Management's Discussion & Analysis
Three and nine months ended December 31, 2010

The following discussion and analysis of the financial position and results of operations for Colt should be read in conjunction with the Audited Consolidated Financial Statements for the years ended March 31, 2010 and 2009 and with the Unaudited Consolidated Financial Statements for the three and nine-month periods ended December 31, 2010 (filed at the same time as this Management's Discussion & Analysis), which were prepared in accordance with Canadian Generally Accepted Accounting Principles.

The reader is encouraged to visit www.sedar.com for more information relating to the Company and its ongoing disclosures.

FORWARD LOOKING STATEMENTS

Certain of the information contained in this annual information form may contain "forward-looking statements". Forward-looking statements may include, among others, statements regarding the Corporation's future plans, costs, objectives or economic performance, or the assumptions underlying any of the foregoing, including those described under "General Development of the Business" or "Business of the Corporation and Description of the Properties". In this annual information form, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. Forward-looking statements are based on information available at the time and/or management's good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties and other unpredictable factors, many of which are beyond the Corporation's control. These risks and uncertainties include, but are not limited to, those described in this MD&A and any other document published by the corporation. The Corporation does not intend, nor does it undertake any obligation, to update or revise any forward-looking statements contained in this document to reflect subsequent information, events or circumstances or otherwise, except if required by applicable laws.

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NATURE OF ACTIVITIES

Incorporated in April of 2000, Colt Resources Inc. (the "Company") is a junior mining exploration company engaged in the acquisition, exploration and, if warranted, the development of mineral property interests. The Company's mining properties are located in Portugal and Canada. All of the Company's properties are in exploration stages and the Company only records income from interest earned from funds on deposit.

The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the ticker symbol "GTP" and OTCQX under the ticker symbol "COLT". The Company is currently a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

The Company operates two wholly-owned subsidiaries in Portugal by the name of Eurocolt Resources Unipessoal Lda. ("Eurocolt") and Aurmont Resources Unipessoal Lda. ("Aurmont"). The President and CEO of Eurocolt and Aurmont is Mr. Jorge Valente.

CORPORATE HIGHLIGHTS

The first nine months of fiscal year 2011 was marked by relative stability and renewed activity in the financial markets and mineral commodities. Gold prices remained strong during the first nine months of operations of the Company and this has improved the Company's profile with the investment community. Financial uncertainty, nonetheless, remains relevant across the globe and management remains cautiously optimistic in its outlook for 2011.

During the reporting period ended December 31, 2010, the Company identified stronger investor interest in its projects, particularly the Company's tungsten and gold properties in Portugal. Management continues to address financial markets cautiously and remains conservative in its uses of funds for exploration.

Important corporate events for the nine-month period ended December 31, 2010

- On April 26, 2010 the Company reports its participation in an important European Investor Road Show that attracts 15,000 visitors every year.
- On May 6, 2010 the Company announced it had retained the services of Helen Bilhete IRO for investor relations support in Canada.
- On May 25, 2010 the Company announced its intention to proceed with a second closing on its February 2010 private placement previously announced. The closing consisted of 4,400,000 common shares for total gross proceeds of $1,100,000.
- During the three-month period ended June 30, 2010, the Company began the process for listing its common shares in the OTCQX market in the US.
- On June 28, 2010 the Company announced the maturity and settlement of its obligations relating to its convertible debentures. The outstanding, non-converted portion, of the convertible debentures became due and payable at the end of June 2010 and was paid in common shares in accordance with the terms and conditions in the convertible debenture agreement. A total of 883,964 common shares were issued at $0.34 per share.
- On June 28, 2010 the Company announced the extension of the expiry of the common share purchase warrants that were attached to the 2007 convertible debentures. The warrants were extended for a period of one year and now expire on June 29, 2011.
- On August 20, 2010 the Company announced its intention to proceed with a third closing on its previously-announced non-brokered private placement totalling 4,900,000 units at $0.25 for a total gross proceed of $1,225,000.

