



MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011
(Containing information through November 28, 2011 unless otherwise noted)

BACKGROUND

This Management's Discussion and Analysis ("MD&A") has been prepared based on information available to Belo Sun Mining Corp. ("we", "our", "us", "Belo Sun" or the "Company") as of November 28, 2011 unless otherwise noted. The MD&A provides a detailed analysis of the Company's operations and compares its financial results with those of the previous periods and should be read in conjunction with our unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2011 and 2010 and related notes. The financial statements and related notes of Belo Sun have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Please refer to the notes of the March 31, 2011 condensed interim consolidated financial statements for disclosure of the Company's significant accounting policies. Unless otherwise noted, all references to currency in this MD&A refer to Canadian dollars.

Additional information, including our press releases, have been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under the Company's profile at www.sedar.com.

The Company's annual information form can be found at www.sedar.com. Additional information relating to the Company can be found on the Belo Sun website at www.belosun.com.

David Gower, P.Geo, an advisor to the Company and Carlos Cravo, P.Geo Project Manager for Belo Sun, who are Qualified Persons under National Instrument 43-101 of the Canadian Securities Administrators, have reviewed and approved the scientific and technical information in this MD&A.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Canadian Accounting Standards Board requires publicly accountable enterprises such as the Company to adopt IFRS for fiscal years beginning on or after January 1, 2011. Accordingly, the Company's consolidated interim financial statements for the nine months ending September 30, 2011 have been prepared in accordance with IFRS as published by the International Accounting Standards Board.

For each reporting period in 2011, we will also present comparative information for 2010, both for interim and annual financial statements, as applicable, on an IFRS basis. Our consolidated financial statements for the year ending December 31, 2011, will be our first annual financial statements that comply with IFRS. As this will be our first year of reporting under IFRS, First time Adoption of IFRS (IFRS 1) is applicable.

In accordance with IFRS 1, we have applied IFRS retrospectively as of January 1, 2010 (the Transition Date) for comparative purposes. In preparing our opening balance sheet in accordance with IFRS, we have adjusted amounts reported previously in our financial statements prepared in accordance with pre-conversion Canadian GAAP (for detailed information, see Changes in Accounting Policies).

For further information, please refer to the Company's Condensed Interim Consolidated Financial Statements and Notes for the three and nine months ended September 30, 2011.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Except for statements of historical fact relating to Belo Sun certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the Company's development potential and timetable of the Company's properties; future mineral prices; ability to raise additional financing; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; the timing and amount of estimated future exploration and development; capital expenditures; success of exploration activities; currency exchange rates; reliance on qualified personnel; competition; dependence on outside parties; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of future exploration at the Volta Grande Gold Project are based on management expectations, exploration done to date and recommended programs, purchase orders placed by the Company to date, actual expenditures incurred, recent estimates of exploration costs and other factors that are set out herein. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during construction; expansion and start-up; variations in mineral grade and recovery rates; revocation of government approvals; timing and availability of external financing on acceptable terms; ability to finalize required agreements for operations; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of equipment or processes to operate as anticipated; accidents, labour or community disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

OVERVIEW OF THE COMPANY

Belo Sun is a Canadian mineral exploration company with a portfolio of properties including the Volta Grande Gold Project. Belo Sun's other properties include the Patrocinio Gold Project in Para State and the Rainbow Alexandrite Project in Goias state.

Highlights for nine months ended September 30, 2011:

- The Company closed a bought deal offering of 45.08 million common shares at a price of \$1.15 per common share for gross proceeds of \$51,842,000. The aggregate number of common shares issued included 5.88 million common shares issued pursuant to the full exercise of the over-allotment option granted to the underwriters pursuant to the offering. The net proceeds of the offering are intended to be used to finance further exploration and development of the Company's mineral properties, in particular the Volta Grande Gold Project and for general corporate purposes.
- Over the last 3 months almost 30,000 meters of drilling has been completed at the Volta Grande project with the result that the in-fill drill program has been finished ahead of schedule. A total of 80 holes from the North Block are now pending assay results, which should be available within less than two months. A new resource estimate is planned to be released by year end and published by early Q1-2012.
- During the third quarter, the Company commenced work on a bankable feasibility study with AMEC Minproc Engenharia e Consultoria Limitada

The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issuance of shares from treasury to investors. These stock issuances depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management.

The Company's financial statements have been prepared in accordance with IFRS applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

OUTLOOK

- Belo Sun's principal focus is the Volta Grande Gold Project. The Volta Grande Gold Project has a National Instrument 43-101 compliant estimated indicated mineral resource of 1,307,000 ounces of gold (29.2 million tonnes grading 1.39 grams per tonne gold) and an estimated inferred mineral resource of 2,136,000 ounces of gold (53.6 million tonnes grading 1.24 grams per tonne gold) based on 0.50-gram-per-tonne-gold cut off, as outlined by the National Instrument 43-101 study undertaken by Scott Wilson Roscoe Postle Associates Inc., of Toronto (see the Company's news releases of April 4, 2011, January 11, 2011, September 21, 2010 and September 29, 2009 and Technical Reports filed on SEDAR). Approximately 86% (71 million tonnes) of the mineral resource occur within 200 metres from the surface.

- Belo Sun has completed 240 drill holes (60,790 metres) at the Volta Grande Gold Project of which assays are pending for 80 holes.
- Belo Sun has selected AMEC Minpro Engenharia e Consultoria Limitada to conduct a bankable feasibility study and work began during the quarter ended September 30, 2011.
- The Company has been granted priority on its application for an additional 14 claims which comprise an area totaling 111,032 hectares. Total land package now consists of a total of 24 claims which cover 130,541 hectares.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters:

| | IFRS | | | | | | | Canadian GAAP |
|-------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 30-Sep | 30-Jun | 31-Mar | 30-Dec | 30-Sep | 30-Jun | 31-Mar | 31-Dec |
| | 2011 | 2011 | 2011 | 2010 | 2010 | 2010 | 2010 | 2009 |
| Net (loss) | (\$11,678,884) | (\$8,711,105) | (\$4,437,251) | (\$3,327,295) | (\$2,797,719) | (\$1,501,725) | (\$2,581,184) | (\$272,431) |
| Net loss per share | (\$0.06) | (\$0.04) | (\$0.03) | (\$0.03) | (\$0.02) | (\$0.01) | (\$0.02) | (\$0.01) |
| Working Capital | \$38,885,845 | \$49,955,689 | \$52,374,800 | \$6,157,334 | \$2,714,565 | \$5,081,071 | \$6,494,026 | \$1,893,048 |
| Total Assets | \$44,925,143 | \$53,606,410 | \$55,897,308 | \$8,391,615 | \$4,982,222 | \$6,826,684 | \$7,637,778 | \$10,703,508 |
| Total Non-current Liabilities | \$27,522 | \$42,189 | \$58,103 | \$47,828 | \$49,763 | \$0 | \$0 | \$0 |

Factors Affecting Comparability of Quarters

Results of operations can vary significantly as a result of a number of factors. The Company's level of activity and expenditures during a specific quarter are influenced by the level of working capital, the availability of external financing, the time required to gather, analyze and report on geological data related to its properties and the nature of activity, and the number of personnel required to advance each individual project.

