
GUYANA PRECIOUS METALS INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE MONTHS ENDED
MARCH 31, 2012
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

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.

GUYANA PRECIOUS METALS INC.

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

	As at March 31, 2012	As at December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,103,822	\$ 5,402,508
Short-term investments (note 3)	210,800	205,290
Accounts receivable and other assets (note 4)	43,299	54,531
Total current assets	5,357,921	5,662,329
Non-current assets		
Restricted cash	14,987	15,255
Property and equipment (note 5)	495,462	531,860
Total assets	\$ 5,868,370	\$ 6,209,444
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and other liabilities	\$ 508,650	\$ 501,047
Capital and reserves		
Share capital (note 6)	22,361,905	22,361,905
Capital surplus	7,354,812	7,203,721
Warrant reserve	2,868,987	2,868,987
Deficit	(27,225,984)	(26,726,216)
Total capital and reserves	5,359,720	5,708,397
Total liabilities and equity	\$ 5,868,370	\$ 6,209,444

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

Nature of operations (note 1)

Subsequent events (note 14)

Approved on behalf of the Board:

(Signed) "J. Patrick Sheridan" , Director

(Signed) "Alan Ferry" , Director

GUYANA PRECIOUS METALS INC.

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

Three Months Ended March 31,	2012	2011
Operating expenses		
General and administrative (note 10)	\$ 306,190	\$ 506,603
Foreign exchange loss	49,251	119,303
Exploration and evaluation expenditures (note 12)	114,805	25,000
Amortization	39,998	2,209
Operating loss before the following items	(510,244)	(653,115)
Interest income	4,966	19,943
Unrealized gain (loss) on short-term investments	5,510	(26,500)
Net loss and comprehensive loss for the period	\$ (499,768)	\$ (659,672)
Basic and diluted net loss per post-consolidation common share (notes 1 & 8)	\$ (0.01)	\$ (0.01)
Weighted average number of post-consolidation common shares outstanding (notes 1 & 8)	87,147,845	87,147,845

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)

Three Months Ended March 31,	2012	2011
Operating activities		
Net loss for the period	\$ (499,768)	\$ (659,672)
Adjustments for:		
Amortization	39,998	2,209
Unrealized foreign exchange loss	49,251	116,687
Unrealized (gain) loss on short-term investments	(5,510)	26,500
Share based payments (note 7)	151,091	378,597
Non-cash working capital items:		
Accounts receivable and other assets	11,232	18,102
Amounts payable and other liabilities	7,603	(26,071)
Net cash used in operating activities	(246,103)	(143,648)
Investing activities		
Purchase of property and equipment	(3,600)	-
Net cash used in investing activities	(3,600)	-
Net change in cash and cash equivalents	(249,703)	(143,648)
Cash and cash equivalents, beginning of period	5,402,508	9,550,084
Effect of foreign exchange rate fluctuation on cash held	(48,983)	(116,687)
Cash and cash equivalents, end of period	\$ 5,103,822	\$ 9,289,749

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)**

	<u>Reserves</u>				Total
	Share capital	Capital surplus (note 7)	Warrant reserve (note 9)	Deficit	
Balance, December 31, 2010	\$ 22,361,905	\$ 2,598,530	\$ 6,407,923	\$(21,831,609)	\$ 9,536,749
Share based payments	-	378,597	-	-	378,597
Net loss and comprehensive loss for the period	-	-	-	(659,672)	(659,672)
Balance, March 31, 2011	\$ 22,361,905	\$ 2,977,127	\$ 6,407,923	\$(22,491,281)	\$ 9,255,674

	<u>Reserves</u>				Total
	Share capital	Capital surplus (note 7)	Warrant reserve (note 9)	Deficit	
Balance, December 31, 2011	\$ 22,361,905	\$ 7,203,721	\$ 2,868,987	\$(26,726,216)	\$ 5,708,397
Share based payments (note 7)	-	151,091	-	-	151,091
Net loss and comprehensive loss for the period	-	-	-	(499,768)	(499,768)
Balance, March 31, 2012	\$ 22,361,905	\$ 7,354,812	\$ 2,868,987	\$(27,225,984)	\$ 5,359,720

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

GUYANA PRECIOUS METALS INC.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2012

(Expressed in Canadian Dollars)

(Unaudited)

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." 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.

