GOLDEN REIGN RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
QUARTERLY REPORT – July 31, 2009

This Management Discussion and Analysis ("MD&A") of Golden Reign Resources Ltd. (the "Company") provides analysis of the Company's financial results for the period ended July 31, 2009. The following information should be read in conjunction with the accompanying unaudited financial statements and the notes to the unaudited financial statements. This MD&A report is current as at September 25, 2009.

All financial information in this MD&A is prepared in accordance with Canadian generally accepted accounting principles and presented in Canadian dollars unless otherwise indicated.

Forward-Looking Statements

Certain statements contained in the following MD&A may constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of the Company to be materially different from the actual results, performance and achievements expressed or implied by these forward-looking statements.

BUSINESS OVERVIEW

Golden Reign, an early stage exploration company, was incorporated on April 1, 2004 under the laws of the Yukon Territory and continued into British Columbia under the *British Columbia Corporations Act*. Common shares of the Company are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "GRR".

During fiscal 2009, the Company focused on identifying prospective mineral properties that met specific criteria; criteria determined by management to be necessary in the rapidly changing environment for junior exploration and mining companies. Key criteria identified by management for potential projects included, but was not limited to: indentifying more advanced exploration projects, as opposed to greenfield projects, with existing in-situ resources and the potential to increase those estimated resources; low cost production opportunities; stable political environment; existing infrastructure, such as roads, water and electricity; weather and length of exploration season; acquisition costs, including share capital dilution; and the quality of potential partners, in regard to specific projects and possible project pipeline expansion. Gold, one of the most sought after and desirable of commodities, has long been the exploration focus for the Company. The Company reviewed and conducted due diligence on a number of gold projects located in Canada, the United States and internationally.

On June 29, 2009, the Company announced the signing of an option agreement, subject to regulatory approval, to acquire an initial 80% interest in the San Albino-Murra Mining Concession located in Nicaragua. The 8,700 hectare property, held by a private Nicaraguan company under a 25 year mining license expiring February 3, 2027, has a long history of exploration and mining. It contains the San Albino mine, a historical small-scale gold producer that commenced production in the early 1920's and operated on and off until approximately 1940, reportedly producing 10 tons per day of 1 oz/t gold material.

Under the terms of the agreement, the Company is required to make aggregate cash payments of US$450,000, incur aggregate exploration expenditures of US$5,000,000 on the property and issue a total of 4,000,000 common shares from its treasury over a period of 4 years to earn an 80% interest in the property. To date, the Company has paid US$30,000 on signing of the agreement and US$50,000 upon receipt of acceptable legal title opinion to the property and receipt by the Company of conditional acceptance of the agreement by the TSX Venture Exchange.

Upon the Company earning its 80% interest, a participating joint-venture agreement will be entered into, unless the optionor elects to convert its 20% working interest to a 3% Net Smelter Royalty ("NSR") and cause the transfer of its working interest to the Company. In which case, the Company has the right to purchase 50% of the NSR, or 1.5%, for an amount of US$1,850,000, and, further, will have the right of first refusal to purchase the remaining 1.5% NSR should it be offered for sale at any time.

Mineral Properties and Deferred Exploration Costs

	Balance April 30, 2009	Additions	Written Off	Balance July 31, 2009
Mineral property costs	$ -	$ 90,427	$ -	$ 90,427
Deferred exploration costs	-	48,046	-	48,046
	$ -	$ 138,473	$ -	$ 138,473

For a comprehensive breakdown of mineral property costs and deferred exploration costs by property, please refer to Note 4 to the unaudited financial statements for the period ended July 31, 2009.

RESULTS OF OPERATIONS

Selected Annual Information

Fiscal Year	**2009**	**2008**	**2007**
Net Sales	Nil	Nil	Nil
Net and comprehensive Loss	$ 304,361	$ 1,878,718	$ 1,684,614
Basic and diluted loss per share	$ 0.01	$ 0.07	$ 0.09
Total Assets	$ 1,203,275	$ 1,543,964	$ 3,400,588
Total Long-term liabilities	Nil	Nil	Nil
Cash dividends per share, common	N/A	N/A	N/A

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be invested to finance the growth of its business.