Important corporate events for the nine-month period ended December 31, 2010 (Continued)

- On August 31, 2010 the Company announced the listing of the Company's common shares on the OTCQX exchange in the US under ticker symbol COLTF.
- On September 3, 2010 the Company announced the closing of a private placement and the issuance of stock options to directors, officers and consultants.
- On September 9, 2010 the Company held its annual general shareholders meeting.
- On October 27, 2010, the Company closed non-brokered private placements for a total of 9,999,997 units at $0.35 per unit for gross proceeds of $3,499,999.
- On October 8, 2010 the Company announced that Mr. Declan Costelloe joined the Board of Directors.
- On November 8, 2010 the Company announced the issue of 1,400,000 stock options with an exercise price of $0.56.
- On December 2, 2010 the Company announced that Mr. Todd Hennis had joined its advisory board.

EXPLORATION HIGHLIGHTS

The Company's diamond drilling and property evaluation / exploration programs were under the supervision of J.W. Murton, P. Eng., a qualified person as defined by National Instrument 43-101. Mr. J.W. Murton is a director of Colt and is also responsible for the technical information presented in this MD&A.

During the nine-month period ended December 31, 2010, the Company commissioned Mr. Warner Gruenwald, P. Geo of Geoquest Consulting Ltd. to prepare for the Company a technical report compliant with NI 43-101 in respect to the Penedono Exploration Concession and the Armamar-Meda Exploration Concession. Mr. Warner Gruenwald is a qualified person as defined by National Instrument 43-101, and is independent of the Company. These technical reports were completed on respectively August 27, 2010 and September 6, 2010, and are available under the Company's profile on SEDAR at www.sedar.com.

Important exploration events for the nine-month period ended December 31, 2010

- On April 13, 2010 the Company announced the results from a diamond drilling campaign on its Penedono Gold Project. The results indicated high grade intersections 7.73 g/t Au over 0.60 m to 75.64 g/t Au through a 1.6 m wide mine stope with thin vein material.
- On June 7, 2010 the Company announced high grade gold and tungsten results from regional exploration on its Portuguese concessions. In terms of its gold intersects the Company reported from 10 g/t Au to 38.29 g/t Au. In terms of its tungsten intersects, the Company reported results varying from 1.0% to 2.9% WO_3.
- On June 14, 2010 the Company announced tungsten intersects of 0.54% WO_3 over 21.60 m at Armamar-Meda's Tabuaco Tungsten Project.
- On July 19, 2010 the Company announced its report on exploration work done in Portugal.
- On August 10, 2010 the Company announced it had signed an agreement for the eventual acquisition of the Montemor Gold Project in Portugal.

Important exploration events for the nine-month period ended December 31, 2010 (Continued)

- On September 2, 2010 the Company announced a metallurgical program for the Tabuaco Tungsten project in Portugal's Armamar-Meda Concession.
- On October 13, 2010 the Company announced it had acquired 51% of the rights to apply for the experimental mining permits of the Montemor Gold Project.
- On October 28, 2010 the Company announced the start of a trenching and drilling program on the Turgueira region of its Penedono Gold Property.
- On November 29, 2010 the Company announced a definition drilling program for the Tabuaco region of its Armamar-Meda Tungsten Project.

PORTUGUESE PROPERTIES

1. Penedono Gold Property Concession

The Penedono Concession consists of 51.231km^2, which represents a reduction from the original concession area as an annual requirement under Portuguese mining law. Colt has subsequently been successful in negotiating an extension of the concession for an additional 3 years and has increased the size of the concession to 102.471 km^2.

As at December 31, 2010 the Company had invested $1,858,330 ($1,493,078 as at March 31, 2010) with respect to its Penedono Concession and Exploration License. This represents a total investment of $365,252 over the reporting period ($369,073 for the nine-month period ended December 31, 2009).

2. Armamar-Meda Tungsten Concession

The Armamar Meda Concession consists of 436.81 km^2 which in turn is partially surrounded by the Moimenta-Almendra concession consisting of 566.58 km^2.

As at December 31, 2010, the Company has invested $845,473 ($530,623 as at March 31, 2010) with respect to its Armamar Meda Concession and Exploration License. This represents a total investment of $314,850 over the reporting period ($131,934 for the nine-month period ended December 31, 2009).

3. Moimenta-Almendra Base and Precious Metal Concession

The Moimenta-Almendra Property which has a surface area of approximately 566 km2 and which is partially contiguous to the Company's Penedono and Armamar-Meda Exploration Concessions (the "Moimenta-Almendra Exploration Licence").

As at December 31, 2010, the Company has invested $211,037 ($141,263 as at March 31, 2010). This represents a total investment of $69,774 over the reporting period ($42,351 for the nine-month period ended December 31, 2009).

