

**GOLD REACH RESOURCES LTD.**  
**Management Discussion and Analysis**  
**For the year ended March 31, 2014**

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This Management's Discussion and Analysis ("MD&A") for Gold Reach Resources Ltd. (the "Company" or "GRV") has been prepared by management dated July 2, 2014 and provides information on the Company's operations for the year ended March 31, 2014 and to the date of this report. This discussion and analysis should be read in conjunction with the Audited Consolidated Financial Statements for the year ended March 31, 2014.

**Business of the Company**

The Company was incorporated in November 1965 and is engaged in the exploration and development of mineral properties hosting copper, gold, silver and molybdenum prospects located in central British Columbia. The Company continues to evaluate acquisition of additional mineral interests in Canada.

**Overall Performance**

**EXPLORATION – OOTSA PROPERTY**

The Company presently owns 68,321 hectares comprised of 101 claims in its Ootsa Property which contains the Seel and Ox deposits.

2013 Ootsa Exploration Program

Gold Reach conducted another significant field exploration program at Ootsa between May 22 and November 29, 2013. This work included diamond drilling, collecting 1330 soil samples, stream sediment and rock grab sampling, geologic mapping and 76 line kilometres of geophysical surveying. A total of 90 holes were drilled at the Ox deposit for 17,372 metres of drilling, and 53 holes were drilled at Seel for 16,887 metres of drilling.

On January 13, 2014 a new open pit constrained resource update was announced for the Ox deposit based on 28,361 meters of drilling in 134 holes. The pit constrained resource at a 0.2% Cu Eq. cut off contains a measured plus indicated resource of 37.6 million tonnes grading 0.21% Cu and 0.027% Mo (0.33% Cu Eq.) plus an inferred resource of 12.2 million tonnes grading 0.18% Cu and 0.021% Mo (0.28% Cu Eq.). At a 0.2% Cu Eq. cut off 95% of the global measured and indicated resource is contained within the pit constrained resource, demonstrating the geometry of the near surface mineralized zone is favorable for potential exploitation by open pit methods.

**OX PIT CONSTRAINED CONTAINED METALS AT 0.2% CU EQ. CUT OFF**

<b>Element</b>	<b>Measured and Indicated</b>	<b>Inferred</b>
Copper	174,169,596 pounds	48,334,146 pounds
Molybdenum	22,393,234 pounds	5,638,984 pounds
Gold	48,380 ounces	11,748 ounces
Silver	1,850,552 ounces	512,991 ounces
Cu Eq.	273,695,080 pounds	75,186,450 pounds

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Using a 0.2% Cu Eq. cut off the new Ox pit constrained resource contains 174.2 million pounds of copper and 22.4 million pounds of molybdenum in the measured and indicated category plus 48.3 million pounds of copper and 5.6 million pounds of molybdenum in the inferred category.

Drilling in 2013 has extended the Ox Deposit roughly 200 metres to the east on the north end where a large zone of near surface mineralization has been defined. Select drill highlights from the 2013 Ox drill program are summarized in the table below.

