MANAGEMENT DISCUSSION AND ANALYSIS
For the Three and Nine Months ended January 31, 2014

This Management Discussion and Analysis ("MD&A") of Golden Reign Resources Ltd. (the "Company" or "Golden Reign") provides analysis of the Company's financial results for the three and nine months ended January 31, 2014 and should be read in conjunction with the accompanying unaudited consolidated interim financial statements and the notes thereto for the nine months ended January 31, 2014, and the audited consolidated financial statements and notes thereto for the year ended April 30, 2013, which are available on SEDAR at www.sedar.com. This MD&A is current as at March 31, the date of preparation.

The January 31, 2014 financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements. All amounts are expressed in Canadian dollars, unless otherwise stated.

Forward-Looking Statements
Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements.

<u>GRR Strategy – transition from explorer to emerging producer</u>

Golden Reign is working towards becoming a small but high-margin producer capable of self-funding brownfields exploration on its highly prospective Nicaraguan properties, which cover 138 square kilometres in north-central Nicaragua.

The Company is looking to advance its San Albino Gold Deposit open-pit oxide zone to production on an expedited basis via a small, low impact operation that would offer the opportunity to self-fund exploration and growth through cash flow.

The Company is focused on initially developing all or part of the 8 square kilometre area of the Southern District, which hosts the San Albino Gold Deposit and highly prospective Las Conchitas area. Situated just 1 kilometres south of the San Albino Deposit, the Las Conchitas project offers tremendous blue sky potential and the opportunity to expand open-pittable resources.

San Albino Gold Deposit - Moving towards production with a US$ 15.0 Million Gold Streaming Arrangement

On February 26, 2014, the Company announced that it entered into a binding Letter of Intent ("LOI") with Marlin Gold Mining Ltd. ("Marlin") for a US$15.0 million gold streaming arrangement at its San Albino Gold Deposit and surrounding area, comprising a total 3.5 square kilometres. Under the arrangement, Marlin's wholly-owned subsidiary, Sailfish Royalty Corp. ("Sailfish") will be entitled to purchase 40% of gold production from the San Albino Gold Deposit at US$700 per troy ounce, subject to a 1% per year cost escalation beginning three years from commercial production, until Sailfish recovers US$19.6 million. During this period, the Company will be required to make minimum monthly payments of US$282,800 per month when commercial production commences. Thereafter, Sailfish will be entitled to purchase 20% of gold production at US$700 per troy ounce, subject to a 1% per year cost escalation beginning three years from commercial production plus 50% of the price differential above US$1,200 per troy ounce subject to certain adjustments. Prior to commercial production, Sailfish will be entitled to receive an 8% semi-annual coupon payment on the purchase price from the Company.

Sonoran Resources, LLC ("Sonoran") will be the nominated engineering, procurement and construction management ("EPCM") firm that will be responsible for permitting and building the San Albino project. Marlin and the Company shall jointly oversee Sonoran's activities. Sonoran has the management expertise and significant technical experience required to advance small scale assets to the production level. Throughout the America's their experience to date profile examples of cost effective, efficient and environmentally friendly operations. Sonoran is one of the few engineering firms that have senior engineers with direct operating experience in Nicaragua.

Closing of the transaction is subject to the completion of due diligence, including geological, geotechnical and metallurgical review, by Marlin and the execution of definitive agreements.

Upon closing of the transaction, John Brownlie (CEO and Director of Marlin) and Akiba Leisman (Director of Marlin) will each be appointed to the Board of Directors of the Company.

Concurrent with the closing of the transaction, Marlin will take a 19.9% interest in the Company by purchasing 21.3 million common shares for approximately $3.2 million, subject to regulatory approvals.

Kim Evans, President and Chief Executive Officer of Golden Reign, commented: *"We are extremely pleased to announce the signing of the LOI with Marlin. Marlin shares our vision for the continued expedited advancement of our high-grade San Albino gold asset in Nicaragua. The San Albino Deposit has been the Company's priority focus for the past four years. Covering a 3.5 square kilometre area within the Company's highly prospective 138 square kilometre landholdings, it will be the first target moved towards production. Once operations are successfully established, the Company anticipates that cash flows will enable it to progress exploration targets at Las Conchitas, Murra and the El Jicaro Concession, with the strategy of adding significant value to the Company while minimizing dilution to our shareholders. We look forward and are excited to be transitioning from an explorer to producer."*

San Albino Gold Deposit Conceptual Oxide Zone Starter Pit

Golden Reign has the potential to advance its San Albino Gold Deposit to near-term production by developing part of its high-grade oxide zone as a starter pit. The oxide resources in the conceptual open-pit start at surface and extend to a maximum depth of 30 metres, closely following topography. A low strip ratio is anticipated which should result in quick cash generation. At a gold price of US$1,274 per ounce, the conceptual starter pit comprises 16,886 Indicated ounces of gold averaging 5.99 g/t gold and 85,098 Inferred ounces of gold averaging 7.92 g/t gold. (Note: these grades are undiluted; see Table 1 below).

The conceptual starter pit is being designed for low environmental impact. It should provide an opportunity for Golden Reign to self-fund continued exploration and growth through cash-flow. The schedule for development depends upon completion of steps currently underway, including further detailed mine planning, and the raising of additional finance under a gold streaming arrangement. As Golden Reign does not intend to complete a feasibility study prior to potentially commencing production at the San Albino Gold Deposit, there may be increased risk of failure.

