This Management's Discussion and Analysis ("MD&A") for Gold Reach Resources Ltd. (the "Company" or "GRV") has been prepared by management dated August 29, 2013 and provides information on the Company's operations for the three months ended June 30, 2013 and to the date of this report. This discussion and analysis should be read in conjunction with the unaudited Condensed Consolidated Interim Financial Statements and the audited Consolidated Financial Statements for the year ended March 31, 2013.

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 47,559 hectares comprised of 78 claims in its Ootsa Property which contains the Seel and Ox deposits.

From June 15 to October 21, 2011, the Company completed a substantial exploration program at the Ootsa property including 10,393.4 metres of core drilling in 20 holes at the Seel deposit. This drilling has substantially expanded the depth and strike length of the known mineralization at Seel, and has identified the West Seel deposit, a new zone of copper-gold-molybdenum-silver mineralization on the west side of the system. Three deep holes tested the Cu-Au zone during the 2011 drilling program (holes S11-82, S11-88, and S11-90) and all 3 intersected long intervals of continuous mineralization with the zone remaining open at depth. This is highlighted by hole S11-90 which intersected 764.5 metres of continuous mineralization grading 0.17% Cu and 0.2 g/t Au (0.32% Cu Eq.). Holes drilled within the centre of the Cu-Au zone all intersected a higher grade zone at surface highlighted by hole S11-90 which intersected 194 metres grading 0.37% Cu and 0.42 g/t Au from 28 to 222 metres depth.

Holes 91, 95, and 97 to 100 have all intersected Cu-Au-Mo-Ag bearing porphyry style mineralization at the West Seel deposit. All of the holes into the West Seel zone have returned long intercepts of continuous mineralization highlighted by hole S11-100 which returned 567 metres grading 0.25% Cu, 0.17 g/t Au, 0.028% Mo, and 3.4 g/t Ag (0.51% Cu Eq.).

During July 2011, 44.5 line kms of 3-D IP was completed over the northern part of the claim block and resulted in a number of new anomalies being identified. Several of these anomalies have been followed up with surface mapping and soil sampling. Over 1500 soil samples have been taken, and the results have been compiled with surface mapping and geophysical results to prioritize targets for drill testing in 2012. Soil sampling at the Ox deposit has identified a copper in soil anomaly that is over 800m long by 250m wide that coincides with a historic IP chargeability anomaly.

In January 2012 a resource update was completed on the Seel deposit by Giroux Consultants Ltd. and was based on 28,294 meters of drilling in 100 holes. The updated resource estimate contains a 400% increase in resources. At a 0.2% Cu Eq cut off the Seel deposit contains an indicated resource of 28.13 million tonnes grading 0.22% Cu, 0.21 g/t Au, 0.007% Mo and 1.1 g/t Ag (0.40% Cu Eq) plus an inferred resource of 214.78 million tonnes grading 0.17% Cu, 0.13 g/t Au, 0.017% Mo, and 2.17 g/t Ag (0.33% Cu Eq). The majority of the resource sits in the inferred category reflecting the widely spaced nature of the deep drilling and step out holes completed during the 2011 drill program. This resource contains 805 million pounds of copper in the inferred category plus 136 million pounds of copper in the indicated category along with

897,694 ounce of gold in the inferred category plus 189,924 ounces of gold in the indicated category.

In May 2012 the Company started a 25,000 metre drilling program at the Ootsa Property aimed at expanding and defining the recently discovered West Seel deposit, and investigating the resource expansion potential at Ox. The drilling program was very successful and was significantly expanded and a total of 45,157 metres were drilled in 2012