**Summary of select Ox Holes Drilled in 2013**

<b>Drill Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Width (m)*</b>	<b>Cu %</b>	<b>Mo%</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Cu Eq.**</b>
Ox13-46	5.1	167	161.9	0.36	0.028	0.06	1.85	0.53
including	19	97	78	0.49	0.035	0.08	2.15	0.71
Ox13-61	7.7	76.2	68.5	0.4	0.048	0.07	1.46	0.65
including	22	72	50	0.46	0.055	0.09	1.67	0.76
Ox13-62	5.8	86	80.2	0.43	0.035	0.07	1.73	0.63
including	44	86	42	0.51	0.041	0.09	1.99	0.75
Ox13-70	11.1	202	190.9	0.29	0.035	0.05	1.97	0.48
including	122	202	80	0.36	0.039	0.06	2.8	0.58
including	144	158	14	0.81	0.030	0.14	6.66	1.1
Ox13-71	24.6	384	359.4	0.25	0.031	0.04	1.19	0.41
including	24.6	197	172.4	0.32	0.042	0.06	1.87	0.55
including	57	109	52	0.5	0.037	0.09	2.65	0.73
Ox13-78	8.7	234.3	225.6	0.3	0.032	0.05	1.73	0.48
including	74	100	26	0.44	0.032	0.06	2.43	0.63
Ox13-80	18.3	246	227.7	0.34	0.032	0.05	1.73	0.52
including	28	45.6	17.6	0.46	0.024	0.07	2.23	0.62
Ox13-99	15.3	116.5	101.2	0.33	0.035	0.07	1.78	0.53
including	76	116.5	40.5	0.46	0.046	0.1	2.69	0.74
Ox13-110	5.4	108.7	103.3	0.44	0.04	0.06	1.89	0.66
including	5.4	46	40.6	0.57	0.034	0.09	2.62	0.79
Ox13-112	10	125	115	0.39	0.024	0.08	1.91	0.56
including	36	125	89	0.42	0.021	0.08	2.04	0.58
including	52	66	14	0.88	0.015	0.17	4.06	1.09

\* Width refers to drill hole intercepts, true widths have not been determined.

\*\* Cu Eq. (copper equivalent) has been used to express the combined value of copper, molybdenum, gold and silver as a percentage of copper, and is provided for illustrative purposes only. No allowances have been made for recovery losses that may occur should mining eventually result. Calculations use metal prices of US \$2.50/lb copper, \$1200/oz gold, \$15 silver, and \$10/lb molybdenum using the formula  $Cu\ Eq.\% = Cu\% + (Au\ g/t \times 0.701) + (Ag\ g/t \times 0.0087) + (Mo\% \times 4.01)$ .

On February 18, 2014 a new open pit constrained resource update was announced for the East and West Seel deposits based on 83,810 meters of drilling in 199 holes. At a 0.2% copper equivalent cut off

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the Seel pit constrained resources contain 116.3 million tonnes grading 0.21% Cu, 0.16 g/t Au, 0.017% Mo, and 2.56 g/t Ag (0.38% copper equivalent) in the measured and indicated categories and another 211.4 million tonnes grading 0.18% Cu, 0.12 g/t Au, 0.021% Mo, and 2.29 g/t Ag (0.34% copper equivalent) in the inferred category. A total of 92% of the global measured and indicated resource is contained within the open pit constrained resource at a 0.2% copper equivalent cut off. At a 0.4% copper equivalent cut off the pit constrained resource contain 39.8 million tonnes at 0.54% copper equivalent in the measured and indicated categories and 51.6 million tonnes at 0.49% copper equivalent in the inferred category. This is a significant tonnage of higher grade material sitting within the constraining pit outline.

**SEEL PIT CONSTRAINED CONTAINED METALS AT 0.2% CU EQ. CUT OFF**

<b>Element</b>	<b>Measured and Indicated</b>	<b>Inferred</b>
Copper	538,620,000 pounds	838,863,000 pounds
Molybdenum	43,603,000 pounds	97,867,000 pounds
Gold	598,500 ounces	816,000 ounces
Silver	9,575,500 ounces	15,564,000 ounces
Cu Eq.	974,646,000 pounds	1,584,520,000 pounds

Using a 0.2% Cu Eq. cut off the new Seel pit constrained resource contains 538.6 million pounds of copper, 43.6 million pounds of molybdenum, 0.6 million ounces of gold and 9.58 million ounces of silver in the measured and indicated categories plus 838.9 million pounds of copper, 97.9 million pounds of molybdenum, 0.8 million ounces of gold, and 15.56 million ounces of silver in the inferred category.

Drilling in 2013 has defined a higher grade core at the East Seel deposit and also shows that near surface mineralization on the north side of West Seel remains open for expansion. Select drill highlights from the 2013 Ox drill program are summarized in the table below.

