MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2012

(Containing information through May 11, 2012 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 May 11, 2012 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 condensed interim consolidated financial statements for the three months ended March 31, 2012 and related notes, as well as our audited annual consolidated financial statements for the year ended December 31, 2011 and its related MD&A. 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 December 31, 2011 annual 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.

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 in Brazil including its principal project the Volta Grande Gold Project in Para State. Belo Sun’s other properties are the Patrocinio Gold Project in Para State and the Rainbow Alexandrite Project in Goias State.

Highlights for three months ended March 31, 2012:

- The Company’s shares commenced trading on the Toronto Stock Exchange on February 16, 2012.
- The Company submitted an Environmental Impact Assessment for the Volta Grande gold project, covering the necessary monitoring and environmental studies required for the preliminary licensing for the project. The Company expects the preliminary license to be issued in the fourth quarter of 2012.
- The Company raised $10,610,820 during Q1-2012 from the exercise of 21,515,600 warrants exercisable at $0.50 that were due to expire on March 3, 2012.
- The Company announced an updated resource estimate subsequent to the end of the quarter which includes the results from an additional 112 diamond drill holes to February 29, 2012 since the previously announced mineral resource estimate in January 2012. Measured and Indicated mineral resources within the projected open pit are estimated to be 2.85 million ounces at an average grade of 1.69 g/t gold, a 28% increase from the January 2012 estimate. Inferred mineral resources within the projected open pit are estimated to be 1.97 million ounces at an average grade of 1.70 g/t gold, representing a 28% increase in gold grade relative to the January 2012 estimate. This new mineral

resource model will be the basis for a preliminary feasibility study currently being carried out, and expected to be completed during Q3-2012. (See press release dated April 25, 2012.)

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 measured and indicated mineral resource of 2,852,000 ounces of gold (52.45 million tonnes grading 1.69 grams per tonne gold) and an estimated inferred mineral resource of 1,966,000 ounces of gold (35.96 million tonnes grading 1.70 grams per tonne gold) based on 0.50-gram-per-tonne-gold cut off (see Press Release dated April 25, 2012).
- Belo Sun has completed 62 drill holes (18,707 meters) at the Volta Grande Gold Project during Q1-2012. From April 2010 to March 2012 the Company completed 408 drill holes (108,265 meters).
- Belo Sun has selected AMEC Minpro Engenharia e Consultoria Limitada to conduct a preliminary feasibility study and work began during the Q3-2011. This is anticipated to be completed during Q3-2012. The current plan is to have another resource update completed in Q3-2012 as the basis for a definitive feasibility study to be completed in 2013.

SUMMARY OF QUARTERLY RESULTS

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

	31-Mar 2012	31-Dec 2011	30-Sep 2011	30-Jun 2011	31-Mar 2011	30-Dec 2010	30-Sep 2010	30-Jun 2010
Net (loss)	($10,191,667)	($8,042,719)	($11,678,884)	($8,711,105)	($4,437,251)	($3,327,295)	($2,797,719)	($1,501,725)
Net loss per share	($0.05)	($0.04)	($0.06)	($0.04)	($0.03)	($0.03)	($0.02)	($0.01)
Working Capital*	$33,517,504	$30,576,636	$38,885,845	$49,955,689	$52,374,800	$6,157,334	$2,714,565	$5,081,071
Total Assets	$38,272,507	$34,504,425	$44,925,143	$53,606,410	$55,897,308	$8,391,615	$4,982,222	$6,826,684
Total Non-current Liabilities	$7,091	$20,663	$27,522	$42,189	$58,103	$47,828	$49,763	$0

* Working Capital is defined as current assets minus current liabilities

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 first quarter of 2012, the Company recorded stock-based compensation expense of $2,749,200 (Q4-2011 – Nil, Q3 -2011 – Nil, Q2 2011 – $4,380,758, Q1 2011 – Nil, Q4 2010 - $447,000, Q3 2010 - $567,470, Q2 2010 - $52,895). Exploration expenditures during quarters vary and can cause earnings to fluctuate. In the first quarter of 2012, the Company recorded exploration and evaluation expenses (including engineering studies) of $7,365,317 (Q4-2011 - $7,100,783; Q3 2011 - $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 Q1-2012, the incurred costs in relation to feasibility and geophysical studies, in additional to some additional drilling to expand the mineral resource estimate. During Q3-2011, the Company completed an extensive infill drilling program and extended the program into Q4-2011.