During 2012, to December 31, 2012, 38,627.8 meters of drilling in 46 holes were drilled at West Seel, and 6,529 metres of drilling in 21 holes have been completed at Ox and at targets surrounding the Ox deposit. Highlights from drilling hole S12-101 which intersected 817 metres grading 0.20% Cu, 0.21 grams per tonne (g/t) Au, 0.026% Mo, and 2.24 g/t Ag (0.45% Cu Eq.) from 262 metres to the end of the hole at 1079 meters, including 194 metres of higher grade mineralization grading 0.22% Cu, 0.47 g/t Au, 0.040% Mo, and 1.85 g.t Ag (0.71% Cu Eq.) from 584 to 778 metres depth. Hole S12-118 also drilled at West Seel intersected 537 metres grading 0.27% copper, 0.19 g/t gold, 0.055% molybdenite, and 2.69 g/t silver (0.65% copper equivalent) from 350 to 887 metre depth, and the hole ended in mineralization.

Included within this interval is a higher grade zone containing 0.43% copper, 0.33 g/t gold, 0.076% molybdenite and 4.76 g/t silver (1.01% copper equivalent) over 128 metres. In addition to drilling the company has completed 42.9 km of reconnaissance induced polarization survey which has identified 2 new chargeability targets, one located east of Seel and one located east of Ox. Approximately 2176 new soil samples have also been taken across the property, greatly extending the area of soil coverage.

Detailed metallurgical studies were conducted on two large samples from West Seel drill core and one sample from the Seel Cu-Au zone. The results show good initial recoveries with rougher concentrate recoveries ranging from 91.7 to 96.8% for copper, 89.8 to 93.9% for molybdenum, and 73.1 to 91.1% for gold. Based on only 3 sample reprocessing steps final recoveries in copper concentrate range from 86.4 to 89.5% for copper, 85.8 to 91.6% for molybdenum, and 47 to 69% for gold.

In January 2013, a new resource update was announced for the Seel deposit and was based on 66,923 meters of drilling in 146 holes. At a 0.2% copper equivalent (Cu Eq) cut off the Seel deposit contains an indicated resource of 67.8 million tonnes grading 0.21% Cu, 0.17 g/t Au, 0.015% Mo and 2.02 g/t Ag (0.39% Cu Eq) plus an inferred resource of 410.9 million tonnes grading 0.16% Cu, 0.11 g/t Au, 0.018% Mo, and 1.95 g/t Ag (0.31% Cu Eq). The majority of the resource sits in the inferred category reflecting the widely spaced nature of the drilling completed to date.

In February 2013 a new resource was announced for the Ox deposit. The new resource was based on 11,090 meters of drilling in 44 holes. At a 0.2% copper equivalent (Cu Eq) cut off the Ox deposit contains an indicated resource of 52.65 million tonnes grading 0.21% Cu and 0.022% Mo (0.32% Cu Eq). At a higher cut off of 0.3% copper equivalent the Ox deposit contains a resource of 27.7 million tonnes grading 0.25% copper and 0.026% Mo (0.38% Cu Eq).

In April 2013 the company announced results of preliminary metallurgical test work conducted on 3 samples from the Seel and West Seel deposits. The results show positive preliminary metallurgy for the deposits with predicted third cleaner copper concentrate results based on locked cycle tests returning 86 to 89.5% copper recovery, 86 to 91.6% molybdenum recovery, and 47 to 69% gold recovery.

In May 2013 the company resumed drilling and exploration activities at the Ootsa project, focusing on defining and expanding near surface higher grade zones of mineralization and testing new targets. To date the 2013 program has drilled over 14,000 metres in over 70 holes at the Ox deposit, and drilling is ongoing. A core zone of higher grade mineralization at Ox has now been delineated over a length of 850 metres with widths of 100 to 150 metres and to depths of 100 to 250 metres. Highlights from the Ox drilling includes hole Ox13-46 which intersected 78 metres grading 0.49% Cu and 0.035% Mo (0.71% Cu Eq), and hole Ox13-71 which intersected 52 metres grading 0.5% Cu and 0.037% Mo (0.73% Cu Eq).