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**Summary of select East Seel Holes Drilled in 2013**

<b>Drill Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Width (m)*</b>	<b>Cu %</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Mo %</b>	<b>Cu Eq.%**</b>
S13-147	32.0	142.0	110.0	0.33	0.38	1.54	-	0.61
including	32.0	106.0	74.0	0.40	0.45	1.88	-	0.73
S13-148	<b>31.7</b>	<b>178.0</b>	<b>146.3</b>	<b>0.51</b>	<b>0.59</b>	<b>2.33</b>	-	<b>0.94</b>
including	<b>31.7</b>	<b>76.0</b>	<b>44.3</b>	<b>0.94</b>	<b>1.12</b>	<b>3.46</b>	-	<b>1.76</b>
S13-148	256.0	277.1 EOH	21.1	0.30	0.31	3.87	-	0.55
S13-151	32.9	193.0	160.1	0.33	0.38	2.01	-	0.61
including	67.2	151.0	83.8	0.42	0.51	2.53	-	0.80
including	113.0	133.0	20.0	0.64	0.84	3.65	-	1.26
S13-153	64.0	188.0	124.0	0.37	0.37	1.63	-	0.64
including	68.0	84.0	16.0	0.81	0.76	3.63	-	1.37
S13-155	30.0	268 EOH	238.0	0.38	0.47	1.93	-	0.73
including	30.0	190.0	160.0	0.44	0.53	1.98	-	0.83
including	42.0	86.0	44.0	0.62	0.67	2.76	-	1.11
Including	140.0	156.0	16.0	0.64	0.80	2.74	-	1.22
S13-157	31.7	218.0	186.3	0.37	0.41	1.82	-	0.67
including	31.7	158.0	126.3	0.42	0.45	2.07	-	0.75
including	36.0	56.0	20.0	0.51	0.50	2.67	-	0.88
S13-159	45.7	143.6	97.9	0.39	0.49	2.41	-	0.75
including	45.7	110.0	64.3	0.44	0.58	2.64	-	0.87
including	45.7	66.0	20.3	0.52	0.65	2.61	-	1.00
S13-160	72.7	177.0	104.3	0.34	0.42	1.54	-	0.65
including	77.0	151.0	74.0	0.41	0.47	1.67	-	0.75
including	121.0	149.0	28.0	0.47	0.55	1.85	-	0.87
S13-160	197.0	207.0	10.0	0.24	0.29	1.10	-	0.45
S13-163	56.3	82.1	25.8	0.33	0.31	1.66	-	0.56
S13-163	92.6	185	92.4	0.52	0.20	11.89	-	0.76
including	139.0	177.0	38.0	0.84	0.13	25.39	-	1.15
S13-164	44.1	163.0	118.9	0.38	0.42	2.17	-	0.69
including	44.1	93.0	48.9	0.45	0.54	2.00	-	0.85

\* Width refers to drill hole intercepts, true widths have not been determined. EOH = end of hole.

\*\* Cu Eq. (copper equivalent) has been used to express the combined value of copper, molybdenum, gold and silver as a percentage of copper, and is provided for illustrative purposes only. No allowances have been made for recovery losses that may occur should mining eventually result. Calculations use metal prices of US \$2.50/lb copper, \$1200/oz gold, \$15 silver, and \$10/lb molybdenum using the formula  $Cu\ Eq.\% = Cu\% + (Au\ g/t \times 0.701) + (Ag\ g/t \times 0.0087) + (Mo\% \times 4.01)$ .

The Company is very pleased to see that initial infill drilling on the large West Seel deposit has identified some very strong near-surface mineralization, with localized zones returning high gold, silver, and

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molybdenum grades. This near surface zone of higher grade mineralization has been intercepted in numerous drill holes over about 200 metres width. The West Seel deposit contains a large area containing Cu-Au-Mo-Ag mineralization which still remains open to the north and south. Select drill results from the 2013 drilling program are summarized in the table below.