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 months ended March 31, 2012. They should be read in conjunction with our condensed interim consolidated financial statements for the three months ended March 31, 2012 and related notes.

For the quarters ended:

	Three months ended March 31, 2012	Three months ended March 31, 2011
Net loss	$ 10,191,667	$ 4,437,251
Interest income	(416,644)	(88,590)
Management fees to directors	93,002	182,979
Salaries, wages and consulting fees	316,486	649,341
Professional fees	990	20,723
General and administration	685,034	392,763
Amortization	44,434	27,230
Share-based payments	2,741,300	-
Exploration and evaluation expenses	4,805,280	3,142,639
Engineering studies	2,560,037	161,903
(Gain) loss on foreign exchange	(638,252)	(51,737)

For the three months ended March 31, 2012, the Company recorded a net loss of $10,191,667 ($0.05 per share) compared to a net loss of $4,437,251 ($0.04 per share) for the three months ended March 31, 2011. The larger loss is attributable primarily to higher exploration and evaluation expenses, including engineering studies, and stock-based compensation expense

Salaries, wages and consulting fees are lower in Q1-2012 compared to Q1-2011 as a result of performance bonuses granted during Q1-2011. This was offset by higher fees and wages as a result of the increased activity of the Company.

General and administration costs were higher during Q1-2012 compared to Q1-2011 primarily as a result of the Company's graduation to the TSX. In addition to the listing fees, the Company incurred costs to mail their annual financials earlier as a result of the earlier filing deadlines.

Exploration and evaluation expenses, including engineering studies, were $7,365,317 for the three months ended March 31, 2012 compared to $3,304,542 for the three months ended March 31, 2011. In Q1-2012, the Company continued actively exploring its Volta Grande Gold Project completing approximately 62 drill holes (18,706 metres), working on environmental technical studies and a preliminary feasibility study.

Interest income was $416,644 for the three months ended March 31, 2012 compared to $88,590 for the three months ended March 31, 2012. The Company held significantly more cash during Q1-2012 compared to Q1-2011 on which interest income was earned.

Share-based payments was $2,749,200 for the three months ended March 31, 2012 in relation to the 3,480,000 stock options granted to directors, officers, employees and consultants of the Company. During Q1-2011, no stock options were granted, and no share-based payments expense was incurred.

The Company also recognized a foreign exchange gain of $638,252 during Q1-2012 (Q1-2011 – a gain of $51,737). The US dollar weakened throughout the current quarter and a large portion of net assets are held in Brazilian Reais resulting in this gain.

During the three months ended March 31, 2012, the Company spent $7,255,723 on operations, raised $10,771,600 from the exercise of warrants and options, paid lease obligations of $23,751 and purchased capital assets of $89,719. During the three months ended March 31, 2011, the Company spent $3,540,346 on operations, raised $48,520,690 from the issuance of shares in a financing, raised $2,286,090 from the exercise of warrants and options, paid lease obligations of $nil, and incurred $112,448 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 $33,517,504 as at March 31, 2012 (December 31, 2011 - $30,575,636) including cash and cash equivalents of $35,914,183 (December 31, 2011 - $32,415,945). None of the cash equivalents are invested in asset-backed securities.

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

Exercise of Warrants and Options

During the three months ended March 31, 2012, 21,790,600 warrants and options were exercised for proceeds of $10,771,600.