4. Santa Margarida do Sado VMS Concession

The Santa Margarida do Sado concession consists of 360.46 km2 of prospective ground situated on the western extension of the Iberian Pyrite Belt, where the favourable basement geology is concealed under Tertiary cover sediments of the Lower Sado Basin. The IPB extends for more than 250 km from southern Spain through southern Portugal and is the host for numerous volcanogenic massive sulphide deposits in both countries, including several giant deposits with (greater than) 100 Mt total geologic resources, such as Rio Tinto and Tharsis in Spain, and Aljustrel and Neves-Corvo in Portugal.

As at December 31, 2010, the Company has invested $124,934 ($33,317 for March 31, 2010) with respect to its Santa Margarida do Sado Concession and Exploration License. This represents a total of $ $91,617 over the reporting period ($27,386 for the nine-month period ended December 31, 2009).

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CANADIAN PROPERTIES

1. Extra High Property, British Columbia

On January 21, 2008, the Company entered into an Option Agreement (the "2008 Option Agreement") with Kokomo Enterprises Inc. ("Kokomo") whereby Colt was granted the right and option to acquire, in two separate equal tranches, Kokomo's 67% undivided interest in the Extra High Property. Pursuant to the 2008 Option Agreement, Colt exercised the first tranche of the option by making a cash payment of $250,000 to Kokomo and has acquired from Kokomo a 33% undivided interest in the Extra High Property. As a result of exercising the first tranche of the option, Colt now holds a 67% undivided interest in the Extra High Property and has become the operator of the Extra High Property. Furthermore, pursuant to the 2008 Option Agreement, Colt is solely responsible for all exploration and property expenditures in respect of the Extra High Property, which were initiated and incurred by Colt from January 31, 2008 to December 31, 2008.

In order to exercise the second tranche of the option, Colt had to make a cash payment of $250,000 to Kokomo on or before December 31, 2008. And upon Colt making such payment, then Colt would be deemed to have exercised the second tranche of the option and to have acquired from Kokomo the remaining 33% undivided interest in the Extra High Property, subject only to an existing 1.5% NSR Royalty payable to an arm's length party (the "Arm's Length Royalty") and to a 0.5% NSR Royalty payable to Kokomo (the "Kokomo Royalty"). Colt has the option to purchase the Kokomo Royalty for the sum of $500,000 and Colt will also have the option to purchase 50% or 0.75% of the Arm's Length Royalty for the sum of $500,000.

As of December 31, 2008, the Company had not exercise the second tranche of the option, as a result of which, the 2008 Option Agreement was terminated. Colt and Kokomo operate as joint venture partners with Colt holding an initial 67% undivided interest in the Extra High Property and Kokomo holding an initial 33% undivided interest in the Extra High Property. Henceforth, each party shall contribute its proportionate share of the property expenditures. Should any party's interest be diluted to less than a 10% undivided interest in the Extra High Property, then its interest will forever be converted to a 0.5% NSR Royalty.

As at December 31, 2010, the Company has invested $534,012 ($533,110 as at March 31, 2010) with respect to its Extra High Property. There was no material investment in this concession over the reporting period ($0 for the nine-month period ended December 31, 2009).

2. Gaspésie Mineral Property, Québec

The Gaspesie Meneral Property consists of four properties comprising 267 claims, cover an area of approximately 153 km^2, and are located in the south-western part of the Gaspésie region, close to St-André-de-Restigouche.

As at December 31, 2010, the Company has invested \$190,507 (\$135,999 as at March 31, 2010) with respect to its Gaspésie Mineral Property. This represents a total of \$ \$54,508 over the reporting period (\$0 for the nine-month period ended December 31, 2009).

RESULTS FROM OPERATIONS

Three-month period ended December 31, 2010

For the reporting period ended December 31, 2010, the Company reported a loss of ($1,487,759) as compared to $172,134 over the same period last year. The increase in the Company's net and comprehensive loss was due primarily to the increased efforts to increase investor awareness and raise capital in Europe and the issuance of stock options.

The Company reported a total weighted average number of common shares outstanding of 40,766,213. As a result, Colt reported a net and comprehensive loss per share of $0.04 for the three-month period ended December 31, 2010 as compared to $0.02 in the same period last year.