**Summary of select West Seel Holes Drilled in 2013**

<b>Drill Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Width (m)*</b>	<b>Cu %</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Mo %</b>	<b>Cu Eq.**</b>
S13-150	49.0	69.0	20.0	0.25	0.13	5.25	0.016	0.45
S13-150	81.0	107.0	26.0	0.31	0.54	8.72	0.022	0.85
including	93.0	105.0	12.0	0.45	0.81	12.02	0.016	1.19
S13-150	135.0	273.0	138.0	0.26	0.13	5.99	0.024	0.50
including	231.0	273.0	42.0	0.37	0.14	7.84	0.028	0.65
S13-154	18.0	32.0	14.0	0.41	0.09	12.86	0.129	1.10
S13-154	60.0	356.0	296.0	0.23	0.22	4.44	0.016	0.49
including	60.0	82.0	22.0	0.33	1.19	9.94	0.021	1.33
including	218.0	340.0	122.0	0.30	0.17	4.70	0.016	0.52
S13-162	50.0	76.0	26.0	0.22	0.11	5.09	0.012	0.39
S13-162	144.0	449.2 EOH	305.2	0.27	0.18	3.90	0.036	0.57
including	244.0	447.5	203.5	0.30	0.22	4.11	0.043	0.66

\* Width refers to drill hole intercepts, true widths have not been determined. EOH = end of hole.

\*\* Cu Eq. (copper equivalent) has been used to express the combined value of copper, molybdenum, gold and silver as a percentage of copper, and is provided for illustrative purposes only. No allowances have been made for recovery losses that may occur should mining eventually result. Calculations use metal prices of US \$2.50/lb copper, \$1200/oz gold, \$15 silver, and \$10/lb molybdenum using the formula  $Cu\ Eq.\% = Cu\% + (Au\ g/t \times 0.701) + (Ag\ g/t \times 0.0087) + (Mo\% \times 4.01)$ .

The Company opened its exploration camp on June 23, 2014 and expects to conduct a 2014 exploration program that will include up to 7,500 metres of core drilling an induced polarization geophysical survey, a substantial surface exploration program, and various engineering, metallurgical, and environmental test work. The focus for 2014 will be to optimize the economic potential of the project and test all of the main exploration targets surrounding the known resources ahead of a potential preliminary economic assessment. Drilling will start on the West Seel deposit with one drill rig and will focus on expanding known zones of higher grade mineralization and defining the extents of the large West Seel deposit. A second highly portable track mounted drill will be added to the project in July to test numerous targets outside of the known resource areas, including both large porphyry targets and high grade silver base metal vein targets.

**AURO PROPERTY**

The Company retains a 2% net smelter return royalty on the Auro and Auro South properties and New Gold Inc. has committed to spend Cdn. \$1,500,000 on exploration expenditures on the Claims over the

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next 3 years spanning the Calendar years 2012 through 2014. To date New Gold has spent over \$1.19 million on the Auro property leaving roughly \$310,000 to be spent on the property during 2014.

**MINERAL PROPERTIES – Ootsa**

The Company presently owns a 100% interest in the Ootsa property, located in central British Columbia, comprised of 101 mineral claims totalling 68,321 hectares. Of these 101 mineral claims, 14 claims totalling 575 hectares, known as the Ox claims, are subject to a 2% NSR. The purchase agreement with the vendor, Silver Standard Resources Inc., (“Silver”) entitles the Company to purchase 50% of the 2% NSR from Silver at any time by the payment to Silver of \$500,000. The Company may purchase the remaining 1% NSR at any time by payment to Silver of an additional \$1,000,000. There are 4 other claims totalling 2,600 hectares, known as the Seel claims that are subject to a 1% NSR. The Company is entitled at any time to purchase 50% of this 1% NSR for \$1,000,000. There is an associated Area of Interest with these claims, defined as the area lying within a distance of 1 kilometre from the external boundaries of the claims.