In addition, the granting of stock options in a particular quarter gives rise to stock-based compensation expense. In the second quarter of 2011, the Company recorded stock-based compensation expense of \$4,380,758 (Q1 2011 – Nil, Q4 2010 - \$447,000 Q3 2010 - \$567,470, Q2 2010 - \$52,895, Q1 2010 - \$1,199,501, Q4 2009 - \$6,189).

In addition, the exploration expenditures during quarters vary and can cause earnings to fluctuate. In the third quarter of 2011, the Company recorded exploration and evaluation expenses (including engineering studies) of \$9,997,723 (Q2 2011 - \$4,016,818; Q1 2011 - \$3,304,542, Q4 2010 - \$2,302,616, Q3, 2010 - \$1,923,414, Q2 2010 - \$1,132,332, Q1 2010 – \$223,390). During Q3-2011, the Company completed an extensive infill drilling program.

Also contributing to fluctuating quarterly net (loss) are changes in foreign exchange rates. The Company holds a large portion of its monetary assets and liabilities in Brazil and therefore changes in the rate of exchange between the Brazilian Real, United States dollar and the Canadian dollar result in reported gains and losses on foreign currency fluctuations.

RESULTS OF OPERATIONS – FINANCIAL

The following is a discussion of the results of operations of the Company for the three and nine months ended September 30, 2011. They should be read in conjunction with our unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2011 and related notes.

For the quarters ended:

| | Three Months Ended September 30, | |
|-------------------------------------|----------------------------------|--------------|
| | 2011 | 2010 |
| Net loss | \$ 11,678,884 | \$ 2,797,719 |
| Interest income | (364,436) | (92,887) |
| Management fees to directors | 124,680 | 37,500 |
| Salaries, wages and consulting fees | 271,329 | 169,407 |
| Professional fees | 27,701 | 17,818 |
| General and administration | 363,294 | 263,792 |
| Amortization | 31,765 | 14,693 |
| Share-based payments | - | 567,470 |
| Exploration and evaluation expenses | 8,728,612 | 1,810,095 |
| Engineering studies | 1,269,111 | 113,319 |
| Loss/(gain) on foreign exchange | 1,226,828 | (138,772) |
| Gain on sale of capital assets | - | (171) |
| Taxes payable | - | 35,455 |

For the three months ended September 30, 2011, the Company recorded a net loss of \$11,678,884 (\$0.06 per share) compared to a net loss of \$2,797,719 (\$0.02 per share) for the three months ended September 30, 2010. The larger loss is attributable primarily to higher exploration and evaluation expenses. As well, the Company incurred a relatively large foreign exchange loss during the current period. General and administration expenses, and salaries and wages were marginally higher during Q3-2011 compared to Q3-2010. These were offset by higher interest income.

Salaries, wages and consulting fees, and general and administration costs were higher during Q3-2011 compared to Q3-2010 reflecting the increased activity of the Company.

Exploration and evaluation expenses, including engineering studies, were \$9,997,723 for the three months ended September 30, 2011 compared to \$1,923,414 for the three months ended September 30, 2010. In Q3-2011, the Company continued actively exploring its Volta Grande Gold Project completing approximately 120 drill holes, working on environmental technical studies and initiating work on a Bankable Feasibility Study.

Interest income was \$364,436 for the three months ended September 30, 2011 compared to \$92,887 for the three months ended September 30, 2010. The Company raised \$51.8 million dollars from a

bought-deal financing during Q1-2011 and, as a result, had larger cash balances resulting in significantly higher interest income during Q3-2011.

Stock-based compensation was \$nil for the three months ended September 30, 2011 compared to \$567,470 for the three months ended September 30, 2010. The Company did not grant stock options during Q3-2011, however 2,043,000 were granted during Q3-2010.

The Company also recognized a foreign exchange loss of \$1,226,828 during Q3-2011 (Q3-2010 – a gain of \$138,772). The US dollar strengthened significantly at the end of the current quarter and a large portion of net assets are held in Brazilian Reais resulting in this loss.

During the three months ended September 30, 2011, the Company spent \$8,064,655 on operations, raised \$311,998 from the exercise of warrants and options, made lease payments of \$128,974 and purchased capital assets of \$184,338. During the three months ended September 30, 2010, the Company spent \$1,987,556 on operations, raised \$66,000 from the exercise of warrants and options, acquired lease obligations of \$81,399, and incurred \$139,222 in capital asset expenditures.

For the nine months ended:

| | Nine Months Ended September 30, | |
|-------------------------------------|---------------------------------|--------------|
| | 2011 | 2010 |
| Net loss | \$ 24,827,240 | \$ 6,880,628 |
| Interest income | (716,735) | (143,837) |
| Management fees to directors | 324,145 | 825,387 |
| Salaries, wages and consulting fees | 1,130,466 | 518,580 |
| Professional fees | 93,192 | 133,847 |
| General and administration | 1,164,341 | 522,163 |
| Amortization | 85,267 | 40,623 |
| Share-based payments | 4,380,758 | 1,819,866 |
| Exploration and evaluation expenses | 15,373,072 | 3,127,205 |
| Engineering studies | 1,946,011 | 151,931 |
| (Gain) loss on foreign exchange | 1,046,723 | (134,810) |
| Gain on sale of capital assets | - | (15,782) |
| Taxes payable | | 35,455 |

For the nine months ended September 30, 2011, the Company recorded a net loss of \$24,827,240 (\$0.13 per share) compared to a net loss of \$6,880,628 (\$0.05 per share) for the nine months ended September 30, 2010. The larger loss is attributable primarily to higher exploration and evaluation expenditures and increased stock-based compensation. General and administration expenses and salaries and wages were higher during 2011 compared to 2010. These were offset by higher interest income.

Salaries, wages and consulting fees were \$1,130,466 during 2011 compared to \$518,580 during 2010. This increase is a result of increased staff and increased activity as well as bonuses granted upon achieving a three million mineral resources estimate at Volta Grande. Management fees paid to directors is lower during 2011 compared to 2010 as a result of termination payments made to the former directors of the Company during 2010. General and administration costs were higher during 2011 compared to 2010 reflecting the increased activity of the Company with higher shareholder communications costs, higher travel costs and higher transfer agent and regulatory fees.

