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**GUYANA PRECIOUS METALS INC.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**THREE AND NINE MONTHS ENDED**  
**SEPTEMBER 30, 2012**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**Notice to Reader**

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

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**GUYANA PRECIOUS METALS INC.**

Condensed Interim Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars)  
(Unaudited)

	As at September 30, 2012	As at December 31, 2011
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,966,394	\$ 5,402,508
Short-term investments (note 3)	75,000	205,290
Accounts receivable and other assets (note 4)	23,776	54,531
<b>Total current assets</b>	<b>5,065,170</b>	<b>5,662,329</b>
<b>Non-current assets</b>		
Restricted cash	14,756	15,255
Property and equipment (note 5)	415,468	531,860
<b>Total assets</b>	<b>\$ 5,495,394</b>	<b>\$ 6,209,444</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities	\$ 645,749	\$ 501,047
<b>Capital and reserves</b>		
Share capital (note 6)	22,709,405	22,361,905
Capital surplus	7,539,124	7,203,721
Warrant reserve	2,868,987	2,868,987
Deficit	(28,267,871)	(26,726,216)
<b>Total capital and reserves</b>	<b>4,849,645</b>	<b>5,708,397</b>
<b>Total liabilities and equity</b>	<b>\$ 5,495,394</b>	<b>\$ 6,209,444</b>

The accompanying notes to the condensed interim consolidated financial statements are an integral part of these statements.

**Nature of operations** (note 1)

**Subsequent event** (note 14)

**Approved on behalf of the Board:**

(Signed) "J. Patrick Sheridan", Director

(Signed) "Alan Ferry", Director

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**GUYANA PRECIOUS METALS INC.**

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)  
(Unaudited)

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	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
<b>Operating expenses</b>				
General and administrative (note 10)	\$ 222,860	\$ 297,051	\$ 784,801	\$ 1,276,508
Foreign exchange (gain) loss	139,005	(259,720)	136,506	(129,507)
Exploration and evaluation expenditures (note 12)	130,464	2,591,658	387,081	2,670,496
Amortization	39,997	18,573	119,992	22,990
<b>Operating loss before the following items</b>	<b>(532,326)</b>	<b>(2,647,562)</b>	<b>(1,428,380)</b>	<b>(3,840,487)</b>
Interest income	5,830	8,587	17,015	36,813
Gain on sale of marketable securities	-	3,135	-	3,135
Unrealized loss on short-term investments	(52,900)	(70,798)	(130,290)	(284,507)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (579,396)</b>	<b>\$ (2,706,638)</b>	<b>\$ (1,541,655)</b>	<b>\$ (4,085,046)</b>
<b>Basic and diluted net loss per post-consolidation common share</b> (notes 1 & 8)	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ (0.02)</b>	<b>\$ (0.05)</b>
<b>Weighted average number of post-consolidation common shares outstanding</b> (notes 1 & 8)	<b>88,017,252</b>	<b>87,147,845</b>	<b>87,437,647</b>	<b>87,147,845</b>

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The accompanying notes to the condensed interim consolidated financial statements are an integral part of these statements.

# GUYANA PRECIOUS METALS INC.

Condensed Interim Consolidated Statements of Cash Flows  
(Expressed in Canadian Dollars)  
(Unaudited)