The Company's recorded loss for the financial years ended April 30, 2009, 2008, and 2007 is comprised mainly of general and administrative expenses. The reported net loss for 2009, 2008, and 2007 includes write-down of mineral property interests of $1, $1,480,196 and $498,489, respectively and stock-based compensation expense of $Nil, $7,886 and $728,362, respectively.

Fiscal 2007 marked the advancement of the Company from a private entity to a publicly listed entity. Stock based compensation of $728,362 was recorded, using the Black Scholes option pricing model, to reflect the fair value of options grants which vested during the year. Professional fees for 2007 totaled $103,534, as the Company successfully completed its IPO and commenced trading on the TSX-V.

Summary of Quarterly Results

Selected financial information for each of the eight most recently completed quarters are as follows:

	2010			**2009**			**2008**	
	Q1	**Q1**	**Q2**	**Q3**	**Q4**	**Q2**	**Q3**	**Q4**
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net and comprehensive loss	$ 71,473	$ 69,270	$90,037	$76,200	$68,854	$151,457	$235,735	$1,366,501
Basic and diluted loss per share	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.01	$ 0.01	$ 0.05

Three Months ended July 31, 2009

The Company reported a net and comprehensive loss of $71,473 for the three month period ended July 31, 2009 compared to a net and comprehensive loss of $69,270 for the same period in the prior fiscal year. General and administrative expenses for this period totaled $72,161 (2008 - $79,402).

Consulting fees paid or accrued during the quarter for geological consulting services provided by an officer of the Company totaled $13,500 (2008 - $13,500), of which an amount of $4,500 (2008 - $Nil) was capitalized to mineral properties.

Wages and benefits were unchanged from the previous year and totaled $20,449 (2008 - $20,449). Management fees were also consistent with the prior year at $19,500.

Office and miscellaneous expenses were $9,655 (2008 - $10,057) and included: office rent of $6,825; bank charges of $318; courier costs of $14; office expenses of $1,112; office insurance of $225; and, telecommunication costs of $1,161. Amortization was recorded at $669 (2008 - $977). During the quarter, the Company realized foreign exchange losses of $5,614, as compared to a gain of $2 in the prior year.

Expenditure on travel and promotion totaled $1,610 (2008 - $5,884) during Q1 2010. Costs paid during the quarter include $300 (2008 - $280) for website hosting and maintenance, meals and entertainment of $Nil (2008 - $173), Annual General Meeting expenses of $226 (2008 - $Nil) and $1,084 (2008- $Nil) for news wire services. During the prior year, an additional amount of $5,000 was spent on advertising.

Legal fees of $2,035 (2008 – $Nil) related to mineral properties were capitalized during Q1 2010. Legal fees incurred during the same period of the prior year totaled $193 and were related to general corporate activities. Audit related fees and accruals of $Nil (2008 - $7,500) were recorded during the period, as the fees for fiscal 2009 were lower than anticipated and resulting in an over-accrual.

Regulatory and listing fees for the quarter were $1,800 (2008 - $199) and related to the San Albino-Murra Property option agreement. An amount of $1,377 (2008 - $847) was paid for transfer agency services rendered.

During the quarter $2,487 (2008- $296) was spent on property investigation costs during the review of potential property acquisitions, primarily within Canada. None of the properties reviewed were acquired by the Company.

In Q1 2010, the Company acquired computer equipment valued at $840 (2008 - $Nil).

As the Company is an exploration stage company and does not generate any cash flow, it has no income other than interest income. The Company relies on equity financings for its working capital requirements and to fund its planned exploration activities. Interest income for the three months ended July 31, 2009 was $688 (2008 - $10,132), the decrease being attributable to reduced funds on hand and lower interest rates.

Trends

The Company's general and administrative expenditures are related to the level of financing and exploration activities that are being conducted, which may in turn depend on the Company's exploration activities and prospects, as well as general market conditions relating to the availability of funding for exploration-stage resource companies. The Company does not acquire properties or conduct exploration work on its properties on a pre-determined basis. Thus, there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

Other than as herein disclosed, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon the Company's revenues, income from continuing operations, profitability, liquidity or capital resources, of that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

Market Trends

Following significant falls in 2008 (the notable exception being gold), prices of most metals are now trending upwards.