There are 2 additional claims, known as the Swing claims, purchased in March 2014 for 25,000 common shares of the Company at market value of \$0.91 (Canadian) per common share. The purchase agreement with the vendor entitles the Company to purchase 50% of the 2% NSR from the vendor at any time by the payment to the vendor of \$500,000 or the Company may purchase the entire 2% NSR at any time by payment to the vendor of \$1,000,000.

In June 2014 at a cost of \$1,171 the Company staked an additional 2 mineral claims totaling 384 hectares. The claims are contiguous to the other Ootsa Project claims. With these 2 additional claims the Company now owns a 100% interest in the Ootsa Property, located in central British Columbia, comprised of 101 mineral claims totaling 68,321 hectares of which 81 claims were acquired by staking.

The technical content in this MD&A has been reviewed and verified by Dr. Shane Ebert, a qualified person, as defined by National Instrument 43-101. Dr. Ebert is also a director and President of the Company.

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Mineral property costs for the year ended March 31, 2014:

	<b>Ootsa Property</b>
Property acquisition costs	
Balance, beginning of the year	\$ 1,049,742
Cash costs	36,071
Shares issued	22,750
Share purchase warrants issued	21,130
Balance, end of the year	1,129,693
Deferred exploration and development costs	
Balance, beginning of the year	15,685,624
Incurred during the year:	
Drilling, blasting and trenching	3,435,026
Barge	59,818
Geology	433,520
Geophysics	185,738
Consulting fees – Wet’sewet’en	10,000
Consulting fees - Cheslatta	15,000
Field costs	631,751
Reclamation bond	65,000
Travel	15,096
Assaying	554,076
Camp costs	172,848
Fuel	234,583
Insurance	7,734
BC tax credit refunds	(3,591,030)
Wages and related expenses (Note 8)	501,900
Total expenditures during the year	2,731,060
Total expenditures, end of the year	18,416,684
Balance, end of the year	\$ 19,546,377

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Mineral property costs for the year ended March 31, 2013:

	Ootsa Property	Auro Property	Total
Property acquisition costs			
Balance, beginning of the year	\$ 606,347	\$ -	\$ 606,347
Cash costs	43,637	-	43,637
Share purchase warrants issued	399,758	-	399,758
Balance, end of the year	1,049,742	-	1,049,742
Deferred exploration and development costs			
Balance, beginning of the year	7,723,647	22,500	7,746,147
Incurred during the year:			
Drilling, blasting and trenching	4,421,201	-	4,421,201
Barge	75,653	-	75,653
Geology	309,341	-	309,341
Geophysics	82,522	-	82,522
Consulting fees	47,751	-	47,751
Consulting fees - Cheslatta	15,000	-	15,000
Field costs	779,863	-	779,863
Reclamation bond recovered	-	(22,500)	(22,500)
Travel	33,520	-	33,520
Assaying	885,015	-	885,015
Camp costs	259,553	-	259,553
Roads	109,914	-	109,914
Fuel	328,725	-	328,725
Insurance	6,789	-	6,789
Mapping	59,300	-	59,300
BC tax credit refund	(119,498)	-	(119,498)
Wages and related expenses (Note 8)	667,328	-	667,328
Total expenditures during the year	7,961,977	(22,500)	7,939,477
Total expenditures, end of the year	15,685,624	-	15,685,624
Balance, end of the year	\$ 16,735,366	\$ -	\$ 16,735,366



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**Financial Condition, Results of Operations and Cash Flows**

The Company's working capital as at March 31, 2014 was \$2,438,538 (March 31, 2013 – \$2,664,307).