	Nine Months Ended September 30,	
	2012	2011
<b>Operating activities</b>		
Net loss for the period	\$ (1,541,655)	\$ (4,085,046)
Adjustments for:		
Amortization	119,992	22,990
Unrealized foreign exchange (gain) loss	136,506	(129,507)
Gain on sale of marketable securities	-	(3,135)
Unrealized loss on short-term investments	130,290	284,507
Share based payments (note 7)	335,403	795,612
Non-cash working capital items:		
Accounts receivable and other assets	30,755	20,782
Amounts payable and other liabilities	144,702	(7,084)
<b>Net cash used in operating activities</b>	<b>(644,007)</b>	<b>(3,100,881)</b>
<b>Investing activities</b>		
Purchase of property and equipment	(3,600)	(436,377)
Proceeds from sale of short-term investments	-	34,425
Restricted cash	-	(14,379)
<b>Net cash used in investing activities</b>	<b>(3,600)</b>	<b>(416,331)</b>
<b>Financing activities</b>		
Issue of common shares	350,000	-
Cost of issuance	(2,500)	-
<b>Net cash provided by financing activities</b>	<b>347,500</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>(300,107)</b>	<b>(3,517,212)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>5,402,508</b>	<b>9,550,084</b>
<b>Effect of foreign exchange rate fluctuation on cash held</b>	<b>(136,007)</b>	<b>128,163</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 4,966,394</b>	<b>\$ 6,161,035</b>

The accompanying notes to the condensed interim consolidated financial statements are an integral part of these statements.

**GUYANA PRECIOUS METALS INC.****Condensed Interim Consolidated Statements of Changes in Equity****(Expressed in Canadian Dollars)****(Unaudited)**

	Share capital	Reserves			Total
		Capital surplus (note 7)	Warrant reserve (note 9)	Deficit	
<b>Balance, December 31, 2010</b>	<b>\$ 22,361,905</b>	<b>\$ 2,598,530</b>	<b>\$ 6,407,923</b>	<b>\$(21,831,609)</b>	<b>\$ 9,536,749</b>
Share based payments	-	795,612	-	-	795,612
Expired warrants	-	3,538,936	(3,538,936)	-	-
Net loss and comprehensive loss for the period	-	-	-	(4,085,046)	(4,085,046)
<b>Balance, September 30, 2011</b>	<b>\$ 22,361,905</b>	<b>\$ 6,933,078</b>	<b>\$ 2,868,987</b>	<b>\$(25,916,655)</b>	<b>\$ 6,247,315</b>

	Share capital	Reserves			Total
		Capital surplus (note 7)	Warrant reserve (note 9)	Deficit	
<b>Balance, December 31, 2011</b>	<b>\$ 22,361,905</b>	<b>\$ 7,203,721</b>	<b>\$ 2,868,987</b>	<b>\$(26,726,216)</b>	<b>\$ 5,708,397</b>
Private placement (note 6)	350,000	-	-	-	350,000
Cost of issuance (note 6)	(2,500)	-	-	-	(2,500)
Share based payments (note 7)	-	335,403	-	-	335,403
Net loss and comprehensive loss for the period	-	-	-	(1,541,655)	(1,541,655)
<b>Balance, September 30, 2012</b>	<b>\$ 22,709,405</b>	<b>\$ 7,539,124</b>	<b>\$ 2,868,987</b>	<b>\$(28,267,871)</b>	<b>\$ 4,849,645</b>

The accompanying notes to the condensed interim consolidated financial statements are an integral part of these statements.

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# GUYANA PRECIOUS METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2012

(Expressed in Canadian Dollars)

(Unaudited)

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### 1. Nature of operations

Guyana Precious Metals Inc. (the "Company" or "Guyana") was incorporated under the Alberta Business Corporation Act on March 16, 1994 under the name of Minera Sierra Madre Inc. Effective December 15, 1999, the Company changed its name to MSA Capital Corp. and, subsequently, on October 28, 2002, changed its name to Coronation Minerals Inc. Pursuant to a resolution passed by shareholders on June 18, 2009, the Company changed its name to Guyana Precious Metals Inc. which management believes better reflects the activities of the Company of acquiring early stage properties for mineralization in Guyana, South America and surrounding regions. On August 17, 2009, the Company announced that it had filed articles of amendment to change its name to "Guyana Precious Metals Inc." On April 5, 2004, the Company filed articles of continuance and was continued under the Business Corporations Act (Ontario). The primary office is located at 141 Adelaide Street West Suite 1205 Toronto, Ontario, M5H 3L5.