Exploration and evaluation expense, including engineering studies, was \$17,319,083 for the nine months ended September 30, 2011 compared to \$3,279,136 for the nine months ended September 30, 2010. In 2011, the Company actively explored its Volta Grande Gold Project completing approximately 192 drill holes, working on environmental technical studies and initiating work on a Bankable Feasibility study.

Interest income was \$716,735 for the nine months ended September 30, 2011 compared to \$143,837 for the nine months ended September 30, 2010. The Company raised \$51.8 million dollars from a bought-deal financing during 2011 and as a result had larger cash balances during the nine-month period. Due to the larger cash balance versus the nine months ended September 30, 2010, interest income was significantly higher.

Stock-based compensation was \$4,380,758 for the nine months ended September 30, 2011 compared to \$1,819,866 for the nine months ended September 30, 2010. The Company issued 4,922,200 stock options to directors, officers and consultants of the Company during 2011 compared to 7,070,400 granted during 2010. The value of stock-based compensation is estimated using the Black-Scholes option pricing model.

The Company also recognized a foreign exchange loss of \$1,046,723 during 2011 (2010 – a gain of \$134,810) as a result of a sharp strengthening of the US dollar at the end of the current period. The Company carried a significant portion of its net monetary assets in Brazilian Reais as at September 30, 2011 resulting in this conversion loss.

During the nine months ended September 30, 2011, the Company spent \$15,977,610 on operations, raised \$48,326,058 net of issue costs from a bought deal financing, raised \$4,867,568 from the exercise of warrants and options, made \$111,240 in capital lease payments and purchased capital assets of \$491,804. During the nine months ended September 30, 2010, the Company spent \$4,484,080 on operations, raised \$5,912,975 from a private placement financing, raised \$128,560 from the exercise of warrants and options, acquired capital lease obligations of \$81,399 and incurred \$222,131 in capital asset expenditures.

LIQUIDITY AND CAPITAL RESOURCES

Given the nature of the Company's operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the development of a property that leads to the discovery of economically recoverable reserves. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine.

The Company currently has negative operating cash flow and finances its mineral exploration activities through equity financing. The Company's financial success will be dependent on the economic viability of its mineral exploration properties and the extent to which it can establish economic reserves and operations.

The Company had working capital of \$38,885,845 as at September 30, 2011 (December 31, 2010 - \$6,157,334) including cash and cash equivalents of \$42,988,163 (December 31, 2010 - \$7,127,226). None of the cash equivalents are invested in asset-backed securities.

The Company is currently focusing its efforts on the Volta Grande Gold Project.

Financings

On March 25, 2011, the Company closed a bought deal financing of 45,080,000 common shares, including the full exercise of the over-allotment granted to the underwriters of 5,880,000 common shares, at a price of \$1.15 per common share for gross proceeds of \$51,842,000. The Company paid the underwriters a fee of 6% on funds raised. The net proceeds of the offering are intended to be used to finance further exploration and development of the company's mineral properties, in particular the Volta Grande Gold Project and for general corporate purposes.

Exercise of Warrants and Options

During the nine months ended September 30, 2011, 12,651,500 warrants and options were exercised for proceeds of \$4,867,568. Subsequent to September 30, 2011, an additional 294,000 warrants and options were exercised for proceeds of \$141,560.

Long Term Investment

The investment consists of a term deposit of 984,941 Reais (December 31, 2010 – 921,297 Reais), including accrued interest, to fund potential amounts owing to Companhia de Pesquisa de Recursos Minerais (“CPRM”). The term deposit matures on April 22, 2013 and bears interest at a floating rate of approximately 9.17% (December 31, 2010 – 9.17%).

Currency Risk

The Company operates internationally and is exposed to foreign exchange risk as certain expenditures are denominated in non-Canadian dollar currencies. Foreign exchange risk is predominantly to the United States dollar and Brazilian Real.

A strengthening of \$0.01 in the United States dollar against the Brazilian Reais would have decreased net income by approximately \$124,000 for the nine months ended September 30, 2011. A strengthening of \$0.01 in the Canadian dollar against the United States dollar would have decreased accumulated other comprehensive income by approximately \$67,000 for the nine months ended September 30, 2011. At September 30, 2011, one Canadian dollar was equal to 0.9540 United States dollars and one Canadian dollar was equal to 1.7803 Brazilian Reais.

As at September 30, 2011 the monetary balances in non-Canadian dollar currencies are as follows:

| | Brazilian Reais | United States Dollar |
|--|----------------------|----------------------|
| Cash | \$ 18,710,745 | \$ 4,890 |
| Accounts receivable and prepaid expenses | 378,994 | - |
| Long term investment | 984,941 | - |
| Accounts payable | (7,481,185) | (513) |
| Lease payable | (164,163) | - |
| | <u>\$ 12,429,332</u> | <u>\$ 4,377</u> |

Capital Risk Management

The Company includes cash and equity, comprised of issued common shares, share-based payment reserve, warrants and deficit, in the definition of capital. The Company's objectives when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's properties are in the exploration stage and, accordingly, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise the additional funds required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2011. The Company is not subject to externally imposed capital requirements.

Commitments

Long Term Investment

The Company maintains an interest bearing term deposit to cover the future royalty payments. There has been no production at Volta Grande thus no royalties payable and no amounts were withdrawn by the CPRM.

Brazil Land Taxes

On December 31, 2010, the Company received notice from the Departamento Nacional de Producao Mineral ("DNPM") that it owes 51,406,850 Reais (C\$28,876,790) (2009 – 1,857,128 Reais) in land taxes. For the twelve months ended December 31, 2010, the Company had accrued 454,430 Reais (C\$272,340) based on management's estimate and understanding of the laws governing the DNPM. The Company believes that an administrative error has been made on the part of the DNPM and the Company has hired local counsel in Brazil to investigate. Local counsel has concluded their investigation and the Company has been paying down land taxes that are confirmed to be correct and is renegotiating a settlement for the ones that the Company believes are either invalid or illegal claims on the part of DNPM. This settlement is not expected to have a material effect on the Company. As at September 30, 2011, the Company has accrued 433,133 Reais (C\$243,291).

Management Contract Commitments

The Company is party to certain management contracts. These contracts require that additional payments of up to \$2,500,000 be made upon the occurrence of certain events such as a change of control. Minimum commitments remaining under these contracts were approximately \$671,000, all due within one year.

Environmental Commitments

The Company's mining and exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The only capital resource of the Company is the plant, property and equipment at \$1,041,068 (net book value).