Nine-month period ended December 31, 2010

For the reporting period ended December 31, 2010, the Company reported a loss of $2,843,192 as compared to $458,709 over the same period last year. The increase in the Company's net and comprehensive loss was due primarily to the increased efforts to increase investor awareness and raise capital in Europe, the issuance of stock options and higher legal and consulting fees.

The Company reported a total weighted average number of common shares outstanding of 40,766,213. As a result, Colt reported a net and comprehensive loss per share of $0.07 for the nine-month period ended December 31, 2010 as compared to $0.01 in the same period last year.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2010, total assets were $7,299,987 as compared to $3,542,806 as at March 31, 2010. Mining interests increased by $1,062,997 from $2,867,390 to $3,930,387. The increase represents the capitalization of all expenditures arising from mineral property exploration and development in Portugal.

During the nine-month period ended December 31, 2010, cash and cash equivalents increased from $484,445 as at March 31, 2010 to $2,995,832 as at December 31, 2010. This is the result of the successful closing of several private placements during the fiscal year. During this period, the Company improved its working capital ratio from a deficiency of $189,358 as at March 31, 2010 to an excess of $2,906,222 as at December 31, 2010.

In the past, the Company was successful in financing its liquidity requirements through the issuance of equity and debt securities. Management believes the Company has sufficient liquidity to meet its operating obligations for the next 6 months. As the Company is currently incurring operating losses, additional capital will be required to continue exploration activities on the properties.

Consolidated Statements of Cash Flows for the Nine-Months ended December 31, 2010

Operating Activities
Cash flow used in operating activities amounted to $2,857,728 in the reporting period as compared to $566,932 over the same period last year. The increase in cash used was primarily the result of increased net losses, settlement of convertible debentures and reduction of trade payables during the reporting period.

Financing Activities
Cash provided by financing activities amounted to $5,745,988 in the reporting period as compared to $1,280,640 over the same period in 2009. The amount provided by financing activites is primarily the result of equity raised for cash through several private placements and warrant exercises during the nine-month period.

Investing Activities
Cash used in investing activities amounted to $1,088,575 as compared to $572,824 over the same period last year. The increase is primarily the result of higher levels in capitalized mining expenditures on the Company's Portuguese properties.

At the end of the reporting period, the Company held approximately $2,995,832 in cash as compared to $32,203 in the previous period.

Summary of Quarterly Results

For the Quarterly Periods ended:	December 31, 2010 Q3 ($)	September 30, 2010 Q2 ($)	June 30, 2010 Q1 ($)	March 31, 2010 Q4 ($)
Total Revenues	0	0	0	0
Loss before other items	(1,487,759)	(915,996)	(459,293)	(464,829)
Loss per common share before other items	(0.04)	(0.03)	(0.01)	(0.02)
Net loss for the period	(1,487,759)	(915,996)	(439,438)	(486,326)
Basic net loss per common share	(0.04)	(0.03)	(0.01)	(0.02)

For the Quarterly Periods ended:	December 31, 2009 Q3 ($)	September 30, 2009 Q2 ($)	June 30, 2009 Q1 ($)	March 31, 2009 Q4 ($)
Total Revenues	0	0	0	0
Loss before other items	(316,311)	(172,540)	(286,769)	(124,023)
Loss per common share before other items	(0.015)	(0.02)	(0.02)	(0.01)
Net loss for the period	(316,209)	(172,134)	(286,575)	(162,872)
Basic net loss per common share	(0.015)	(0.01)	(0.02)	(0.01)

Convertible Debenture

On June 29, 2007 the Company closed a non-brokered private placement that resulted in the issuance of convertible debentures for a total consideration of $1,465,000. As at March 31, 2010 the convertible debentures had a carrying value of $271,038 (2009 - $287,917) including accrued interest. The debentures were due June 28, 2010, were bearing interest at 10% per annum compounded monthly and were payable at maturity. The debt was convertible into units, each unit consisting of one common share and one share purchase warrant. If converted before June 29, 2010, the conversion price was $0.35 per unit. Each warrant was exercisable to purchase one common share at prior to June 29, 2010 (the expiry date).

The convertible debentures were paid at maturity in shares in accordance to the terms in the debenture agreement. The common share purchase warrants were extended until June 29, 2011 and entitle the holders thereof to purchase common shares of the Company at a price of $0.35 per share.