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

While the Company has no source of revenue, it believes it has sufficient cash resources to meet its administrative overhead and maintain its mineral investments for the next two to three years, depending on future events. In order to meet future expenditures and cover administrative and exploration costs beyond that point, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements.

#### Share consolidation

On July 25, 2011, the Company announced that it had received TSX Venture Exchange approval for the consolidation of the Company's issued and outstanding common shares on the basis of one new common share for every two common shares presently issued and outstanding. The consolidation became effective July 27, 2011. The share consolidation has been reflected in these condensed interim consolidated financial statements.

### 2. Significant accounting policies

#### (a) *Statement of Compliance*

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of November 23, 2012, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2011. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2012 could result in restatement of these condensed interim financial statements.

# GUYANA PRECIOUS METALS INC.

Notes to Condensed Interim Consolidated Financial Statements  
 Three and Nine Months Ended September 30, 2012  
 (Expressed in Canadian Dollars)  
 (Unaudited)

## 2. Significant accounting policies (continued)

(b) *New standards not yet adopted and interpretations issued but not yet effective*

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent annual consolidated statements as at and for the year ended December 31, 2011.

## 3. Short-term investments

	As at September 30, 2012	As at December 31, 2011
Prophecy Coal Corp. ("Prophecy Coal") common shares	\$ 75,000	\$ 205,000
Prophecy Coal warrants <sup>(1)</sup>	-	290
	\$ 75,000	\$ 205,290

<sup>(1)</sup> On December 31, 2011, the fair value of the warrants was determined to be \$290 by revaluing the warrants using the Black Scholes option pricing model with the following assumptions: a 0.23 year term, 76.62% volatility, risk-free interest rate of 0.97% and a dividend rate of 0%. On September 30, 2012, the fair value of the warrants was determined to be \$nil, using the Black-Scholes valuation model with the following assumptions: a 0.48 year term, 79.73% volatility, risk-free interest rate of 1.08% and a dividend rate of 0%.

## 4. Accounts receivable and other assets

	As at September 30, 2012	As at December 31, 2011
Harmonized sales tax recoverable - (Canada)	\$ 11,625	\$ 18,584
Prepaid expenses	12,151	35,947
	\$ 23,776	\$ 54,531

## 5. Property and equipment

Cost	Vehicle	Excavation equipment	Total
Balance, December 31, 2011	\$ 47,398	\$ 548,458	\$ 595,856
Additions	-	3,600	3,600
Balance, September 30, 2012	\$ 47,398	\$ 552,058	\$ 599,456
Accumulated Amortization	Vehicle	Excavation equipment	Total
Balance, December 31, 2011	\$ 26,786	\$ 37,210	\$ 63,996
Amortization	4,637	115,355	119,992
Balance, September 30, 2012	\$ 31,423	\$ 152,565	\$ 183,988
Carrying Value	Vehicle	Excavation equipment	Total
Balance, December 31, 2011	\$ 20,612	\$ 511,248	\$ 531,860
Balance, September 30, 2012	\$ 15,975	\$ 399,493	\$ 415,468

# GUYANA PRECIOUS METALS INC.

Notes to Condensed Interim Consolidated Financial Statements  
Three and Nine Months Ended September 30, 2012  
(Expressed in Canadian Dollars)  
(Unaudited)

## 6. Share capital

### a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

### b) Common shares issued

At September 30, 2012, the issued share capital amounted to \$22,709,405. The change in issued share capital for the periods were as follows:

	Number of common shares	Amount
Balance, December 31, 2010, September 30, 2011, December 31, 2011 (note 1)	87,147,845	\$ 22,361,905
Private placement of common share units (i)	4,666,668	350,000
Costs of issuance	-	(2,500)
Balance, September 30, 2012	91,814,513	\$ 22,709,405

(i) On September 13, 2012, the Company closed a non-brokered placement (the "Placement") of 4,666,668 common shares at a price of \$0.075 per common share for gross proceeds of \$350,000. All securities issued in connection with the Placement were subject to a statutory hold period expiring on January 14, 2013.