SELECTED ANNUAL INFORMATION

The highlights of financial data for the Company for the three most recently completed financial years are as follows:

| | IFRS | Canadian GAAP | |
|-----------------------------|--------------------------|--------------------------|--------------------------|
| | <u>December 31, 2010</u> | <u>December 31, 2009</u> | <u>December 31, 2008</u> |
| Net Sales | - | - | - |
| Net Income (Loss) | \$(10,207,923) | \$(737,954) | \$(2,174,117) |
| Loss per share - | | | |
| Basic & Diluted | \$(0.08) | \$(0.01) | \$(0.02) |
| Total Working Capital | \$6,157,334 | \$1,893,048 | \$993,346 |
| Total Assets | \$8,391,615 | \$10,703,508 | \$8,733,320 |
| Total Long-Term Liabilities | \$47,828 | - | - |

RESULTS OF OPERATION - EXPLORATION

VOLTA GRANDE PROPERTY

Volta Grande, the Company's primary focus, is an advanced-stage exploration project where an indicated and inferred gold resource has already been delineated. The mineral resource is comprised of 1,307,000 indicated ounces of gold (29.2 million tonnes at 1.39 g/t) and 2,136,000 inferred ounces of gold (53.6 million tonnes at 1.24 g/t) using a 0.50 g/t cut-off (see Press Releases dated April 4, 2011, January 11, 2011, September 21, 2010 and September 29, 2009 and Technical Reports filed on SEDAR).

Agreement

In 2005, the Company signed an agreement modifying the terms of the acquisition of a 100 percent interest in the Volta Grande Gold Property located in the Para State, approximately 60 kilometres southwest of the city of Altamira in northern Brazil (the "Volta Grande Property"). Under the original terms of the contract signed in 2004, the Company was to pay US\$3 million over four years. Under the modified agreement the Company agreed to pay to the Vendor a total of US\$600,000 which was paid in 2006. The transfer of title to the Volta Grande Property occurred following the arrangements with CPRM, whereby the Company has committed to pay CPRM 3,740,000 Reais if a mineable deposit is defined on the Volta Grande Property. Payments would begin two years following production and could be paid over ten years on a quarterly basis. As security, the Company has purchased a term deposit of 3,740,000 Reais.

In March 2008, the Company successfully renegotiated the agreement with CPRM. Under the new terms, CPRM released to the Company 3,525,087 Reais of the total term deposit of 4,273,087 Reais held in security to cover the Company's debt owed to CPRM. In addition the Company allocated the balance of the original term deposit that was not released, amounting to 748,000 Reais, to be retained in an interest bearing term deposit to cover future royalty payments. There has been no production at Volta Grande resulting in no royalties payable and no amounts were withdrawn by the CPRM.

Background

The 100% owned Volta Grande Gold Project is located approximately 60 kilometres southwest of the town of Altamira (pop. 100,000) in the northern region of Para State. The geological setting (*Tres Palmeiras greenstone belt*) at the project areas is part of the same sequences present in the Carajas “World Class” mineral province.

Gold mineralization was identified at numerous sites in the 1990s by past operators TVX Gold Inc. (now part of Kinross) and Battle Mountain Exploration (now part of Newmont). Historical drilling by these companies included more than 27,000 meters of combined core, auger, and reverse circulation drilling and several thousand channel and soil samples. Preliminary metallurgical work indicated that Volta Grande mineralization is amenable to conventional milling and cyanidation process methods, with gold recoveries of up to 95% in bottle roll tests.

The shear-hosted mineral resource at Volta Grande is contained in three main areas (Ouro Verde and Grota Seca at the North Block and the South Block), all of which have development in the form of artisanal workings into them. Within these areas, there are numerous narrow zones of high-grade gold mineralization, with potential for expansion along strike and at depth. There is also potential for the discovery of additional mineralized zones within the large alteration envelope in the host intrusive which has been traced for more than three kilometers along strike. Two types of gold mineralization are present: primary gold in intrusive rocks and secondary gold in an extensive saprolitic zone overlying the primary mineralization.

Roscoe Postle Associates Inc (“RPA”) (formerly Scott Wilson Roscoe Postle Associates Inc.) reported that “there is potential for high grade shoots that may extend to depths of at least 200 meters or 300 meters below the surface, based on analogy with other Precambrian shear zone hosted gold deposits in Brazil.” The property has been mined historically by garimpeiros (artisanal miners) for several decades using both open pit and underground mining methods with several shafts of 80 to 200 meters along high-grade veins. Grab samples from these shafts have assayed as high as 474.9 g/t gold.

Recent Developments

2011 Drill Program

Belo Sun has completed 240 drill holes at the Volta Grande Gold Project, of which assays are still pending for 80 holes. The current drilling program is designed to upgrade the mineral resource designation in support of a planned feasibility study and expanding the existing mineral resource estimate.

The South Block

The South Block is characterized by a very extensive alteration system and numerous artisanal workings and this hole confirms the potential for significant associated gold mineralization. The existing deposits continue to be extended along strike and down dip.

The Company continues drilling on the South block of its Volta Grande Gold Project in Brazil. The focus of the program is to follow up on geophysical and geochemical surveys aimed at discovering the source rocks responsible for the major alluvial gold deposits of the Itata River and its tributaries. Belo Sun received the results from the soil geochemistry program comprising 2,107 samples analyzed by ICP multielement analysis and gold by fire assay. The soil anomalies were followed up with a 25-line-kilometre IP geophysical survey. Several strong IP anomalies had been identified, coincident with the soil anomalies, and these are the priority targets to be tested by a 5,000-metre drilling program. Limited historic drilling had been carried out in the area and these results indicated that the gold mineralization

is hosted in sulphide-bearing granodiorite rocks. The gold mineralization appears to be associated with higher sulphide content than observed with the mineralization found in the North block and as such is expected to respond well to IP geophysical techniques. Significant gold mineralization intercepts from the historic drilling include 28 metres grading 1.47 grams per tonne gold (hole VVD_156) in the Pequi garimpo area. On October 11, 2011 Belo Sun announced the discovery of new gold mineralization on the South block. In the South Block area, the Itata discovery is represented by Hole VVGD-191 that intersected 15.45 meters grading 2.09 g/t Au (from 13.7 meters depth) and 15.00 meters grading 2.06 g/t Au (from 56 meters depth). The mineralization is similar in character to the North Block deposits. Additional drilling has been initiated to investigate extensions of this mineralization along strike and down dip and to determine the extent of this zone.