Gold prices have been on an uptrend for more than three years. The average gold price in 2007 was US$695/oz. Prices dropped below US$800/oz for a two-week period in early September 2008 and since mid-October have remained above US$716/oz. The average price in 2008 was US$871/oz. The closing London price on September 25, 2009 was US$990.70oz. As uncertain economic conditions persist, gold prices are expected to remain strong.

In March 2008, the price of silver peaked at US$20.92/oz. Since that time, the price has dropped off; however, the price of silver has been rising of late as a result of economic uncertainties. During 2007, the average price was US$13.38/oz, as compared to US$14.99/oz in 2008. As at September 25, 2009 the price of silver was quoted at US$16.04/oz.

Copper prices have been on the rise in recent weeks despite the earlier forecast suggesting it would average significantly lower in 2009 as global copper consumption contracts. It is currently priced at US$2.68/lb, well over the projected US$1.50/lb. The average price in 2007 was US$3.22/lb, as compared to US$3.15/lb in 2008. Late 2008 marked a falling demand for copper as the global financial crisis escalated. In 2009 there has been a steady decrease in LME copper stockpiles, as Chinese metal processors have taken advantage of low metal prices. As a result, copper has outperformed most of the other base metals.

(Sources include: www.kitco.com; agmetalminer.com; www.mineweb.net; www.lme.co.uk)

RISKS FACTORS

The Company's principal activity of mineral exploration is considered to be very high risk. Companies involved in this industry are subject to many and varied types of risks, including but not limited to: environmental, commodity prices; political; and economic. Some of the more significant risks are:

- Substantial expenditures are required to explore for mineral reserves and the changes of identifying economical reserves are extremely low;
- Mineral resource amounts are estimates only and may be unreliable. The Company cannot be certain that any specified level of recovery of minerals from mineralized material will, in fact, be realized or that any of its mineral property interests or any other mineral deposit will ever qualify as a commercially mineable ore body that can be economically exploited. Material changes in the quantity of mineralization, grade or stripping ratio or mineral prices may affect the economic viability of the properties.
- The junior resource market where the Company raises funds is extremely volatile, companies are subject to high level of competition for the same pool of investment dollars, and there is no guarantee that the Company will be able to raise adequate funds in a timely manner to conduct its business;
- Although the Company has taken steps to verify title to its mineral property interests there is no guarantee that the mineral properties will not be subject to title disputes or undetected defects; and
- The Company is subject to laws and regulations related to environmental matters, including provisions for reclamation, discharge of hazardous material and other matters. The Company conducts its exploration activities in compliance with applicable environmental legislation and is not aware of any existing environmental problems related to its mineral property interests that may be the cause of material liability to the Company.

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described above and the other information filed with the Canadian securities regulators before investing in the Company's common shares. The risks described are not the only ones faced. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business. If any of these risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and investors may lose all of their investment.

Additionally, turbulent world markets, volatile stock prices, scarcity of capital and falling commodity prices are clear indicators that the economic cycle is currently in a declining phase. In recent months the unprecedented impact of failing financial markets and collapsing commodities markets has been felt worldwide.

LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2009, the Company's primary capital asset was cash and it had working capital of $949,959 (April 30, 2009 - $1,160,076), which management believes is sufficient to fund current operations for more than a year. Thereafter, additional financing will be required to maintain the San Albino-Murra option. The Company's continuance as a going concern in the future will depend upon its ability to obtain adequate financing.

The Company does not derive any revenues from operations and does not expect to generate any revenues from operations in the foreseeable future. The Company has no material income from operations.

On June 29, 2009, the Company announced that it had entered into an option agreement to acquire an initial 80% interest in the San Albino-Murra mining concession in Nicaragua. During the first quarter ended July 31, 2009, the Company had expended $138,473 with respect to the mineral property, comprised of option payments totalling $90,427 and deferred exploration costs of $48,046.

For the period ended July 31, 2009, the Company experienced negative cash flows of $66,419 (2008 - $79,188) from operating activities. The Company did not undertake any financing activities in either 2009 or 2008. The Company's cash position at July 31, 2009 was $982,290 (2008 - $1,400,877). Investing activities consisted of exploration expenditures of $132,525 (2008 - $Nil) towards the Company's mineral property interests. During Q1 2010, an amount of $840 was spent to acquire equipment. No equipment was purchased during the same period of fiscal 2009.