**Selected Annual Information**

Selected annual information for the three most recently completed fiscal years is as follows:

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	<b>Fiscal Year ended March 31 (audited)</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
Revenues	\$Nil	\$Nil	\$Nil
Income (Loss) for the year	(\$1,429,992)	(\$2,687,339)	\$1,786,947
Income (Loss) per share: Basic	(\$0.04)	(\$0.09)	\$0.09
Income (Loss) per share: Diluted	(\$0.04)	(\$0.09)	\$0.06
Total Assets	\$22,389,727	\$19,829,173	\$14,913,165
Long Term Debt	\$Nil	\$Nil	\$Nil
Mineral property cash expenditures	\$6,358,161	\$7,983,114	\$3,944,835

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**Annual Results for the Year Ended March 31, 2014**

Administrative expenditures for the year ended March 31, 2014 were \$1,703,580 (2013 – \$2,238,411). These decreased administration expenditures reflect the heightened activity level at the Company's exploration programs on its mineral properties as well as the lower stock based compensation expense for the year. The share based compensation expense was \$464,713 (2013 - \$1,158,136) reflecting the granting of additional stock options during the year ended March 31, 2014. Management costs were \$405,720 (2013 - \$359,326) and professional fees were \$195,198 (2013 - \$186,165) reflecting the increases in the exploration activities during the period. Travel and promotion costs were \$195,077 (2013 – \$166,361) and investor relations were \$219,709 (2013 - \$213,074) reflecting the increased efforts to keeping the investor sector informed on the ongoing exploration and development activities on the Ootsa Property.

Net cash flow from investing activities for the year ended March 31, 2014 were \$4,512,316 (2013 - \$8,187,843). Expenditures on the Company's mineral interests were \$6,358,161 (2013 - \$7,983,114). Purchases of equipment and related camp assets was \$45,185 (2013 - \$204,729).

**Annual Results for the Year Ended March 31, 2013**

Administrative expenditures for the year ended March 31, 2013 were \$2,238,411 (2012 – \$1,622,433). These increased administration expenditures reflect the heightened activity level at the Company's exploration programs on its mineral properties and the higher stock based compensation expense for the year. The share based compensation expense was \$1,158,136 (2012 - \$934,050) reflecting the

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granting of additional stock options during the year ended March 31, 2013. Management costs were \$359,326 (2012 - \$221,235) and professional fees were \$186,165 (2012 - \$149,887) reflecting the increases in the exploration activities during the period. Travel and promotion costs were \$166,361 (2012 - \$106,905) and investor relations were \$213,074 (2012 - \$116,414) reflecting the increased efforts to keeping the investor sector informed to on the ongoing exploration and development activities on the Ootsa Property.

Net cash outflow from investing activities for the year ended March 31, 2013 were \$8,187,843 (2012 - \$2,003,675). Expenditures on the Company's mineral interests were \$7,983,114 (2012 - \$3,944,835). Purchases of equipment and related camp assets was \$204,729 (2012 - \$51,490). During the year ended March 31, 2012 the Company sold its interest in the Auro claims for \$6,000,000 cash.

**Selected Quarterly Information**

The following table provides selected financial information of the Company for each of the last eight quarters:

Basis of presentation	2014		2013		2012			
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Quarter ended:	31-Mar	31-Dec	30-Sept	30-Jun	31-Mar	31-Dec	30-Sept	30-Jun
Income (Loss)	(\$103,142)	(\$617,270)	(\$404,230)	(\$305,350)	(\$1,429,498)	(\$392,389)	(\$191,454)	(\$673,998)
Income (Loss) per share: basic	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.09)	(\$0.01)	(\$0.01)	(\$0.03)
Weighted average of shares issued	33,597,667	33,914,238	31,840,388	31,520,367	27,541,668	27,161,687	23,828,128	23,603,061
Total Assets	\$22,389,727	\$23,582,604	\$21,811,298	\$19,683,818	\$19,829,173	\$19,161,674	\$17,147,582	\$16,898,695
Long-Term Liabilities	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil

**Results for the 4th Quarter Ended March 31, 2014**

During the three months ended March 31, 2014 the Company's administrative expenditures were \$363,296 (2013 - \$937,374) and included share based payments of \$nil (2013 - \$535,558), management costs of \$116,195 (2013 - \$108,846), professional fees of \$94,202 (2013 - \$66,331), travel and promotion costs of \$48,676 (2013 - \$68,929) and investor relations of \$59,286 (2013 - \$116,653).