## 7. Stock options

The following tables reflect the continuity of stock options for the periods ended September 30, 2011 and 2012:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2010	4,110,000	0.34
Granted	3,125,000	0.37
Cancelled	(185,000)	0.36
Balance, September 30, 2011 (note 1)	7,050,000	0.36
Weighted average exercise price for vested options		0.35

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2011 (note 1)	8,600,000	0.34
Granted	1,250,000	0.10
Expired	(2,125,000)	0.21
Forfeited	(1,250,000)	0.50
Balance, September 30, 2012	6,475,000	0.31
Weighted average exercise price for vested options		0.35



## GUYANA PRECIOUS METALS INC.

Notes to Condensed Interim Consolidated Financial Statements  
Three and Nine Months Ended September 30, 2012  
(Expressed in Canadian Dollars)  
(Unaudited)

### 7. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of September 30, 2012:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
June 24, 2013	0.50	0.73	600,000	600,000	-
August 26, 2013	0.36	0.90	175,000	175,000	-
January 28, 2016 (i)	0.36	3.33	2,750,000	2,750,000	-
April 28, 2016 (ii)	0.48	3.58	250,000	187,500	62,500
November 7, 2016 (iii)	0.28	4.11	1,450,000	725,000	725,000
June 26, 2017 (iv)	0.10	4.74	250,000	62,500	187,500
August 22, 2015 (v)	0.10	2.89	1,000,000	250,000	750,000
		3.19	6,475,000	4,750,000	1,725,000

(i) On January 28, 2011, the Company granted 2,875,000 options to certain directors, officers and consultants of the Company at a price of \$0.36 per share for services rendered. Of the options granted, 2,750,000 remained outstanding at September 30, 2012. The fair value of the service provided by consultants are not reliably estimable as these services are traditionally transacted in options, making measurement of that service impractical. The fair value of these options at the date of grant of \$0.324 was estimated using the Black-Scholes option valuation model with the following assumptions: a five year expected term; 145% expected volatility based on historical trends; risk free interest rate of 2.24% per annum; share price on the date of grant of \$0.36; and an expected dividend yield of 0%. The grant date fair value assigned to these options was \$931,500. These options, which will vest by 25% upon date of grant and by 25% on each of the 6, 12 and 18 month anniversaries of the date of grant, will expire on January 28, 2016. For the three and nine months ended September 30, 2012, the impact on salaries and benefits (note 10) was \$11,920 and \$107,267, respectively (three and nine months ended September 30, 2011 - \$133,889 and \$726,367, respectively).

(ii) On April 28, 2011, the Company granted 250,000 options to a director of the Company at a price of \$0.48 per share. The fair value of these options at the date of grant of \$0.434 was estimated using the Black-Scholes option valuation model with the following assumptions: a five year expected term; a 145% expected volatility based on historical trends; risk free interest rate of 2.61%; share price at the date of grant of \$0.48; and an expected dividend yield of 0%. The grant date fair value assigned to these options was \$108,500. These options, which will vest by 25% upon date of grant and by 25% on each of the 6, 12 and 18 month anniversaries of the date of grant, will expire on April 28, 2016. For the three and nine months ended September 30, 2012, the impact on salaries and benefits (note 10) was \$4,546 and \$22,358, respectively (three and nine months ended September 30, 2011 - \$25,000 and \$69,245, respectively).