The Company's financial performance is dependent upon many external factors. The Company expects that any revenues it may earn from its operations in the future will be from the sale of minerals. Both prices and markets for metals and minerals are cyclical, difficult to predict, volatile, subject to government price fixing and controls and respond to changes in domestic and international political, social and economic environments. In addition, the availability and cost of funds for exploration, development and production are difficult to predict. Changes in events could materially affect the financial performance of the Company.

The Company's mineral exploration activities have provided the Company with no sources of income and a history of losses and deficit positions. However, given the nature of its business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of the Company's performance and valuation.

The exploration and subsequent development of mineral property interests depends on the Company's ability to obtain required financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fully explore existing and future properties. Failure to obtain financing could result in the delay or indefinite postponement of further exploration and the possible partial or total loss of the Company's interest in certain properties. The Company may be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized.

The Company is dependent on raising funds by the issuance of shares or disposing of interests it has in mineral properties in order to finance further acquisitions, undertake exploration and development activities on mineral properties and meet general and administrative expense in both the immediate and long term.

The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing. As at July 31, 2009, the Company has no source of operating cash flows and has not yet achieved profitable operations, has accumulated losses since its inception and expects to incur further losses in the development of its business, and has no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral properties, all of which casts significant doubt as to the validity of the going concern assumption.

The audited financial statements do not reflect the adjustments to the carrying values of assets and liabilities, or the impact on the statement of operations and balance sheet classifications that would be necessary were the going concern assumption not appropriate. Such adjustments could be material.

Debt financing has not been used to fund the Company's property acquisitions and exploration activities. The Company has no current plans to use debt financing for such transactions and activities. The Company does not have "standby" credit facilities, or off-balance sheet arrangements and it does not use hedges or other financial derivatives.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

During the period ended July 31, 2009, the Company paid or accrued:

(a) management fees of $19,500 (2008 - $19,500) to a Kim Evans, a director and officer of the Company; and,
(b) consulting fees of $13,500 (2008 - $13,500) to Zoran Pudar, an officer of the Company, for the provision of geological consulting services, of which $4,500 (2008 - $Nil) was capitalized to mineral properties.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Accounting Policy Developments

i) Convergence with International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of the Company will be May 1, 2011 and will require the restatement for comparative purposes of amounts reported by the Company for the year ended April 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonable estimated at this time.

ii) Section 3064, Goodwill and Intangible Assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and expenses during the pre-operating period and the previous Goodwill and intangible assets standard (Section 3062). As a result of the withdrawal of EIC 27, the Company will not be able to defer revenues and related costs incurred prior to commercial production at new operations.

iii) Section 1582 Business Combinations, 1601 Consolidated Financial Statements and 1602 Non-controlling interests will replace the former Sections 1581 Business Combinations, 1600 Consolidated Financial Statements and establish a new section for accounting for a non-controlling interest in a subsidiary. Section 1582 is effective for business combinations for which the acquisition date is on or after January 1, 2011 and Sections 1601 and 1602 apply to consolidated financial statements relating to years beginning on or after January 1, 2011.

OUTSTANDING SHARE DATA AS AT SEPTEMBER 25, 2009:

(a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	25,939,716

(b) Summary of options outstanding:

Security	Number Granted	Number Exercisable	Exercise Price	Expiry Date
Options	1,625,000	1,625,000	$ 0.40	November 27, 2011
Options	50,000	50,000	$ 0.35	January 11, 2012
	1,675,000	1,675,000		

(c) Summary of warrants outstanding: Nil

(d) There are a total of 1,252,000 (2008 – 2,504,000) shares subject to an escrow agreement, which will be released in increments of 15% every six months.

OTHER INFORMATION

The Company's web site address is www.goldenreign.com. Other information relating to the Company may be found on SEDAR at www.sedar.com.

Internal Controls and Disclosure Controls over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission exempted Venture Issuers, such as the Company, from certifying disclosure controls and procedures, as well as internal controls over financial reporting as of December 31, 2007 and thereafter. The Company is now required to file basic certificates, which is has done during fiscal 2009 and 2010. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under Multilateral Instrument 52-109 as at July 31, 2009.