DISPOSITION OF THE AURO PROPERTY

On March 21, 2012 the Company sold its 100% interest in the Auro and Auro South properties to New Gold Inc. for $6,000,000 cash. The Company retains a 2% net smelter return royalty on the Claims and New Gold has committed to spend Cdn. $1,500,000 on exploration expenditures on the Claims over the next 3 years.

MINERAL PROPERTIES

The Company owns a 100% interest in the Ootsa property, located in central British Columbia, comprised of 78 mineral claims totalling 47,559 hectares. Of these 78 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 7 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. The remaining 57 mineral 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.

(a) Mineral Property costs for the three months ended June 30, 2013 as follows:

		Ootsa Property
Property acquisition costs		
Balance, beginning of the period	$	1,049,742
Cash		-
Shares		-
Less: Sale of Auro and Auro South		-
Balance, end of the period		1,049,742
Deferred exploration and development costs		
Balance, beginning of the period		15,685,624
Incurred during the period:		
Drilling, blasting and trenching		469,270
Barge		20,345
Geology		79,983
Field costs		136,473
Reclamation bond		50,000
Travel and accommodation		2,287
Assaying		24,405
Camp costs		40,511
Fuel		70,986
Insurance		7,124
Wages		64,759
B.C. mining tax credit		-
Other		-
Total expenditures during the period		966,143
Total net expenditures, end of the period		16,651,767
Balance, end of the period	$	17,701,509

(b) 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	-	(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	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

Financial Condition, Results of Operations and Cash Flows

The Company's working capital as at June 30, 2013 was $1,489,176 (March 31, 2013 – $2,664,307).

Selected Quarterly Information

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

	2013		2012				2011	
Basis of presentation	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Quarter ended:	**30-Jun**	**31-Mar**	**31-Dec**	**30-Sep**	**30-Jun**	**31-Mar**	**Dec.31**	**30-Sep**
Income (Loss)	($305,350)	($1,429,498)	($392,389)	($191,454)	($673,998)	$2,484,369	($171,840)	($325,506)
Income (Loss) per share: basic	($0.01)	($0.09)	($0.01)	($0.01)	($0.03)	$0.13	($0.01)	($0.02)
Weighted average of shares issued	31,520,367	27,541,668	27,161,687	23,828,128	23,603,061	23,575,952	20,573,901	17,856,741
Total Assets	$19,683,818	$19,829,173	$19,161,674	$17,147,582	$16,898,695	$14,913,165	$11,368,387	$10,598,850
Long-Term Liabilities	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil

Results for the 1st Quarter Ended June 30, 2013

All comparative 2012 amounts are for the three months ended June 30, 2012. The Company's administrative expenditures for the three months ended June 30, 2013 were $314,300 (2012 – $693,960) and included share based payments of $Nil (2012 - $475,518) reflecting lower financing activities, management costs of $100,188 (2012 - $58,582), professional fees of $31,547 (2012 - $47,573) reflecting the increases in the exploration support activities during the period, travel and promotion costs of $60,173 (2012 – $45,592) and investor relations of $57,524 (2012 - $23,759).

Investing activities for the three months ended June 30, 2013 were $1,011,327 (2012 – $1,250,863).

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 June 30, 2013 was $1,623,462 (March 31, 2013 - $2,762,804). The Company intends, if possible, to further finance by way of equity issuances or private loans in order to meet its exploration and working capital requirements as and when needed.

During the three months ended June 30, 2013 the Company issued 12,000 common shares arising from the exercise of stock options for gross proceeds of $6,000 and 158,300 common shares arising from the exercise of share purchase warrants for gross proceeds of $121,470.

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 June 30, 2013, 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. Given the minimal amounts of these instruments, The Company is not exposed to any significant credit risk as at June 30, 2013.

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 June 30, 2013, 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

Subsequent to June 30, 2013 the Company announced its plans to complete a non-brokered private placement unit offering ("Units") of 2,000,000 Units at a price of $1.00 per Unit raising gross proceeds of $2,000,000. Each Unit is comprised of one common share of the Company and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to purchase one non-transferable share purchase warrant at an exercise price of $2.00 per share for a period of one year from the closing date of the unit offering.