Non-Brokered Private Placement Financings

On February 9, 2010 the Company announced a private placement for a total of 18,000,000 units at a price of $0.25 per unit to raise gross proceeds of up to $4,500,000. Each unit consisted of one restricted common share and half a warrant, each full warrant exercisable at $0.45 and expiring on February 26, 2012.

On March 31, 2010 the Company announced a first closing with gross proceeds of $1,000,000 (4,000,000 units).

On May 25, 2010 the Company announced a second closing with gross proceeds of $1,100,000 (4,400,000).

During the nine-month period ended December 31, 2010 the Company closed non-brokered private placements for a total of 10,840,000 units at $0.25 per unit for gross proceeds of $2,710,000. Each unit consisted of one common share and a half common share purchase warrant. For every warrant the holder can purchase one common share at $0.45 per share expiring February 25, 2012. Finder fees totaling $38,338 were paid in connection with these private placements.

During the nine-month period ended December 31, 2010 the Company closed non-brokered private placements for a total of 9,999,997 units at $0.35 per unit for gross proceeds of $3,499,999. Each unit consisted of one common share and a half common share purchase warrant. For every warrant the holder can purchase one common share at $0.45 per share expiring February 25, 2012. Finder fees totaling $160,420 were paid in connection with these private placements.

Stock Options Granted

The Company has a stock option plan under which officers, directors, employees and consultants are eligible to receive stock options. The total number of common shares reserved under option for issuance may not exceed 10,908,119 common shares.

In May 2010 there were 300,000 stock options exercised at 0.25$ per share.

On September 3, 2010 the Company granted 3,370,000 stock options to be exercised at $0.25 per share and expiring on September 2, 2015.

On November 8, 2010 the Company granted 1,400,000 stock options to be exercised at $0.56 per share and expiring on November 8, 2015.

Warrants Issued

During the first quarter of fiscal 2011, the Company issued 2,610,000 common share purchase warrants and 80,000 finder warrants resulting from the February 2010 non-brokered private placement of 5,220,000 units (each unit comprising of one common share and one half of a warrant exercisable at $0.45 per share). The warrants expire on February 25, 2012.

During the second quarter the Company issued 2,810,000 common share purchase warrants exercisable at $0.45 per share as part of the private placement closing of 5,620,000 units during the reporting period. The warrants expire on February 25, 2012.

During the same period, the Company issued 48,000 finder warrants exercisable at $0.25 per share and expiring on February 25, 2012. Each warrant gives the holder the right to purchase one common share and one on warrant exercisable at $0.45 per share until February 25, 2012.

During the third quarter of fiscal 2011, the Company issued 4,999,999 common share purchase warrants resulting from the February 2010 non-brokered private placement units comprising of one common share and one half of a warrant exercisable at $0.45 per share. The warrants expire on February 25, 2012.

RELATED PARTY TRANSACTIONS

(a) An officer of wholly-owned subsidiary Eurocolt received a monthly consulting fee of €5,000 plus €1,000 per day while on site. As at December 31, 2010, $38,066 was owed to the related party.

(b) A director charges the Company a fee of $600 per day for geological consulting whenever his services are required. As at December 31, 2010, $0 was owed to the related party.

(c) A director and Chief Financial Officer ("CFO") charged the Company $7,500 per month as professional fees pursuant to his contract with the Company. In May 2010 the contract was renewed with a monthly fee of $10,000. As at December 31, 2010, $0 was owed to the related party.

(d) A director charges the Company a monthly fee of €1000 as director fees plus expenses. As at December 31, 2010, $4,292 was owed to the related party.

(e) A director and Corporate Secretary charged the company an hourly rate of $250 for professional fees. In May 2010 the Company retained his services for a fixed fee of $5,000 per month. As at December 31, 2010, $4,913 was owed to the related party.

(f) A director and consultant charges the Company $200 per day plus expenses for services rendered. As at December 31, 2010, $4,913 was owed to the related party.

RISK MANAGEMENT AND GOING CONCERN

This MD&A and the Company's financial statements have been prepared using Canadian Generally Accepted Accounting Principles (GAAP) as applicable to going concerns. However, certain facts and circumstances may cause a significant doubt on the reasonableness of this assumption. The Company is currently pursuing financing alternatives to fund its operations and to continue as a going concern. Although there are no assurances that the Company will be successful in these actions, management is confident that it will be able to secure the necessary funding.