**Liquidity and Capital Resources**

As an exploration stage company, the Company's liquidity position decreases as mineral exploration and evaluation expenditures plus administrative expenses are incurred. To mitigate this liquidity risk, the Company budgets both exploration and administrative expenditures and closely monitors its liquidity position. The Company's cash position as at March 31, 2014 was \$814,737 (March 31, 2013 - \$2,762,804). In early February 2014 the Company received \$1,891,030 plus interest of \$14,963 as part of the British Columbia Mining Tax Credit ("BCMETC") program. This cash receipt enabled the Company to significantly increase its working capital.

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On June 3, 2014 the Company closed the first tranche of the non-brokered flow through private placement and issued 999,000 common shares to raise gross proceeds of \$719,280.

On June 16, 2014 the Company entered into a \$1,000,000 bridge loan agreement, bearing interest at 12% per annum to be accrued and compounded quarterly. The Loan and accrued interest will be secured by a first and floating charge on the BCMETC refund total. Repayment of the Loan's principal amount and payment of the accrued interest thereon are both due on the earlier of June 16, 2015 or within three days of the Company's receipt of the BCMETC refund ("Maturity Date"). On June 16, 2014, the date of the Loan advance, the Company issued 500,000 common share purchase warrants ("Warrants") entitling the lender to purchase one common share at any time on or before the Maturity Date at an exercise price per share equal to \$0.80.

The Company intends, if possible, to raise further financing by way of equity issuances, applying for refundable tax credits or private loans in order to meet its exploration and working capital requirements as and when needed.

During the three months ended March 31, 2014 there were no exercises of any stock options or any exercises of share purchase warrants.

**Financial Instruments**

All financial instruments, including derivatives, are included on the Company's balance sheet and measured at either fair value or amortized cost.

The Company's financial assets consist of cash, cash equivalents and other receivables. The Company's financial liabilities consist of trade accounts payable and other liabilities, promissory notes payable and due to related parties, which are designated as other financial liabilities and measured at amortized cost.

The carrying values of the Company's financial instruments measured at amortized costs approximate their fair values due to their short-term nature.

The Company does not have any instruments measured at fair value.

The types of the risk exposure and the ways in which such exposures are managed are provided as follows

*Foreign Exchange Risk*

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at March 31, 2014, the Company holds no foreign currencies and is not exposed to any currency risk arising from fluctuation in foreign exchange rates.

*Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and receivables are exposed to credit risk.

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Given the minimal amounts of these instruments, The Company is not exposed to any significant credit risk as at March 31, 2014.

*Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the year in the consolidated financial statements is interest income on Canadian dollar cash. As at March 31, 2014, the Company is exposed to an interest rate risk on the interest income on its cash and cash equivalents. After taking into account the expected consumption of a portion of the principal from the internal funding of ongoing operations and expected exploration and evaluation expenditures The Company considers its interest rate risk as minimal and immaterial and does not enter into any interest rate hedging contracts.

The Company has no interest-bearing debt with long-term maturities and therefore considers this risk to be immaterial. The Company does not use derivative instruments to reduce its interest rate risk as the Company's management believes that the likely financial impact of interest rate changes does not justify using derivatives.

*Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liability. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current. The Company addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options. Additional capital was successfully obtained during the period to increase liquidity.

**Share Data**

As at June 30, 2014 the Company had 36,575,090 common shares issued and outstanding, 3,549,309 options issued and outstanding, 2,364,000 share purchase warrants issued and outstanding, 93,920 finders' warrants issued and outstanding resulting in a fully diluted shares position of 42,582,319 shares.