Each Warrant is subject to accelerated expiry provisions such that if at any time after the date of closing of the private placement, the Company's common shares trade on the TSX Venture Exchange at or above a weighted average trading price of $2.50 per share for 10 consecutive trading days, the Company may give notice to the holders that each Warrant will expire 30 days from the date of providing such notice.

In late July 2013 the Company announced it had closed the first tranche of the unit offering and had issued a total of 650,500 units at a purchase price of $1.00 per unit for gross proceeds of $650,500.

As of August 29, 2013 the Company had 32,322,357 common shares issued and outstanding, 3,137,226 options issued and outstanding, 5,787,308 share purchase warrants issued and outstanding and 18,750 agent share purchase warrants issued and outstanding resulting in a fully diluted shares position of 41,260,641.

Related Party Transactions

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

	For the three months ended June 30,			
		2013		2012
Consulting and geological fees - mineral property	$	20,000	$	52,000
Directors fees		6,000		6,000
Professional fees - administration		8,100		8,100
Management and administration		71,000		39,000
	$	105,100	$	105,100
Key management personnel compensation:				
Management fees	$	105,100	$	105,100
Non-key management personnel compensation:				
Professional fees - legal	$	2,848	$	8,820
Key management personnel compensation comprised:				
Short term employee benefits	$	105,100	$	105,100
Share-based payments		-		376,150
	$	105,100	$	481,250

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.

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) Rehabilitation Provisions

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time of the rehabilitation costs are actually incurred.

At June 30, 2013 the Company did not have any significant rehabilitation provisions.

(b) 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.

(c) 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.

Future Accounting Policies

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Company's future financial statements:

- IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015. The Company is in the process of evaluating the impact of the new standard on the accounting for the available-for-sale investment.

- IFRS 10 Consolidated Financial Statements

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Company adopted IFRS 10 for the accounting period beginning on April 1, 2013.

- IFRS 11 Joint Arrangements

IFRS 11 describes the accounting for arrangements in which there is joint control; proportionate consolidation is not permitted for joint ventures (as newly defined). IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities — Non-Monetary Contributions by Ventures'. The Company adopted IFRS 11 for the accounting period beginning on April 1, 2013.

- IFRS 12 Disclosures of Interests in Other Entities

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Company adopted IFRS 12 for the accounting period beginning on April 1, 2013.

- IFRS 13 Fair Value Measurement

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The Company adopted IFRS 13 for the accounting period beginning on April 1, 2013.

- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

In IFRIC 20, the IFRS Interpretations Committee sets out principles for the recognition of production stripping costs in the balance sheet. The interpretation recognizes that some production stripping in surface mining activity will benefit production in future periods and sets out criteria for capitalizing such costs. While the Company is not yet in the production phase, the Company is currently assessing the future impact of this interpretation.

- IAS 1 Presentation of Financial Statements

IAS 1 was amended to change the grouping of items presented in OCI. Items that would be reclassified to profit or loss at a future point in time will be presented separately from items that will never be reclassified. The amendments do not change the nature of the items that are currently recognized in OCI, nor do they impact the determination of whether items in OCI are reclassified through profit or loss in future periods. The Company adopted IAS 1 for the accounting period beginning on April 1, 2013.

None of the other new standards, interpretations and amendments, which are effective for periods beginning after January 1, 2013 and which have not been adopted early, are expected to have a material effect on the Company's future financial statements.

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 the Interim Filings on SEDAR at 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 unaudited Condensed Consolidated Interim Financial Statements for the three months ended June 30, 2013 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 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 though 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 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.

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.

Approval

The Audit Committee has reviewed and approved the disclosure included in this MD&A. A copy of the interim and annual and 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 or www.sedar.com.