Assay results highlights

Grota Seca drilling highlights include:

- Holes VVGD-103 and VVGD-106 intersected multiple mineralized zones. These holes, located at the central part of the Grota Seca deposit, have intersected high-grade gold mineralization near surface, and they confirm true thickness and continuity of mineralization along strike and at depth. Intercepts include: VVGD-103 with 62.50 metres grading 3.81 g/t Au (from 28.60 metres depth) including 12.85 metres grading 14.01 g/t Au and VVGD-106. Please refer to press release dated July 25, 2011.
- Holes VVGD-095 and VVGD-086 intersected multiple mineralized zones approximately 100 metres below the existing optimal pit. The holes are located at the present limit of the deposit and indicate the potential to continue extending the currently defined deposit. Significant intercepts include: 34.45 metres grading 1.63 grams per tonne (g/t) Au (from 197.40 metres depth) and 27.80 metres grading 1.32 g/t Au (from 235.80 metres depth). Please refer to press release dated July 5, 2011.
- Hole VVGD-041, located on cross-section 750 W, with an interval of 12.92 metres grading 4.42 grams per tonne Au including 4.37 metres grading 12.50 g/t Au located at approximately 200 metres below surface (244 metres down the hole). This high-grade mineralization corresponds to the zone that is being mined underground at the Galo garimpo and proves its continuity. Please refer to press release dated April 11, 2011.
- Hole VVGD-065 intersected multiple mineralized zones, including 39.3 metres grading 2.07 g/t Au, which included 12.8 metres grading 3.24 g/t Au, 28.02 metres grading 2.06 g/t Au and 7.8 metres grading 6.66 g/t Au. This mineralized zone is entirely open at depth. Please refer to press release dated April 28, 2011.
- Hole VVGD-072 had an intercept of 7.57 metres grading 13.37 g/t Au. Please refer to press release dated April 28, 2011.
- Hole VVGD-083, which is part of the infill drilling for upgrading the Volta Grande mineral resources, intersected multiple mineralized zones beginning at surface. The first 70 metres are well mineralized, such as: 28.19 metres grading 8.76 grams per tonne gold (from 44.20-metre depth), including 7.67 metres grading 30.67 g/t Au (from 61.83-metre depth). This intercept includes the highest-grade (415.8 g/t Au over 0.5 m) sample from drilling at the project to date. This hole also contains other well-mineralized zones further down the hole as presented in the attached table. Please refer to press release dated May 16, 2011.
- Holes VVGD-077, 079 and 082 are also part of the infill drilling program at the Grota Seca deposit, and these intersections demonstrate the continuity of the mineralization between sections or along strike. Please refer to press release dated May 16, 2011.

- Hole VVGD-137, which is located at the Eastern part of the Grotta Seca deposit, has intersected a new structurally controlled high grade gold mineralization zone. High grade gold mineralization of 11.14 g/t Au occurs over a 30.75 meter interval in this drill hole. Please refer to press release dated August 31, 2011.
- Hole VVGD-109, which is located at the Central part of the Grotta Seca deposit, has intersected high grade gold mineralization near surface with significant true thickness and continuity along strike and down dip. Hole VVGD-109 with 37.47 meters grading 4.38 g/t Au (from 61.20 m depth) including 13.15 meters grading 10.00 g/t Au. Please refer to press release dated August 31, 2011.
- VVGD-127, which is part of the infill drilling, is located at the eastern part of this deposit and indicates the potential to find another high grade zone (similar to the Central part of the deposit) at depth. VVGD-127 with 35.35 meters grading 3.33 g/t Au (from 200.35 m depth) including 10.30 meters grading 7.08 g/t Au. Please refer to press release dated August 31, 2011.
- Hole VVGD-111 intercepted multiple high grade mineralized zones near surface showing, as expected, significant continuity along strike and down dip. VVGD-111 intersected 27.00 meters grading 2.36 g/t Au (from 112.75 m depth) including 8.89 meters grading 5.09 g/t Au. Please refer to press release dated August 31, 2011.

Ouro Verde drilling highlights include:

- Hole VVGD-102 intercepted mineralization between the Ouro Verde and Grotta Seca deposits and may suggest the two deposits could be continuous. Please refer to press release dated July 25, 2011.
- Hole VVGD-094 intercepted 21.40 metres grading 2.78 g/t Au including 6.82 metres grading 7.08 g/t Au at shallow depth. Please refer to press release dated July 5, 2011.
- Hole VVGD-066 which intersected multiple mineralized zones with an interval of 46.10 metres grading 2.05 g/t Au including 10.30 metres grading 3.61 g/t Au starting at approximately 200 m vertical depth (314 m down the hole). Please refer to press release dated April 11, 2011.
- Hole VVGD-058 with an intercept of 20.70 metres grading 3.08 g/t Au. Please refer to press release dated April 11, 2011.
- Hole VVGD-073 intersected multiple mineralized zones, including 12.06 metres grading 4.07 g/t Au, which included six metres grading 7.75 g/t Au, and 21.13 metres grading 3.22 g/t Au, which included 11.72 metres grading 5.12 g/t Au, and 12.92 metres grading 2.84 g/t Au. All intercepts are at depths less than 100 metres vertically below surface. Please refer to press release dated April 28, 2011.
- Hole VVGD-080 drilled at the Ouro Verde deposit tested for extensions of the mineralization and will have a positive impact on the mineral resource expansion. Please refer to press release dated May 16, 2011.

South Block drilling highlights include:

- Holes VVGD-078 and VVGD-090 intercepted 1.15 metres grading 11.60 g/t Au and two metres grading 12.44 g/t Au, respectively. Additionally, hole VVGD-090 intercepted 7.95 metres grading 1.75 g/t Au. Please refer to press release dated July 5, 2011.
- Hole VVGD-070 intersected 3.8 metres grading 23.59 grams per tonne gold. Please refer to press release dated April 28, 2011.

- Hole VVGD-075 had an intercept of 11.08 metres grading 1.87 g/t Au. These drill holes were targeting induced polarization geophysical anomalies. The gold mineralization in the South block is associated with quartz veins and disseminated sulphides (mainly pyrite) in highly potassic, hydrothermally altered rocks. Please refer to press release dated April 28, 2011.

Belo Sun has selected AMEC Minproc Engenharia e Consultoria Limitada for its Bankable Feasibility Study

The bankable feasibility study will also include an updated mineral resource model, that will incorporate the results from the current exploration drill program. The updated mineral resource model is expected for completion by year end. Belo Sun anticipates that this portion of the study will further demonstrate a continued expansion of estimated mineral resources, which could potentially have positive effects on production projections as well as the overall economics of the Volta Grande Gold Project as was initially outlined in a 2009 preliminary economic assessment.

Metallurgical test-work program

The test work program was focused on the diorite gold-bearing material of the Grota Seca and Ouro Verde deposits which make up the Volta Grande Project and was a comprehensive metallurgical study in support of the Bankable Feasibility Study that is currently underway by AMEC Minproc Engenharia e Consultoria.