Long Term Investment

The investment consists of a term deposit of 1,025,291 Reais (December 31, 2011 – 1,005,805 Reais), including accrued interest, to fund potential amounts owing to Companhia de Pesquisa de Recoursos Minerais ("CPRM"). The term deposit matures on April 22, 2013 and bears interest at a floating rate of approximately 9.19% (December 31, 2010 – 10.2%).

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 Stated 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 $306,000 for the three months ended March 31, 2012 (March 31, 2011 - $3,000). A strengthening of $0.01 in the Canadian dollar against the United States dollar would have decreased accumulated other comprehensive income by approximately $168,000 for the three months ended March 31, 2012 (March 31, 2011 - $2,000). At March 31, 2012, one Canadian dollar was equal to 1.0025 United States dollars (March 31, 2011 – 1.0314) and one Canadian dollar was equal to 1.8228 Brazilian Reais (March 31, 2011 – 1.5762).

As at March 31, 2012 the monetary balances in non-Canadian dollar currencies are as follows:

	Brazilian Reals	United States Dollar
Cash	$ 34,225,257	$ 10,772
Accounts receivable and prepaid expenses	628,662	-
Long term investment	1,025,291	-
Accounts payable	(5,178,058)	(3,602)
Lease payable	(80,415)	-
	$ 30,620,737	$ 7,170

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 three months ended March 31, 2012. 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.

Management Contract Commitments

The Company is party to certain management contracts. These contracts require that additional payments of up to $3,000,000 be made upon the occurrence of certain events such as a change of control. Minimum commitments remaining under these contracts were approximately $566,000, 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 $1,169,980 (net book value).

RESULTS OF OPERATION - EXPLORATION

VOLTA GRANDE PROPERTY

Volta Grande, the Company's primary focus, is an advanced-stage exploration project located in Para State, Brazil where an indicated and inferred gold resource has been delineated by the Company. The mineral resource is comprised of 2,852,000 measured and indicated ounces of gold (52.45 million tonnes grading 1.69 g/t gold) and 1,966,000 inferred ounces of gold (35.96 million tonnes grading 1.70 g/t gold) using a 0.50 g/t gold cut-off (see Press Releases dated April 25, 2012).

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 had 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

Drill Program and Assay Highlights

Belo Sun has completed 426 drill holes at the Volta Grande Gold Project since April 2010. The drilling program was designed to upgrade the mineral resource designation in support of a planned feasibility study and expand the existing mineral resource estimate. The Company's updated mineral resource statement incorporates results from core boreholes to February 29, 2012.

Drilling highlights from 2012 include:

Ouro Verde

- Hole VVGD-270 located 150 meters from the edge of the drill intercepts modeled on the April 2011 mineral resources update has intersected multiple high grade mineralized zones including 4.00 meters grading 20.88 g/t Au (from 73.25 m depth) and 19.65 meters grading 4.73 g/t Au including 12.20 meters grading 6.80 g/t Au (from 181.00 m depth). (See press release dated January 4, 2012.)
- Significant down dip intercepts in hole VVGD-234 include 59.30 meters grading 2.59 g/t Au (from 216.70 m depth) including 21.40 meters grading 4.06 g/t Au. (See press release dated January 4, 2012.)
- VVGD-201 intersected 24.00 meters grading 3.68 g/t Au (from 18.00 m depth) including 10.00 meters grading 8.13 g/t Au. (See press release dated January 4, 2012.)
- Hole VVGD-297 has intersected multiple mineralized zones with widths ranging from 5.45 m to 14.50 meters. A high grade 10.00 meter thick zone grading 4.01 g/t Au has been intersected near surface (from 10.00 m depth). It is important to emphasize that this hole extends the Ouro Verde deposit 250 meters from the previously modeled zones. (See press release dated March 20, 2012.)
- Significant down dip intercepts in that region also includes VVGD-292 with 12.00 meters grading 3.91 g/t Au (from 130.00 m depth) including 7.60 meters grading 5.86 g/t Au. (See press release dated March 20, 2012.)
- Several other resource expansion holes show significant multiple mineralized zones with thickness of up to 40.45 meters such as in VVGD 291. (See press release dated March 20, 2012.)
- At the Ouro Verde deposit, hole VVGD-267 which is part of the infill drilling for upgrading the mineral resource categories intersected multiple high grade shallow mineralized zones and improved the grade in that area of the deposit. Hole VVGD-300 intersected multiple high grade mineralized intervals extending down dip approximately 500 meters below surface. This hole intersected 9 mineralized zones with widths ranging from 3.65 m to 24.00 meters and the best interval being 9.65 meters grading 5.03 g/t Au. (See press release dated March 20, 2012.)
- Hole VVGD-339 has intersected multiple mineralized zones such as 49.50 meters grading 5.04 g/t Au (from 184.90 meters) including 8.33 meters grading 21.79 g/t Au (from 188.12 meters). (See press release dated April 5, 2012.)
- Hole VVGD-327 has intersected multiple mineralized zones such as 44.20 meters grading 1.90 g/t Au (from 206.80 meters) including 7.27 meters grading 6.54 g/t Au (from 221.85 meters). (See press release dated April 5, 2012.)
- Significant down dip intercepts in the same region also includes VVGD-331 with 27.70 meters grading 3.57 g/t Au (from 146.00 meters) including 11.35 meters grading 7.56 g/t Au (from 146.00 meters) and VVGD-340 with 29.25 meters grading 2.21 g/t Au (from 214.00 meters) including 9.50 meters grading 4.50 g/t Au (from 217.00 meters). (See press release dated April 5, 2012.)

Grota Seca

- Holes VVGD-175 and VVGD-192 which were part of the infill drilling program intersected multiple high grade mineralized zones as follows: 18.00 meters grading 3.09 g/t Au (from 105.00 m depth) including 10.10 meters grading 5.19 g/t Au and 34.35 meters grading 2.71 g/t Au (from 239.00 m depth) including 12.70 meters grading 5.93g/t Au. (See press release dated January 4, 2012.)

- At the Grota Seca deposit all holes being released are part of the infill drilling program to upgrade the resources and several significant high grade intercepts such as the one in hole VVGD-249 which intersected multiple mineralized zones such as 22.00 meters grading 8.32 g/t Au (from 567.00 m depth). (See press release dated March 20, 2012.)

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. 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.

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.
- Hole VVGD-191 intercepted 20.05 meters grading 1.66 g/t Au, including 15.45 meters grading 2.09 g/t Au and 15.00 meters grading 2.06 g/t Au. Please refer to press release dated November 10, 2011.

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, in April 2012. Highlights are:

- A 28% increase on the contained ounces in the measured and indicated mineral resources category and a 5% increase in the average grade of the measured and indicated resources compared to the previous estimate of January 2012;
- A 28% increase in the gold grade for inferred mineral resources relative to the previous estimate of January 2012;

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

		MEASURED	INDICATED	MEASURED AND INDICATED	INFERRED
Ouro Verde Pit Constrained	Tonnes	16,473,000	10,118,000	26,591,000	17,188,000
	Ounces @ 0.5 g/t cut-off	958,000	551,000	1,509,000	930,000
	Grade (g/t Au)	1.81	1.69	1.77	1.68
Ouro Verde Underground	Tonnes	-	-	-	243,000
	Ounces @ 0.5 g/t cut-off	-	-	-	21,000
	Grade (g/t Au)	-	-	-	2.75
Grota Seca Pit Constrained	Tonnes	17,794,000	7,968,000	25,762,000	18,107,000
	Ounces @ 0.5 g/t cut-off	927,000	405,000	1,332,000	963,000
	Grade (g/t Au)	1.62	1.58	1.61	1.66
Grota Seca Underground	Tonnes	14,000	84,000	98,000	421,000
	Ounces @ 0.5 g/t cut-off	1,000	9,000	10,000	51,000
	Grade (g/t Au)	2.34	3.33	3.18	3.77
TOTAL	**Tonnes**	**34,281,000**	**18,170,000**	**52,451,000**	**35,959,000**
	Ounces @ 0.5 g/t cut-off	**1,886,000**	**965,000**	**2,851,000**	**1,965,000**
	Grade (g/t Au)	**1.71**	**1.65**	**1.69**	**1.70**