This MD&A and the corresponding financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the balance sheet classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

The Company, and the securities of the Company, should be considered a highly speculative investment. For a discussion of the risks, uncertainties and assumptions related to an investment in the Company or its securities, see the section entitled "Risk Factors" in the Company's annual information form dated February 14, 2011 available under the Company's profile on SEDAR at www.sedar.com.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Company's consolidated financial statements have been presented in accordance with Canadian GAAP on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

A. Financial Instrument disclosures

Effective April 1, 2008 the Company adopted, CICA Handbook Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation", which together comprise a complete set of disclosure requirements for financial instruments. Section 3862 requires disclosure of additional detail by financial instruments; Section 3863 requires disclosure of additional detail by financial asset and liability categories. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. As a result of the adoption of these standards, additional disclosures on the risks of certain financial instruments have been included in note 5 to the Company's consolidated financial statements.

B. Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the Emerging Issues Committee (the "EIC") of the CICA issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", which clarifies that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. EIC-173 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC-173. On the date of adoption, the Company re-measured its financial assets and liabilities as appropriate and there was no impact on the consolidated financial statements arising from the adoption of EIC-173. In accordance with EIC-173, prior period consolidated financial statements have not been restated.

C. Mining Exploration Costs

In March 2009, the EIC issued EIC-174, "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties. It also provides guidance for development and exploration stage entities that cannot estimate future cash flows from its properties in assessing whether impairment in such properties is required. EIC-174 also provides additional discussion on recognition of long-lived assets. EIC-174 is to be applied in interim and annual financial statements for periods ending on or after the date of issuance of EIC-174. The adoption of this section did not have a significant impact on the Company's consolidated financial statements.

D. Business combinations

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidations", and Section 1602, "Non-Controlling Interests". These sections replace former CICA Section 1581," Business Combinations" and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of business activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

These new sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections.

E. International Financial Reporting Standards ("IFRS")

In February 2008, the CICA Canadian Accounting Standards Board confirmed the changeover to IFRS from Canadian GAAP will be required for Canadian publicly-listed companies effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

The Company will adopt IFRS commencing for interim and fiscal period reporting commencing April 1, 2011. The IFRS standards will require the restatement of comparative financial statements of the Company for the interim periods and for the year ended March 31, 2011 and earlier where applicable.

Other Material Events and Highlights

The Company is presently not a party to any proceedings.

TRENDS

Although the markets have begun recovering from the worldwide adverse market conditions of 2008, 2009 and part of 2010, management expects to meet its funding requirements for the year.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The company adopted the amendments to CICA Section 3862 for the consolidated financial statements for the fiscal year ended March 31, 2010. The amendments require the use of a fair value hierarchy in order to classify the fair value disclosures related to the company's financial assets and financial liabilities that are recognized in the balance sheet at fair value.

The fair value hierarchy has the following levels:

- Level 1: Quoted market prices in active markets for identical assets and liabilities
- Level 2: Inputs other than quoted market prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Unobservable inputs such as inputs for the assets or liability that are not based on observable market data.

The fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

(a) Financial instruments

The carrying values of cash, short term investments sundry receivable, accounts payable and accrued liabilities, accounts payable and exploration expenses and loan payable approximate their fair values due to the relative short periods to maturity of these instruments.

The carrying values of financial assets by category as at December 31, 2010 are as follows:

		December 31, 2010	March 31, 2010
Cash held in bank accounts	$	2,995,832	484,445
Performance bonds (held in Portugal)		138,340	123,300
	$	3,134,172	153,418

The carrying values of financial liabilities by category as at December 31, 2010 are as follows:

Accounts payable and accrued liabilities	$	265,693
Amounts due to related parties		50,863
	$	316,956

(b) Fair value

The carrying values of the Company's cash and equivalents, performance bonds and accounts payable and accrued liabilities approximate their fair values because of the short-term maturity of these financial instruments. The fair value of cash and equivalents includes the balance of interest receivable. Cash and cash equivalents and performance bonds are reflected on the balance sheet at fair value using level 1 hierarchy because measurements are determined using quoted prices in active markets for identical assets.

(c) Credit risk

The Company is exposed to credit risk with respect to cash and cash equivalents and performance bonds. The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk by maintaining cash and cash equivalents and performance bonds with major financial institutions.