Highlights from the metallurgical test program include:

- The ore responds well to conventional processing techniques such as milling, gravity concentration and cyanidation.
- A significant fraction of the gold is coarse and can be easily recovered by gravity concentration. For the Grota Seca deposit, 62.4% of the gold was recovered in the gravity concentrate, while for the Ouro Verde deposit, 68.5% of the gold was recovered in the gravity concentrate.
- Intensive cyanide leaching of gravity concentrates achieved 95.6% gold recovery for the Grota Seca deposit and 97.7% recovery for the Ouro Verde deposit.
- Direct cyanidation of the ore achieved gold recoveries ranging from 90.4% to 96.5% for the Ouro Verde deposit and ranging from 92.6% to 95.3% for the Grota Seca deposit. All samples demonstrated rapid leach characteristics, reaching the above results in about 20 hours.
- A comprehensive crushing and grinding test campaign was carried out and showed that the ore is competent and can be ground using conventional SAG-Ball Milling circuit, or a combination of three stages crushing with High Pressure Grinding Rolls (HPGR) followed by ball milling.

Results will be analyzed by AMEC Minproc Engenharia e Consultoria for use in the design criteria for the future metallurgical plant.

Construction of New Sample Preparation Facility

In addition, Belo Sun has completed construction of a new on-site sample preparation facility to be operated by Acme, which has an installed capacity of 200 samples per day.

Increased Mineral Rights at Volta Grande

The Company has been granted priority on its applications for an additional 14 claims which comprise an area totaling 111,032 hectares (1,110 square kilometres) which is located along the Tres Palmeiras greenstone belt. The expanded land package now consists of a total of 24 claims which cover 130,541 hectares (1,305 square kilometres).

The 14 new claims were acquired through a public tender and correspond to mineral rights that were previously held by other titleholders that had been allowed to lapse. The tender process was opened for

60 days and Belo Sun's Brazil technical team had compiled the data in advance of the tender in preparation for targeting the key prospective areas. Belo Sun successfully acquired this key land position as part of this process. The confirmation of priority was published in the Brazilian Official Gazette on June 1, 2011.

The 14 new claims cover much of the area along the southeastern extension of the Tres Palmeiras greenstone belt, which includes several granitic plutons similar to the ones within the North and South blocks of the Volta Grande Gold Project and hosts numerous gold showings. The gold occurrences were visited and catalogued by the Brazilian Geological Survey (CPRM).

The entire belt has already been photo interpreted using available aerial geophysics and satellite images by Belo Sun, and fieldwork and regional mapping/sampling will start in the near future in order to outline new potential drill targets.

Indicated and Inferred Mineral Resource Increased at Volta Grande

The Company released an updated mineral resource estimate for its Volta Grande Gold Project in Para state, Brazil, following the inclusion of results from 20 additional drill holes taken totaling 4,990 metres from the Ouro Verde deposit. Highlights are:

- A 23% increase on the contained ounces in the indicated mineral resources category to an estimated 1,307,000 ounces of gold in 29.2 million tonnes grading 1.39 grams per tonne Au;
- A 5% increase in inferred mineral resources to an estimated 2,136,000 ounces of gold in 53.6 million tonnes grading 1.24 g/t Au;
- Approximately 86 per cent (71 million tonnes) of the mineral resources occur within 200 metres from surface.

The revised mineral resource estimate for the Volta Grande Gold Project is outlined in the table.

| Volta Grande Gold Project Mineral Resource Estimate (as at April 4, 2011) | | | |
|---|-------------------------------|-------------------|-------------------|
| | | Indicated | Inferred |
| Ouro Verde, deposit | Tonnes | 18,782,000 | 12,509,000 |
| | Ounces | 881,000 | 500,000 |
| | Average grade (g/t Au) | 1.46 | 1.24 |
| Grota Seca, deposit | Tonnes | 10,440,000 | 41,130,000 |
| | Ounces | 426,000 | 1,640,000 |
| | Average grade (g/t Au) | 1.27 | 1.24 |
| Total Volta Grande | Tonnes | 29,222,000 | 53,639,000 |
| | Ounces | 1,307,000 | 2,136,000 |
| | Average grade (g/t Au) | 1.39 | 1.24 |

Notes:

1. Mineral resource estimates using 0.5 g/t Au cut-off.
2. Mineral resources have been estimated in accordance with CIM Standards.
3. Mineral resources are estimated using a price of \$900 (U.S.) per ounce Au.
4. Numbers for tonnes and contained gold are rounded.
5. Mineral resources are estimated based on metallurgical recovery of 90 per cent of the contained gold.
6. The qualified person for reporting the mineral resources is David Gower, P. Geo. an advisor to Belo Sun.

Mineral resource estimate parameters

The database consists of a total of 33,191 metres of diamond drilling obtained from previously reported drilling and from 8,240 m of drilling completed and assayed by Belo Sun since June 2010, for the Ouro Verde and Grota Seca deposits.

The mineralized zones at the Ouro Verde deposit extend for about 1,120 m along strike and to a depth of 500 m below surface, and have been outlined by 73 diamond drill holes. Six mineralized fresh ore zones and one saprolite ore zone were modelled. The outer mineralized envelope was modelled into wireframe solids using a 0.5 g/t Au cut-off grade. The mineralized zones range in thickness from three m to 58 m with an average horizontal thickness of 10.5 m assuming maximum internal dilution of approximately five metres.

The mineralized zones at the Grota Seca Central, West and East deposits extend 2,320 m along strike and to a depth of 350 m below surface, and have been outlined by 139 diamond drill holes. Nine mineralized zones and one saprolite zone were modelled. The outer mineralized envelope was modelled into wireframe solids using a 0.5 g/t Au cut-off grade. The mineralized zones range in thickness from three m to 55 m with an average horizontal thickness of 9.5 m assuming maximum internal dilution of approximately five metres.

For the Ouro Verde and the Grota Seca deposits the grade estimate was done using ordinary kriging interpolation using 1.0 m composites. Mineral resources were also estimated using inverse distance squared interpolation, which produced similar results. All estimates are based on a per cent block model with unitary dimension of 12.5 m East, 2.5 m North and 10 m elevation rotated minus-20 degrees clockwise (for the Ouro Verde deposit) and 12.5 m E, 2.5 m N and 10 m elevation rotated minus-15 degrees clockwise (for the Grota Seca deposit).

Calculations of the average grades of the mineralized zones are based on original samples top cut to a maximum of 25 g/t Au depending on the ore domain. This resulted in an approximate 11% reduction in the overall average gold grade.

Tonnage estimates are based on rock specific gravity of 2.76 tonnes per cubic metre for the fresh rock and 1.80 tonnes per cubic metre for saprolite using an average of 354 samples. Tonnes are reported on a dry basis and represent in situ mineral resources.

Belo Sun used three methods to validate the estimated block model: visual comparison of block grades with composites grades, statistical comparison between composites and block grade distributions, and swath-checks along strike, down dip and across each estimated zone.

Indicated mineral resources include all mineralized areas that are defined by drill holes 50 m apart or less, along drill sections spaced 50 m or less.