(iii) On November 7, 2011, the Company granted 1,550,000 options to a director and consultants of the Company at a price of \$0.28 per share for services rendered. Of the options granted, 1,450,000 remained outstanding at September 30, 2012. The fair value of the service provided by consultants are not reliably estimable as these services are traditionally transacted in options, making measurement of that service impractical. The fair value of these options at the date of grant of \$0.2519 was estimated using the Black-Scholes option valuation model with the following assumptions: a five year expected term; a 145% expected volatility based on historical trends; risk free interest rate of 1.5%; share price at the date of grant of \$0.28; and an expected dividend yield of 0%. The grant date fair value assigned to these options was \$390,445. These options, which will vest by 25% upon date of grant and by 25% on each of the 6, 12 and 18 month anniversaries of the date of grant, will expire on November 7, 2016. For the three and nine months ended September 30, 2012, the impact on salaries and benefits (note 10) was \$4,993 and \$28,870, respectively (three and nine months ended September 30, 2011 - \$nil). For the three and nine months ended September 30, 2012, the impact on consulting fees (note 10) was \$26,616 and \$146,002, respectively (three and nine months ended September 30, 2011 - \$nil).

# GUYANA PRECIOUS METALS INC.

Notes to Condensed Interim Consolidated Financial Statements  
Three and Nine Months Ended September 30, 2012  
(Expressed in Canadian Dollars)  
(Unaudited)

## 7. Stock options (continued)

(iv) On June 26, 2012, the Company granted 250,000 options to a director of the Company at a price of \$0.10 per share. The fair value of these options at the date of grant of \$0.079 was estimated using the Black-Scholes option valuation model with the following assumptions: a five year expected term; a 139% expected volatility based on historical trends; risk free interest rate of 1.21%; share price at the date of grant of \$0.09; and an expected dividend yield of 0%. The grant date fair value assigned to these options was \$19,750. These options, which will vest by 25% upon date of grant and by 25% on each of the 6, 12 and 18 month anniversaries of the date of grant, will expire on June 26, 2017. For the three and nine months ended September 30, 2012, the impact on salaries and benefits (note 10) was \$4,556 and \$9,691, respectively (three and nine months ended September 30, 2011 - \$nil).

(v) On August 22, 2012, the Company granted 1,000,000 options to an officer of the Company at a price of \$0.10 per share. The fair value of these options at the date of grant of \$0.061 was estimated using the Black-Scholes option valuation model with the following assumptions: a three year expected term; a 116% expected volatility based on historical trends; risk free interest rate of 1.23%; share price at the date of grant of \$0.09; and an expected dividend yield of 0%. The grant date fair value assigned to these options was \$61,000. These options, which will vest by 25% upon date of grant and by 25% on each of the 6, 12 and 18 month anniversaries of the date of grant, will expire on August 22, 2015. For the three and nine months ended September 30, 2012, the impact on salaries and benefits (note 10) was \$21,215 (three and nine months ended September 30, 2011 - \$nil).

## 8. Net loss per common share

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2012 was based on the loss attributable to common shareholders of \$579,396 and \$1,541,655, respectively (three and nine months ended September 30, 2011 - loss of \$2,706,638 and \$4,085,046, respectively) and the weighted average number of common shares outstanding of 88,017,252 and 87,437,647, respectively (three and nine months ended September 30, 2011 - 87,147,845). Diluted loss per share did not include the effect of 6,475,000 stock options and 35,000,000 warrants as they are anti-dilutive. All per share information reflects the share consolidation disclosed in note 1.

## 9. Warrants

The following table reflects the continuity of warrants for the periods ended September 30, 2011 and 2012:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2010	49,331,333	0.36
Expired	(14,331,333)	0.60
<b>Balance, September 30, 2011 (note 1)</b>	<b>35,000,000</b>	<b>0.26</b>

  

	Number of warrants	Weighted average exercise price (\$)
<b>Balance, December 31, 2011 and September 30, 2012</b>	<b>35,000,000</b>	<b>0.26</b>

The following table reflects the actual warrants issued and outstanding as of September 30, 2012:

Number of Warrants Outstanding	Fair Value	Exercise Price	Expiry Date
35,000,000	\$2,891,000	\$0.26	December 10, 2012
-	(22,013)	-	Warrant issue cost
<b>35,000,000</b>	<b>\$2,868,987</b>	<b>\$0.26</b>	

