,281,111 incentive stock options to directors, officers, and consultants. The options are exercisable at a price of $0.17 with an expiry date of August 26, 2013.

d) On October 12, 2011, the Company also announced that it has retained Mr. Paul Lemmon, P. Geo, FGS, Pr.Sci.Nat as Chief Geologist as well as the Qualifying Person under NI 43-101 for the Company.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at September 30, 2011, the Company's financial instruments include cash, amounts receivable, marketable securities, prepaid expenses, and accounts payable.

Fair Value

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's balance sheet as of September 30, 2011 as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	Balance as of September 30, 2011 $
Assets:				
Cash	161,536	–	–	161,536
Marketable Securities	400,762	–	–	400,762
Total assets measured at fair value	562,298	–	–	562,298

Interest Rate and Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and long-term receivable. To minimize the credit risk the Company places the cash with high credit quality financial institutions. Management, on an ongoing basis, monitors the financial condition of Animas in order to reduce the default risk.

Currency Risk

The Company incurs expenses and expenditures primarily in Canada and is not exposed to risk from changes in foreign currency rates.

At September 30, 2011, the Company had a long-term receivable of $Nil (2010 – US$250,000), as the final instalment of shares to settle the receivable was issued from Animas during the first quarter ended March 31, 2011.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. Currently the Company has minimal liabilities and as a result, is not exposed to liquidity risk.

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The Company is exposed to market risk in holding its marketable securities and derivative liability, and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

Sensitivity analysis

The Company has completed a sensitivity analysis to estimate the impact on net income for the previous year ended December 31, 2010, had a change in foreign exchange rates occurred.

The sensitivity analysis includes the assumption that changes in individual foreign exchange rates do not cause foreign exchange rates in other countries to alter.

This result arises primarily because the Company had a long-term receivable balance denominated in US dollars, which was received during the first quarter ended March 31, 2011. The actual results of a change in foreign exchange rates would depend on the foreign currency denominated assets and liabilities at the time and could cause the impact on the Company's results to differ from the above.

Transaction Costs

Transaction costs attributable to the acquisition or issue of financial assets or financial liabilities, other than those classified as held-for-trading, are added to the initial fair value amount to match the costs with the related transactions. Purchases and sales of securities are accounted for on the settlement date basis.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises were required to adopt IFRS for fiscal years beginning on or after January 1, 2011. Accordingly, the Company has transitioned from GAAP reporting and commenced reporting under IFRS effective this quarter, with restatement of comparative information presented. The conversion to IFRS from GAAP has not affected the Company's internal control over financial reporting and disclosure controls and procedures, but has affected and the Company's accounting policies, the Company's opening statement of financial position at the Transition Date, the statement of financial position as at December 31, 2010, and the statement of comprehensive loss for the nine month period ended September 30, 2010.

The Company retained an independent IFRS specialist to assist with the initial conversion for the first quarter ended March 31, 2011. In preparing the opening IFRS consolidated statement of financial position, the Company has reviewed the amounts reported previously in financial statements of the Company that were prepared in accordance with Canadian GAAP and determined that no adjustments were required.

The guidance for first time adoption of IFRS is set out in IFRS 1. IFRS 1 provides for certain mandatory exceptions and optional exemptions for first time adopters of IFRS. The Company elected the following exemptions on first-time adoption of IFRS:

- to apply the requirements of IFRS 2, Share-based payments, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date; and
- to apply the requirements of IAS 23, Borrowing Costs, as of the Transition Date.
- to apply the requirements of IFRS 3, Business Combinations, prospectively from the Transition Date.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") - Continued

The Company's conversion plan to IFRS consisted of four primary stages including planning, assessment, design and implementation with periodic meetings with the Audit Committee to report progress and findings. The Company has completed the conversion plan and will be reporting in accordance with IFRS going forward. This will include ongoing monitoring of changes in IFRS, the potential or probable effects of which will be evaluated and disclosed as applicable.

Please see notes 2 and 3 of the financial statements for further details.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions.

CORPORATE INTERNAL CONTROL

The Company practices strict internal controls through proper segregation of responsibilities and internal reporting of its personnel. Agreements and commitments that involve cash and/or share capital distribution such as private placements, stock option grant, property, service, and consulting agreements require Board of Directors approval through Directors' Resolutions. The Company's business development budgets are planned and approved by the Company's President & CEO and Board of Directors. All cash distribution requires the Company's Executive Chairman, President & CEO, and/or CFO approval to ensure that all expenses are accurate and aligned with the Company's budget. Approved share capital distribution is executed through treasury orders that requires final approval from the Company's Executive Chairman or President & CEO, and one authorized director or officer. These internal control procedures are established and strictly practiced to ensure the Company's goals and best interest are effectively carried out.

Management is also responsible for the design of internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles and IFRS. Management believes the design is sufficient and appropriate to provide such reasonable assurance.

CORPORATE ACTIVITIES

The officers and directors as at the date of this report are as follows:

David McMillan*	President & CEO, Executive Chairman, Audit Committee Member, Compensation Committee Member
Kelsey Chin	CFO and Corporate Secretary
Chad McMillan	Vice President of Corporate Communications
Harold Forzley**	Chairman of the Audit Committee, Compensation Committee Member
Ian Klassen**	Audit Committee Member, Chairman of the Compensation Committee

**Director*
*** Independent Director*

INVESTOR RELATIONS ACTIVITIES

Investor relations duties are carried out by directors, officers and employees of the Company as part of their routine duties, in addition to Trident Financial Corp. (see subsequent events).

OTHER REQUIREMENTS

a) Disclosure Controls and Procedures

The Company's management, with participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures. Based on this assessment, the Chief Executive Officer and Chief Financial Officer have concluded that as of the end of the period covered under this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

b) Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. However, due to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The financial reporting changes that resulted from the application of IFRS accounting policies, which were implemented during the nine months ended September 30, 2011, has not materially affected, or is not reasonably likely to materially affect, the Company's internal control over financial reporting.

SUMMARY OF OUTSTANDING SHARE DATA AS AT NOVEMBER 14, 2011:

a. Authorized: Unlimited common shares without par value

Issued and outstanding: **13,039,118 common shares**

b. Stock options:
Options outstanding as of November 14, 2011:

838,889	@ $0.11	Expiry: August 26, 2013
1,541,111	@ $0.17	Expiry: August 26, 2013
2,380,000		

c. Warrants:
Warrants outstanding as of November 14, 2011:

1,528,009	@ $0.65	Expiry: November 25, 2011
1,528,009		

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com. The shareholders will be kept informed of any material changes.

Canada Gold Corporation

"David McMillan"

President, CEO
November 14, 2011