Inferred mineral resources include all mineralized areas that are defined by drill holes spaced 50 m or farther apart limited, down dip, by the variogram range in this direction.

The Volta Grande Gold Project has an NI 43-101-compliant preliminary assessment report published in September, 2009, by Scott Wilson RPA, which is available on the company's website and on SEDAR.

PATROCINIO

Background

The 100% owned Patrocinio Project covers approximately 18,670 hectares of the Tapajos gold province in the Para State of northern Brazil.

The Tapajos province is historically the most important gold producing region in Brazil, with over six million ounces of artisanal production since the 1950s. Several public sources indicate that approximately one million ounces of gold have been produced by local miners at Patrocinio. Belo Sun's geologists have confirmed 19 property locations where current or former gold production has occurred from two types of mineralization: high-grade quartz veins and hydrothermally-altered granites where gold is associated with sulphides.

The Patrocinio Project was initiated with the objective to identify and characterize primary gold mineralization, representing the sources of large alluvium deposits, which produced a huge amount of gold extracted from the Surubim River and its tributaries, which even today are still mined by garimpeiros (artisanal miners).

Within mineralized zones, gold grades have been demonstrated to range from roughly 1 to 67 grams per tonne (g/t) within the quartz veins and from roughly 1 to 37 g/t within the granites. Channel sampling along a quartz vein in the Alcantara pit returned grades ranging from roughly 4 to 37 g/t gold over approximately 8 metres.

The Company is currently assessing its options with respect to the project including, but not limited to, joint-venture scenarios, earn-out arrangements, and further development by Belo Sun.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

RELATED PARTY TRANSACTIONS

During the period, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

| | Sales of goods | | | | Purchases of goods | | | |
|--------------------------|---|------|--|------|---|-----------|--|-----------|
| | Three months ended September 30, 2011 | | Nine months ended September 30, 2011 | | Three months ended September 30, 2011 | | Nine months ended September 30, 2011 | |
| 2227929 Ontario Inc. | \$ - | \$ - | \$ - | \$ - | \$ 59,546 | \$ 33,709 | \$ 172,513 | \$ 46,911 |
| Forbes & Manhattan, Inc. | - | - | - | - | 45,000 | 30,000 | 105,000 | 68,387 |
| Valencia Ventures Inc. | - | - | - | - | 485 | - | 1,366 | - |
| Global Atomic Corp. | - | - | - | - | - | - | - | 30,867 |
| Silvermet Inc. | - | - | - | - | - | - | - | 29,078 |

The Company shares office space with other companies who may have common officers and directors. The costs associated with this space are administered by 2227929 Ontario Inc.

Mr. Stan Bharti, the Chairman of the Company, is the Executive Chairman of Forbes and Manhattan, Inc., a corporation that provides administrative services to the Company. Forbes and Manhattan, Inc. previously charged a monthly consulting fee of \$10,000. However, this fee has increased to \$25,000 per month effective September 1, 2011.

Mr. Stephen Roman, a former CEO, president and director of the Company, is an officer and director of Global Atomic and Silvermet Inc., a corporation that had provided rent and administrative services to the Company. Mr. Jeff Dawley, former CFO of the Company, had his consulting fees paid to Silvermet Inc.

The following balances were outstanding at the end of the reporting period:

| | Amounts owed by related parties | | Amounts owed to related parties | |
|--------------------------|---------------------------------|-----------|---------------------------------|-----------|
| | 30-Sep-11 | 31-Dec-10 | 30-Sep-11 | 31-Dec-10 |
| 2227929 Ontario Inc. | \$ 58,464 | \$ - | \$ 2,946 | \$ 12,954 |
| Directors of the Company | - | - | 25,000 | 103,360 |

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

COMPENSATION OF DIRECTORS AND OFFICERS

The remuneration of directors and other members of key management personnel during the period were as follows:

| | 2011 | 2010 | 2011 | 2010 |
|----------------------|------------|------------|--------------|--------------|
| Short-term benefits | \$ 150,000 | \$ 116,000 | \$ 1,125,000 | \$ 1,079,687 |
| Share-based payments | - | 389,792 | 2,937,000 | 1,178,780 |

During the nine months ended September 30, 2010, the Company paid termination benefits of \$359,500 to directors and \$420,000 to officers.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

More detailed information regarding the compensation of officers and directors of the Company is disclosed in the management information circular. The management information circular is available under profile of the Company on Sedar at www.sedar.com.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying value of cash and cash equivalents, prepaid expenses, sundry receivable and accounts payable approximate their fair values due to the short maturity of those instruments.

OUTSTANDING SHARE DATA

Authorized unlimited common shares without par value – 207,184,334 are issued and outstanding as at November 28, 2011.

Stock options, warrants and convertible securities outstanding as at November 28, 2011:

| Number of stock options outstanding | Exercise price | Expiry date |
|---|-------------------|-------------|
| 500,000 | \$ 0.60 | 10-Apr-12 |
| 250,000 | \$ 0.60 | 24-Oct-12 |
| 3,794,600 | \$ 0.34 | 5-Mar-15 |
| 60,000 | \$ 0.45 | 2-Jun-15 |
| 1,968,000 | \$ 0.36 | 29-Jul-15 |
| 25,000 | \$ 0.43 | 5-Aug-15 |
| 50,000 | \$ 0.80 | 11-Nov-15 |
| 650,000 | \$ 0.89 | 5-Dec-15 |
| 4,854,000 | \$ 1.33 | 21-Apr-16 |
| 12,151,600 | | |

| Number of warrants outstanding | Exercise price | Expiry date |
|--------------------------------------|-------------------|-------------|
| 597,800 | \$ 0.25 | 3-Mar-12 |
| 20,600,000 | \$ 0.50 | 3-Mar-12 |
| 300,000 | \$ 0.50 | 3-Mar-12 |
| 21,497,800 | | |

SUBSEQUENT EVENTS

Subsequent to September 30, 2011, 260,000 warrants and 34,000 stock options were exercised for gross proceeds of \$141,560.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which are the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

Nature of Mining, Mineral Exploration and Development Projects

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish Measured, Indicated and Inferred Minerals Resources through drilling. Upon completion of a Feasibility Study – with an accompanying economic analysis - Proven and Probable Mineral Reserves may be estimated. Because of these uncertainties, no assurance can

be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Development projects have no operating history upon which to base estimates of future capital and operating costs. For development projects, mineral resource estimates and estimates of operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of capital and operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from ore, estimated operating costs, and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Mineral Resource Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of recovery of minerals from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices, market conditions and actual events could have a material adverse effect on the Company's mineral resource estimates, financial position and results of operations.