# GUYANA PRECIOUS METALS INC.

Notes to Condensed Interim Consolidated Financial Statements  
Three and Nine Months Ended September 30, 2012  
(Expressed in Canadian Dollars)  
(Unaudited)

## 10. General and administrative

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Salaries and benefits (note 7)	\$ 98,829	\$ 176,891	\$ 330,034	\$ 831,613
Consulting fees	53,065	45,000	224,458	134,750
Administrative and general	35,512	29,526	106,608	103,000
Reporting issuer costs	5,264	13,896	38,193	64,931
Accounting fees	1,989	4,587	6,919	13,349
Professional fees	20,893	20,087	56,665	102,324
Insurance	7,308	7,064	21,924	26,541
	\$ 222,860	\$ 297,051	\$ 784,801	\$ 1,276,508

## 11. Related party balances and transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount established and agreed to by the related parties.

(a) Guyana entered into the following transactions with related parties:

	Notes	Three Months Ended		Nine Months Ended	
		September 30,		September 30,	
		2012	2011	2012	2011
Marrelli Support Services Inc. ("Marrelli Support")	(i)	\$ 6,200	\$ 8,900	\$ 24,436	\$ 31,162
Bruce Rosenberg	(ii)	13,701	6,600	36,367	18,813
DSA Corporate Services Inc. ("DSA")	(iii)	1,742	6,090	11,407	10,227
1140301 Ontario Ltd.	(iv)	3,000	6,000	9,000	9,000
2260200 Ontario Inc.	(iv)	3,000	3,000	9,000	6,000
Lewis Downey Tornosky Lassaline & Timpano	(v)	3,000	-	9,000	-

(i) For the three and nine months ended September 30, 2012, the Company expensed \$6,200 and \$24,436, respectively (three and nine months ended September 30, 2011 - \$8,900 and \$31,162, respectively) to Marrelli Support for the services of Carmelo Marrelli to act as Chief Financial Officer ("CFO") of the Company prior to his resignation. Carmelo Marrelli is the president of Marrelli Support. Carmelo Marrelli resigned as CFO of the Company, effective August 22, 2012.

(ii) Bruce Rosenberg is a director of Guyana. Fees related to legal services provided by Mr. Rosenberg and director's fees. Director fees were paid to a company controlled by Mr. Rosenberg. As at September 30, 2012, his company was owed \$3,000 (December 31, 2011 - \$nil) and these amounts were included in amounts payable and other liabilities.

(iii) For the three and nine months ended September 30, 2012, the Company expensed \$1,742 and \$11,407, respectively (three and nine months ended September 30, 2011 - \$6,090 and \$10,227, respectively) to DSA for corporate secretarial services. DSA is a private company controlled by Carmelo Marrelli, the former CFO of the Company. Carmelo Marrelli is also the corporate secretary and sole director of DSA.

(iv) Director fees paid to companies controlled by directors of the Company. As at September 30, 2012, these companies were owed \$12,390 (December 31, 2011 - \$6,390) and these amounts were included in amounts payable and other liabilities.

(v) Director fees paid to a firm in which a director of the Company is a partner. As at September 30, 2012, this firm was owed \$3,390 (December 31, 2011 - \$6,780) and these amounts were included in amounts payable and other liabilities.

# GUYANA PRECIOUS METALS INC.

Notes to Condensed Interim Consolidated Financial Statements  
 Three and Nine Months Ended September 30, 2012  
 (Expressed in Canadian Dollars)  
 (Unaudited)

## 11. Related party balances and transactions (continued)

(b) Remuneration of Directors and key management personnel of the Company was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Total salaries and benefits <sup>(1)</sup>	\$ 48,000	\$ 48,000	\$ 140,500	\$ 126,000
Total share based payments	\$ 43,674	\$ 100,678	\$ 143,621	\$ 479,801

<sup>(1)</sup> Salaries and benefits include director fees. The board of directors and select officers do not have employment or services contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services.