Notes:

(1) The 0.5 g/t gold open pit cut off grade underlying the resource estimates is based on a number of parameters and assumptions including gold price of US$1,300 per troy ounce, metallurgical gold recovery for of 95% and 90% for unweathered and weathered rock, mining costs of US$1.30/tonne, process costs of US$8/tonne, General & Administrative costs of US$2.00/tonne and Selling costs (refining, transport, insurance and environment) of US$ 17.5 per troy ounce.

(2) The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define the inferred mineral resources as Indicated or Measured mineral resources and it is uncertain if further exploration will result in upgrading them to indicated or measured mineral resource categories.

(3) The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council. The effective date of this mineral resource estimate is April 2012, 2012.

Mineral resource estimate parameters

The database consists of a total of 31,241 metres of diamond drilling obtained from previously reported drilling and from 73,770 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 1,350 m along strike. The resource has been outlined by 157 diamond drill holes constrained by a conceptual open pit shell that includes resources to a maximum depth of 450 meters. Eight mineralized fresh ore domains and one saprolite ore domain were modeled. The outer mineralized envelope was modeled into wireframe solids using a 0.5 g/t Au cut-off grade. The mineralized composites range in thickness from 2 m to 38 m assuming maximum internal dilution of approximately 3 m.

The mineralized zones at the Grota Seca Central, West and East deposits extend 2,900 m along strike. The resource has been outlined by 304 drill holes and constrained by a conceptual open pit that includes resources to a maximum depth of 400 meters. Six mineralized domains and one saprolite domain were modeled. The outer mineralized envelope was modeled into wireframe solids using a 0.5 g/t Au cut-off grade. The mineralized composites range in thickness from 2 m to 72 m assuming maximum internal dilution of approximately 3 m.

The grade estimation was done using ordinary kriging interpolation using 1.0 m composites. All estimations are based on a percent block model with unitary dimension of 12.5 m E, 5 m N and 10 m elevation rotated -20° clockwise in the Ouro Verde and rotated -15° clockwise in the Grota Seca. Measured mineral resources include all mineralized blocks within one time of the variogram range and estimated with minimum of 3 drill holes and minimum of 3 octants. Indicated mineral resources include all mineralized blocks within one time of the variogram range and estimated with minimum of 2 drill holes. Inferred mineral resources include all mineralized blocks within two times of the variogram range and estimated with minimum of 2 drill holes including the isolated areas and the blocks that were estimated in the passes one and two (M&I) that not comprised the criteria of these two categories.

Calculations of the average grades of the mineralized zones are based on original samples top cut to a value that ranged from 9 - 40 g/t Au depending on the mineralized domain.

Tonnage estimates are based on rock specific gravity of 2.75 tonnes per cubic metre for the Grota Seca and Ouro Verde deposits and 1.80 tonnes per cubic metre for saprolite.

The Company's priority over the next few months will be to focus on converting the Inferred mineral resources to higher resource categories and continue defining extensions to the gold deposits.

An NI 43-101-compliant technical report will be available on the company's website and on SEDAR within 45 days of the Company publishing the revised mineral resource statement in April 2012.

Belo Sun starts its Definitive Feasibility Study

The new mineral resource model will be the basis for a preliminary feasibility study being carried out by AMEC Minproc Engenharia e Consultoria Limitada, which is expected to be completed during Q3-2012. This will then be the basis of the Definitive Feasibility Study to be completed in 2013.