No Revenues

To date, the Company has not recorded any revenues from operations nor has the Company commenced commercial production on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in relation to the engagement of consultants, personnel and equipment associated with the continued exploration and future development of the Company's properties. The Company expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Company's properties will continue to require the commitment of substantial mineral resources. There can be no assurance that the Company will continue as a going concern, generate any revenues or achieve profitability.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of the Volta Grande Gold Project. There can be no assurance that the Company will be successful in obtaining the required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of the Company's properties or reduce or terminate some or all of its activities. In the event that the Company completes an equity financing at or near to current trading prices of its common shares, such financing could be extremely dilutive to current shareholders who invested in the Company at higher share prices.

Mineral Commodity Prices

The ability of the Company to fund its activities and, if it becomes a producing mineral Company, the profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Foreign Exchange

Gold is sold in United States dollars thus the Company is subject to foreign exchange risks relating to the relative value of the Canadian dollar and Brazilian real as compared to the United States dollar. To the extent that the Company generates revenues upon reaching the production stage on its properties, it will be subject to foreign exchange risks as revenues will be received in United States dollars while operating and capital costs will be incurred primarily in Canadian dollars and Brazilian Reais. A decline in the United States dollar would result in a decrease in the real value of the Company's revenues and adversely affect the Company's financial performance.

Licenses and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, road, rail and port facilities, require permits and approvals from various government authorities, and are subject to extensive federal, provincial and local laws and regulations governing prospecting, development, production, transportation, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more time consuming and costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. The Company will be required to obtain additional licences and permits from various governmental authorities to continue and expand its exploration and development activities. There can be no assurance that the Company will be able to maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Acquisition of Surface Rights

The goal of the Company is to bring the Volta Grande project into production. The Company is still in the process of defining the footprint of the deposit and associated infrastructures. Among various factors that may affect the ability of the Company to develop and bring the Volta Grande project into production is the necessity for the Company to acquire surface rights from land owners. Although the Company is confident that it will be successful in acquiring all necessary surface rights, there is no assurance that the Company will be able to do so in a timely manner and/or on reasonable terms.

Environmental

The Company's activities are subject to extensive federal, provincial and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are more stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Furthermore, any failure to comply fully with all

applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Title to Properties

The acquisition of title to mineral resource properties is a very detailed and time-consuming process. The Company holds its interest in its properties indirectly through exploration permits and exploration applications. Title to, and the area of, the permits may be disputed or applications may lapse. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties. There are garimpeiros (informal miners) operating within the Company's property, and there may be issues and difficulties that could arise, including title disputes and the risk of the garimpeiros encroaching onto active areas of the Volta Grande Gold Project.

Informal Mining

Informal miners have been and continue to operate illegally on parts of the Volta Grande property. From time to time it is not uncommon that there are some clashes between the informal miners, security staff and law enforcement personnel. Given the nature of the current and future operations, the presence of the informal miners may create a safety issue for both the illegal miners and Volta Grande personnel and may cause disruptions to operations from the risk of the informal miners encroaching or attempting to encroach onto other areas of Belo Sun's concessions. The Company does not directly confront currently operating small illegal miners on its concession, but in accordance with the laws of Brazil, and in support of the local police, the Company does not allow encroachment onto new areas of its property. There is always a risk that from time to time confrontations from attempted encroachments may arise, resulting in violence and/or damage to the property.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and other natural disasters may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Common Shares.

Competition

The Company competes with many other mining companies that have substantially greater mineral resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund the Company's operations and develop its properties. The Company's inability to compete with other mining companies for these mineral resources could have a material adverse effect on the Company's results of operations and business.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others and intends to rely on these parties for exploration, drilling, and local expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Dependence on Key Personnel

Belo Sun is reliant on key personnel it has employed or engaged. Loss of such personnel may have a material adverse impact on the performance of the Company. In addition, the recruiting of qualified personnel is critical to the Company's success. As Belo Sun's business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations.

Dependence on Qualified Personnel

Recruiting and retaining qualified personnel in the future is critical to the Company's success. As the Company develops its Volta Grande Gold Project toward commercial production, the need for skilled labour will increase. The number of persons skilled in the exploration and development of mining properties in Brazil is limited and competition for this workforce is intense. The development of the Volta Grande Gold Project and other initiatives of the Company may be significantly delayed or otherwise adversely affected if the Company cannot recruit and retain qualified personnel as and when required.

Litigation

Belo Sun has entered into legal binding agreements with various third parties on a consulting and partnership basis. The interpretation of the rights and obligations that arise from such agreements is open to interpretation and Belo Sun may disagree with the position taken by the various other parties resulting in a dispute that could potentially initiate litigation and cause Belo Sun to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of any such disputes could have a material adverse effect on Belo Sun.

Availability of Reasonably Priced Raw Materials and Mining Equipment

The Company will require a variety of raw materials in its business as well as a wide variety of mining equipment. To the extent these materials or equipment are unavailable or available only at significantly increased prices, the Company's production and financial performance could be adversely affected.

Share Price Fluctuations

The market price of securities of many companies, particularly development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

Foreign Operations

At present, the operations of Belo Sun are located in Brazil. As a result, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates; price controls; import or export controls; currency remittance; high rates of inflation; labour unrest; renegotiation or nullification of existing permits, applications and contracts, land or tax disputes; changes in taxation policies; restrictions on foreign exchanges; changing political condition; currency controls; and governmental regulations that may require the awarding of contracts of local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular

jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitudes in Brazil or other countries in which Belo Sun conducts business may adversely affect the operations of the Company. The Company may become subject to local political unrest that could have a debilitating impact on operations, and at its extreme, could result in damage and injury to personnel and site infrastructure.

Failure to comply with applicable laws and regulations may result in enforcement actions and include corrective measures requiring capital expenditures, installing of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies can be found in Note 2 of its condensed interim consolidated financial statements for the three months ended March 31, 2011.

Future Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2011 or later periods. Updates are not applicable or are not consequential to the Company have been excluded thereof.

IFRS 7, Financial Instruments – Disclosures (“IFRS 7”) was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained. The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2011. The Company has not yet determined the impact of the amendments to IFRS 7 on its financial statements.

IFRS 9, Financial Instruments -- Classification and Measurement (“IFRS 9”) was issued November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the period beginning January 1, 2013, with early adoption permitted. The Company has not yet determined the potential impact of the amendments to IFRS 9 on its financial statements.

IFRS 10 Consolidated Financial Statements (“IFRS 10”) provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of SIC 12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 Consolidated and Separate Financial Statements. The Company intends to adopt IFRS 10 in its financial statements for the annual period beginning January 1, 2013. The Company has not yet determined the impact of the amendments to IFRS 10 on its financial statements.

IFRS 13 Fair Value Measurement converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company has not yet determined the impact of the amendments to IFRS 13 on its financial statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and

disclosure of contingent assets and liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material.