## 12. Exploration and evaluation expenditures

The Company enters into exploration agreements or permits with other companies or foreign governments pursuant to which it may explore, or earn interests in mineral properties by issuing common shares and/or making option or rental payments and/or incurring expenditures in varying amounts by varying dates. Failure by the Company to meet such requirements can result in a reduction or loss of the Company's ownership interests or entitlements under the agreements or permits.

The following is a detailed list of expenditures incurred on the Company's mineral properties:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
<b>Guyana, South America</b>				
Acquisition costs	\$ -	\$ 2,400,640	\$ -	\$ 2,400,640
Licence renewal fees	8,052	-	14,102	-
Supplies	48,598	77,725	81,483	77,725
General	9,426	13,908	45,006	13,908
Contractors	19,157	45,523	71,494	45,523
Geophysical	205	-	233	-
Transportation	11,527	14,601	28,307	14,601
Wages and salary	3,681	4,940	16,648	4,940
Repairs and maintenance	4,818	9,321	7,661	9,321
Consulting	-	-	2,300	-
	<b>105,464</b>	<b>2,566,658</b>	<b>267,234</b>	<b>2,566,658</b>
<b>Canada</b>				
Advance royalty payments	25,000	25,000	75,000	75,000
Maintenance costs	-	-	14,618	-
Consulting	-	-	30,229	-
Lease payments	-	-	-	14,588
Reinterpretation of geophysics	-	-	-	14,250
	<b>25,000</b>	<b>25,000</b>	<b>119,847</b>	<b>103,838</b>
	<b>\$ 130,464</b>	<b>\$ 2,591,658</b>	<b>\$ 387,081</b>	<b>\$ 2,670,496</b>

## GUYANA PRECIOUS METALS INC.

Notes to Condensed Interim Consolidated Financial Statements  
Three and Nine Months Ended September 30, 2012  
(Expressed in Canadian Dollars)  
(Unaudited)

### 13. Segmented information

At September 30, 2012, the Company operates primarily in two reportable geographical segments, being the exploration for minerals in Guyana and Canada. The Company maintains a head office in Toronto, Canada.

#### Three months ended September 30, 2012

	Guyana	Barbados	Canada	Total
Revenues	\$ -	\$ -	\$ 5,830	\$ 5,830
Net loss and comprehensive loss	\$ (198,674)	\$ (35,989)	\$ (344,733)	\$ (579,396)

#### Three months ended September 30, 2011

	Guyana	Barbados	Canada	Total
Revenues	\$ -	\$ -	\$ 11,722	\$ 11,722
Net loss and comprehensive loss	\$ (2,583,022)	\$ (181)	\$ (123,435)	\$ (2,706,638)

#### Nine months ended September 30, 2012

	Guyana	Barbados	Canada	Total
Revenues	\$ -	\$ -	\$ 17,015	\$ 17,015
Net loss and comprehensive loss	\$ (449,863)	\$ (99,653)	\$ (992,139)	\$ (1,541,655)

#### Nine months ended September 30, 2011

	Guyana	Barbados	Canada	Total
Revenues	\$ -	\$ -	\$ 39,948	\$ 39,948
Net loss and comprehensive loss	\$ (2,583,022)	\$ (181)	\$ (1,501,843)	\$ (4,085,046)

#### As at September 30, 2012

	Guyana	Barbados	Canada	Total
Non-current assets	\$ 414,249	\$ -	\$ 15,975	\$ 430,224

#### As at December 31, 2011

	Guyana	Barbados	Canada	Total
Non-current assets	\$ 526,503	\$ -	\$ 20,612	\$ 547,115

### 14. Subsequent event

On October 12, 2012, the Company issued 2,250,000 options to directors and employees of the Company. The options are exercisable at \$0.17 until October 12, 2015. The options shall vest as to 25% on date of grant and as to 25% every six months thereafter.