On June 26, 2014, 1,080,000 warrants at an exercise price of \$1.40 expired unexercised.

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**Related Party Transactions**

The Company incurred the following transactions with companies controlled by directors of the Company:

	<b>For the year ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Management fees - mineral property costs	\$ 100,000	\$ 127,000
Directors fees	20,000	24,000
Professional fees - administration	32,400	32,400
Management and administration	274,000	244,500
	<b>\$ 426,400</b>	<b>\$ 427,900</b>

Key management personnel compensation:

	<b>For the year ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Management fees	\$ 426,400	\$ 427,900

Non-key management personnel compensation:

	<b>For the year ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Professional fees - legal	\$ 6,784	\$ 29,668

Key management personnel compensation comprised:

	<b>For the year ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Short term employee benefits	\$ 426,400	\$ 427,900
Share-based payments	361,641	854,938
	<b>\$ 788,041</b>	<b>\$ 1,282,838</b>

The above transactions, occurring in the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

In April 2014 the Company appointed a new director to the board. At that time 50,000 stock options were granted to the new director exercisable at any time prior to April 11, 2019 with an exercise price of \$0.80 per common share.

### **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements and does not contemplate such arrangements in the foreseeable future. There are no contingent liabilities.

### **Critical Accounting Estimates**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

a) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c) Income Taxes

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same entity against which the unused tax losses can be utilized.

However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

The key estimates applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

d) British Columbia Mining Exploration Tax Credit ("BCMETS") Claim

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The Company has estimated the amount of the BCMETC claim to receivable on a discounted basis under the assumption that the Company will receive a portion of the BCMETC claim that is similar to the portion of the claims received as a refund in previous years. The Company anticipates the receipt of a refund for the BCMETC claim in the upcoming year and considers the entire amount accrued for as collectible.

**New Standards, Interpretations and Amendments**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. These new standards, interpretations and amendments, which have not been yet been applied are included in the Consolidation Financial Statements for the year ended March 31, 2014.

**Disclosure Controls and Procedures**

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109") the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the audited consolidated financial statements and this accompanying interim MD&A (together the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with respect to the Annual and Interim Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

**Disclosure for Venture Issuers without Significant Revenue**

Consistent with other junior companies in the mineral exploration industry, the Company has no source of operating revenue. The Company's Audited Consolidated Financial Statements for the Year ended March 31, 2014 provide a breakdown of the general and administrative expenses for the period under review and an analysis of the capitalized and expensed exploration and evaluation incurred on its mineral properties.

**Forward-Looking Information**

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, amongst other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Company's properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or

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achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the interim MD&A, additional, important factors, if any, are identified here.

**Risks and Uncertainties**

**Early Stage – Need for Additional Funds**

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required.

Although the Company has been successful in the past in obtaining financing through the sale of equity securities or joint ventures, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

**Exploration and Evaluation**

Exploration for minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Company and/or its subsidiary will result in discoveries of commercial mineral reserves.

Mining and development risk always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of a natural occurring mineral deposit. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed.

Metal and prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors, beyond the control of The Company may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

**Operating Hazards and Risks**

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of



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mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

#### Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned.

#### Environmental Regulations, Permits and Licences

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation 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 and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact of the Company and cause increases in capital expenditures or productions costs or reduction in levels of productions at producing properties or requirements abandonment or delays in development of new mining properties.

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Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases. The Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share costs incurred under agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Price Volatility of Public Stock

In recent years securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on the TSX Venture Exchange may be affected by such volatility.

Economic Conditions

Unfavourable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

**Conflicts of Interest**

The Company's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholding in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act ("Corporations Act") in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

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**Approval**

The Audit Committee has reviewed and approved the disclosure included in this MD&A. A copy of the interim and annual MD&A's will be provided to anyone who requests it. Additional Information relating to the Company can be found at the Company's website [www.goldreachresources.com](http://www.goldreachresources.com) or [www.sedar.com](http://www.sedar.com).