As at December 31, 2010, the Company's maximum exposure to credit risk is as follows:

Financial Assets	Held-for-trading	Loans and receivables	Held to Maturity
Cash and cash equivalents	$ 2,995,832		
Performance bonds			$ 138,340
	$ 2,995,832		$ 138,340

The Company is not exposed to concentration of credit risk with respect to cash and cash equivalents or performance bonds as the amounts are held with major financial institutions in Canada and Portugal.

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows used in operations and exploration activities, anticipated from investing and financing activities, and taking into account the Company's holdings of cash and equivalents.

As at December 31, 2010, the Company has cash and cash equivalents of $2,995,832 and working capital of $2,906,222 (as compared to a working capital deficiency of $189,358 as at March 31, 2010). Accounts payable and accrued liabilities have contractual maturities of 30 days or less and are subject to normal trade terms, amounts due to related parties are due on demand. The Company has sufficient funding to meet its existing obligations as well as administrative overhead costs and planned exploration activities on its mineral property interests in fiscal 2011 but it will require additional funding going forward. While the Company has been successful in raising debt and equity funds in the past, there exists uncertainty whether it will be able to raise sufficient funds in the future.

(e) Market risk

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company's cash and equivalents generally consist of cash held in bank accounts and term deposits that earn interest at variable interest rates. Future cash flows from interest income on cash and cash equivalents will be affected by interest rate fluctuations. In the past, the Company has managed interest rate risk by purchasing highly liquid, short-term investments from major financial institutions. As at December 31, 2010, cash and cash equivalents consisted entirely of cash held in bank accounts; therefore, fluctuations in market rates do not have a material impact on estimated fair values at year-end.

(ii) Foreign currency risk

The Company operates in Canada and Portugal. The Company is exposed to foreign currency risk to the extent that financial instruments are denominated in European Euro.

As at December 31, 2010 the Company's exposures to foreign currency risk, based on balance sheet values, were to the European Euro. The Company held financial instruments denominated in European Euros consisting of €104,306 in guaranteed deposits and €715,423 in cash for a total of €819,729.

As at December 31, 2010, the Company used a foreign exchange rate of CDN$1.33 for €1.00.

The Company has not entered into any foreign currency contracts to mitigate the risk. Our sensitivity analysis assumes all other variables remain constant and are based on above net exposures. A 10% appreciation or depreciation of the Euro vis-à-vis the Canadian dollar would result in approximately $120,000 increase or decrease respectively, in net income and shareholder equity.

(iii) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

DISCLOSURE OVER INTERNAL CONTROLS

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at December 31, 2010, the CEO and CFO have evaluated the effectiveness of the Company's DC&P as defined in National Instrument 52-109 of the Canadian Securities Administrators and have concluded that such controls and procedures are effective and provide reasonable assurance that material information relating to the Company, was made known to them and reported as required, particularly during the period in which the annual filings were being prepared.

Upon completion of the Company's audit for the year ended March 31, 2010, the Company's Auditors determined that all transactions were diligently and accurately accounted for.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the design of internal controls over financial reporting ("ICFR") within the Company 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 GAAP. Management has evaluated the design of the Company's ICFR as of the end of the period covered by the annual filings and believes the design to be sufficient to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes. There have been no significant changes to the Company's internal control environment during the period ended December 31, 2010 that would have materially affected the Company's internal controls over financial reporting.

CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In February 2008, the Canadian Accounting Standards Board ("AcSB") announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company expects to meet this change-over requirement and report under IFRS in fiscal 2012

SUBSEQUENT EVENTS

Subsequent to December 31, 2010:

a. On January 18, 2011 the Company announced it had contracted SRK Consulting (US) Inc. to undertake and supervise the Company's exploration work in Portugal.

b. On February 8, 2011 the Company began trading on the TSX Venture Exchange under ticker symbol GTP. The Company concurrently delisted its common shares from the Canadian National Stock Exchange.

c. On February 15, 2010 the Company filed a 43-101 compliant technical report for its Santa Margarida do Sado concession in southern Portugal.

d. On February 18, 2010 the Company announced that Mr. Jean Depatie had joined the Company's board of directors.

OUTLOOK

Management is looking forward to the exploration and, if warranted, the development of the Company's mineral property interests.