Increased Mineral Rights at Volta Grande

The Company has been granted priority on its application for an additional 5 claims which comprise an area totaling 28,654 hectares. Total land package now consists of a total of 34 claims which cover 149,918 hectares (1,499 square kilometers)

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 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.

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 Patrocínio 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.

	Purchases of goods/services Three months ended March 31, 2012	2011
2227929 Ontario Inc.	$ 67,784	$ 75,364
Forbes & Manhattan, Inc.	75,000	98,387
Falcon Metais Ltda.	32,380	20,949

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. charges a monthly consulting fee of $25,000.

Mr. Helio Diniz, Vice President of Exploration for the Company, is an officer of Falcon Metais Ltda., a company providing exploration and administration services in Brazil.

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

	Amounts owed by related parties		Amounts owed to related parties	
	31-Mar-12	31-Dec-11	31-Mar-12	31-Dec-11
2227929 Ontario Inc.	$ 11,128	$ 72,209	$ 3,468	$ 14,893
Directors of the Company	-	-	43,498	72,936
Falcon Metais Ltda.	98,318	29,384	-	-

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:

	Three months ended March 31, 2012	2011
Short-term benefits	$ 233,917	$ 840,000
Share-based payments	1,975,000	-

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 – 229,594,934 are issued and outstanding as at May 11, 2012.

Stock options, warrants and convertible securities outstanding as at May 11 2012:

Number of stock options outstanding	Exercise price	Expiry date
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
50,000	$ 0.80	11-Nov-15
600,000	$ 0.89	5-Dec-15
4,854,000	$ 1.33	21-Apr-16
3,470,000	$ 1.15	31-Jan-17
250,000	$ 1.15	30-Apr-17
15,296,600		

There were no warrants outstanding as at May 11, 2012.

SUBSEQUENT EVENTS

Subsequent to the end of the quarter, 300,000 stock options were exercised for gross proceeds of $194,500 and 250,000 options were granted.

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.

DISCLOSURE CONTROLS AND PROCEDURES

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures. Management has designed such disclosure controls and procedures, or caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the Chief Executive Officer and the Chief Financial Officer by others within those entities.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Belo Sun's management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. Under their supervision, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

• Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions, acquisitions and dispositions of the assets of the Company;
• Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual or interim financial statements.

The CEO and CFO have certified that Internal Controls over Financial Reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control (COSO) Framework to design the Company's internal contol over financial reporting. The Audit Committee of the Company has reviewed this MD&A and the consolidated financial statements for the three months ended March 31, 2012, and Belo Sun's Board of Directors approved these documents prior to their release.

LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies can be found in Note 2 of its annual consolidated financial statements for the twelve months ended December 31, 2012.

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 11, Joint Arrangements, establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

IFRS 12, Disclosure of Involvement with Other Entities, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

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.

IFRIC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine* was issued by the IFRIC in October 2011. IFRIC 20 applies to all types of natural resources that are extracted using the surface mining activity process. IFRIC 20 may represent a change in accounting practice for some Canadian mining entities. Specifically, IFRIC 20 permits capitalization of stripping costs if all of the following three criteria are met:

- probability of future economic benefit (improved access to the ore body) flowing to the entity;
- identifiability of the component of the ore body for which access has been improved; and
- measurability of the costs associated to the stripping activity.

Furthermore, where the costs of the stripping activity asset and of the inventory produced are not separately identifiable, IFRIC 20 provides a more detailed cost allocation guidance based on a relevant production measure that allows allocation between inventory produced and the stripping activity asset. IFRIC 20 is effective for annual periods beginning on or after January 1, 2013. Early application is permitted.

IAS 1, *Presentation of Financial Statements* ("IAS 1"), has been amended to require entities to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not items may be recycled in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. The amendment is effective for annual periods beginning on or after July 1, 2012 with earlier application permitted. The Company has not yet determined the impact of the amendments to IAS 1 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.