GUYANA PRECIOUS METALS INC.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2012

(Expressed in Canadian Dollars)

(Unaudited)

2. Significant accounting policies (continued)

(a) *Statement of Compliance (continued)*

The policies applied in these condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of May 24, 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.

(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 March 31, 2012	As at December 31, 2011
Prophecy Coal common shares	\$ 207,500	\$ 205,000
Prophecy Coal warrants ⁽¹⁾	3,300	290
	\$ 210,800	\$ 205,290

⁽¹⁾ 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 March 31, 2012, the fair value of the warrants was determined to be \$3,300, using the Black-Scholes valuation model with the following assumptions: a 1.00 year term, 63.94% volatility, risk-free interest rate of 1.23% and a dividend rate of 0%.

4. Accounts receivable and other assets

	As at March 31, 2012	As at December 31, 2011
Harmonized sales tax recoverable - (Canada)	\$ 11,532	\$ 18,584
Prepaid expenses	31,767	35,947
	\$ 43,299	\$ 54,531

GUYANA PRECIOUS METALS INC.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2012****(Expressed in Canadian Dollars)****(Unaudited)**

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, March 31, 2012	\$ 47,398	\$ 552,058	\$ 599,456

Accumulated Amortization	Vehicle	Excavation equipment	Total
Balance, December 31, 2011	\$ 26,786	\$ 37,210	\$ 63,996
Change during the period	1,546	38,452	39,998
Balance, March 31, 2012	\$ 28,332	\$ 75,662	\$ 103,994

Carrying Value	Vehicle	Excavation equipment	Total
Balance, December 31, 2011	\$ 20,612	\$ 511,248	\$ 531,860
Balance, March 31, 2012	\$ 19,066	\$ 476,396	\$ 495,462

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 March 31, 2012, the issued share capital amounted to \$22,361,905. The change in issued share capital for the periods were as follows:

	Number of common shares	Amount
Balance, December 31, 2010, March 31, 2011, December 31, 2011 and March 31, 2012	87,147,845	\$ 22,361,905

GUYANA PRECIOUS METALS INC.

Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2012
(Expressed in Canadian Dollars)
(Unaudited)

7. Stock options

The following tables reflect the continuity of stock options for the periods ended March 31, 2011 and 2012:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2010	4,110,000	0.34
Granted	2,875,000	0.36
Cancelled	(185,000)	0.36
Balance, March 31, 2011 (note 1)	6,800,000	0.36
Weighted average exercise price for vested options		0.35

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2011 and March 31, 2012	8,600,000	0.34
Weighted average exercise price for vested options		0.35

The following table reflects the actual stock options issued and outstanding as of March 31, 2012:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
May 11, 2012	0.20	0.11	1,900,000	1,900,000	-
June 24, 2013	0.50	1.23	1,850,000	1,850,000	-
August 26, 2013	0.36	1.41	175,000	175,000	-
January 28, 2016 (i)	0.36	3.83	2,875,000	2,156,250	718,750
April 28, 2016 (ii)	0.48	4.08	250,000	125,000	125,000
November 7, 2016 (iii)	0.28	4.61	1,550,000	387,500	1,162,500
		2.55	8,600,000	6,593,750	2,006,250

(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. 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 months ended March 31, 2012, the impact on salaries and benefits (note 10) was \$56,606 (three months ended March 31, 2011 - \$378,597).

(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 months ended March 31, 2012, the impact on salaries and benefits (note 10) was \$11,240.

GUYANA PRECIOUS METALS INC.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2012

(Expressed in Canadian Dollars)

(Unaudited)

7. Stock options (continued)

(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. 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 months ended March 31, 2012, the impact on salaries and benefits and consulting fees (note 10) was \$13,427 and \$69,818, respectively.

8. Net loss per common share

The calculation of basic and diluted loss per share for the three months ended March 31, 2012 was based on the loss attributable to common shareholders of \$499,768 (three months ended March 31, 2011 - loss of \$659,672) and the weighted average number of common shares outstanding of 87,147,845 (three months ended March 31, 2011 - 87,147,845). Diluted loss per share did not include the effect of 8,600,000 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 March 31, 2011 and 2012:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2010 and March 31, 2011 (note 1)	49,331,333	0.36
	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2011 and March 31, 2012	35,000,000	0.26

The following table reflects the actual warrants issued and outstanding as of March 31, 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
35,000,000	\$2,868,987	\$0.26	

GUYANA PRECIOUS METALS INC.

Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2012
(Expressed in Canadian Dollars)
(Unaudited)

10. General and administrative

	Three Months Ended March 31,	
	2012	2011
Salaries and benefits (note 7)	\$ 126,273	\$ 420,597
Consulting fees	94,118	8,800
Administrative and general	38,090	37,705
Reporting issuer costs	14,688	16,220
Accounting fees	4,831	-
Professional fees	20,882	11,142
Insurance	7,308	12,139
	\$ 306,190	\$ 506,603

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 March 31,	
		2012	2011
Marrelli Support Services Inc. ("Marrelli Support")	(i)	\$ 9,300	\$ 8,800
Bruce Rosenberg	(ii)	15,892	7,690
DSA Corporate Services Inc. ("DSA")	(iii)	6,826	5,009
1140301 Ontario Ltd.	(iv)	3,000	3,000
2260200 Ontario Inc.	(iv)	3,000	3,000
Lewis Downey Tornosky Lassaline & Timpano	(v)	3,000	-

(i) For the three months ended March 31, 2012, the Company expensed \$9,300 (2011 comparable period - \$8,800) to Marrelli Support for the services of Carmelo Marrelli to act as Chief Financial Officer ("CFO") of the Company. Carmelo Marrelli is the president of Marrelli Support. As at March 31, 2012, Marrelli Support was owed \$7,243 (December 31, 2011 - \$7,243) and this amount was included in amounts payable and other liabilities.

(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 March 31, 2012, his company was owed \$3,000 (December 31, 2011 - \$nil) and these amounts were included in amounts payable and other liabilities.

(iii) The CFO of Guyana is an officer of DSA. Fees related to corporate secretarial services provided by DSA. As at March 31, 2012, DSA was owed \$848 (December 31, 2011 - \$622) and these amounts were included in amounts payable and other liabilities.

(iv) Director fees paid to companies controlled by directors of the Company. As at March 31, 2012, these companies were owed \$9,390 (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 March 31, 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 Months Ended March 31, 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 March 31,	
	2012	2011
Total salaries and benefits ⁽¹⁾	\$ 45,000	\$ 42,000
Total share based payments	\$ 56,661	\$ 213,989

⁽¹⁾ 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 March 31,	
	2012	2011
Guyana, South America		
Licence renewal fees	\$ 4,851	\$ -
Supplies	12,514	-
General	27,917	-
Contractors	26,823	-
Geophysical	27	-
Transportation	8,615	-
Wages and salary	6,951	-
Repairs and maintenance	2,077	-
	89,775	-
Canada		
Advance royalty payments	25,000	25,000
Maintenance costs	30	-
	25,030	25,000
	\$ 114,805	\$ 25,000

GUYANA PRECIOUS METALS INC.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2012

(Expressed in Canadian Dollars)

(Unaudited)

13. Segmented information

At March 31, 2012, the Company operates primarily in two reportable geographical segments, being the exploration for minerals in Guyana and Canada. The Company maintains a branch office in Toronto, Canada.

- For the three months ended March 31, 2012 net loss and comprehensive loss for the period amounted to \$499,768 (Guyana \$142,704, Barbados \$35,298 and Canada \$321,766).
- For the three months ended March 31, 2011, net loss and comprehensive loss for the period amounted to \$659,672 (Canada \$659,672).
- For the three months ended March 31, 2012 revenues for the period amounted to \$10,476 (Guyana \$nil, Barbados \$nil and Canada \$10,476).
- For the three months ended March 31, 2011, revenues for the period amounted to \$19,943 (Canada \$19,943).
- As at March 31, 2012, total non-current assets amounted to \$510,449 (Guyana - \$491,383, Barbados - \$nil, and Canada - \$19,066).
- At December 31, 2011, total non-current assets amounted to \$547,115 (Guyana - \$526,503, Barbados - \$nil, and Canada - \$20,612).

14. Subsequent event

On May 11, 2012, 1,900,000 stock options with an exercise price of \$0.20 and an expiry date of May 11, 2012 expired unexercised.