The table below provides a breakdown of open-pit tonnages and resources by category for the oxide zone and demonstrates the relative insensitivity to gold price resulting from the high-grade nature of the open-pit resources. The tonnages and grades are extracted from detailed sensitivity tables which come from the work done for the NI 43-101 Report.

Table 1 - San Albino Gold Deposit – Conceptual Oxide Zone Starter Pit Resource Sensitivities

Oxide Only	INDICATED								INFERRED						
Au price US$/oz	Cut-Off Au g/t	Tonnes	Au g/t	Ag g/t	AuEq g/t	Au oz	Ag oz	AuEq oz	Tonnes	Au g/t	Ag g/t	AuEq g/t	Au oz	Ag oz	AuEq oz
$1,751	0.47	94,715	5.71	7.0	5.82	17,376	21,203	17,729	357,918	7.52	9.7	7.68	86,512	111,046	88,365
$1,592	0.51	91,400	5.81	7.1	5.93	17,079	20,882	17,426	351,974	7.60	9.8	7.77	86,049	110,650	87,893
$1,433	0.57	89,692	5.89	7.2	6.01	16,982	20,716	17,325	341,525	7.79	10.0	7.95	85,481	109,891	87,315
$1,274	0.64	87,636	5.99	7.3	6.12	16,886	20,551	17,229	334,156	7.92	10.2	8.09	85,098	109,443	86,925
$1,114	0.73	81,328	6.37	7.6	6.50	16,651	19,948	16,983	321,298	8.15	10.5	8.33	84,200	108,103	85,997
$955	0.86	77,682	6.57	7.8	6.70	16,399	19,566	16,726	313,395	8.29	10.6	8.47	83,529	106,774	85,312
$796	1.03	70,439	7.05	8.2	7.19	15,968	18,511	16,276	288,755	8.78	11.2	8.96	81,464	103,819	83,191
$637	1.29	64,970	7.39	8.4	7.53	15,428	17,607	15,721	266,205	9.20	11.7	9.39	78,706	99,991	80,366
$478	1.71	51,029	8.35	8.8	8.49	13,691	14,511	13,932	230,259	10.07	12.6	10.28	74,556	93,085	76,110
$318	2.57	42,482	9.13	8.9	9.28	12,474	12,163	12,676	164,967	12.29	15.2	12.54	65,184	80,517	66,526
$159	5.14	15,350	11.83	12.5	12.04	5,839	6,176	5,941	69,829	20.47	23.3	20.85	45,945	52,417	46,818

The San Albino Gold Deposit is envisaged by the Company as the first of potentially several similar sized deposits to be outlined on the property.

The remainder of the San Albino-Murra property, along with new El Jicaro Concession, offers tremendous exploration potential. Hundreds of historical workings and showings – including mines, mine dumps and adits dating back to the Spanish explorers in the late 1700's - have been located, sampled and merit additional review.

BUSINESS OVERVIEW

Golden Reign Resources Ltd. is listed on the TSX Venture Exchange ("TSX-V") under the symbol "GRR".

Since June 2009, Golden Reign has been focused on its operations in Nicaragua. Golden Reign has a 138 square kilometre land package, comprising its flagship San Albino-Murra Property and the El Jicaro Concession.

San Albino-Murra Property, Nicaragua

The 8,700 hectare San Albino-Murra Property, held under a 25 year mining license expiring February 3, 2027, has a long history of exploration and mining. There are several old mines and workings within the property boundaries. The San Albino mine, a historical small-scale gold producer, commenced production in the early 1920's and operated on and off until approximately 1940, reportedly processing 10 tons per day of 1 oz/t gold material.

Pursuant to the terms of the agreement, the Company made aggregate cash payments of US$450,000, incurred aggregate exploration expenditures of US$5,000,000 on the Property and issued a total of 4,000,000 common shares from its treasury to earn its 80% interest in the Property. The Company has entered into an agreement (the "Agreement") to purchase the remaining 20% interest in the Property by making cash payments totalling US$650,000 and issuing 2,100,000 common shares from its treasury over a period of 12 months, as follows:

i) the payment of US$100,000 upon signing of the Agreement on October 23, 2012 (the "Acceptance Date");
ii) the payment of US$137,500 on or before each three month anniversary from the Acceptance Date over a period of twelve months, for an aggregate of US$550,000; and
iii) the issuance of a total of 2,100,000 common shares, to be issued in four equal installment of 525,000 common shares on or before each three month anniversary from the Acceptance Date over a period of twelve months.

As of the date of this report, all of the payments and share issuances have been made pursuant to the terms of the Agreement.

There is no Net Smelter Royalty ("NSR") other than that payable to the Nicaraguan government pursuant to existing mining laws.

The San Albino-Murra Property meets the key criteria identified by management for prospective projects:

- it is an advanced exploration project, with historical workings and production;
- has a pipeline of additional attractive targets at various stages of exploration;
- it is located in a politically stable environment;
- existing infrastructure includes access roads, water, power and readily available timber;
- it has an all-year exploration/development season; and
- the acquisition cost, including share dilution, was reasonable.

El Jicaro Concession, Nicaragua

In early February 2012, the Company announced the acquisition of the El Jicaro Concession (the "Concession") at a cost of US$120,000 (CAD$119,472). The Concession license, valid for a period of twenty-five years until September 28, 2033, was acquired from a third party, individual Nicaraguan title holder.

The El Jicaro Concession encompasses the southwest extension of the mineralized structures identified on the San Albino-Murra Property. The Concession covers an area of 5,071 hectares (51 km^2), nearly doubling the Company's current land package to an aggregate 13,771 hectares (138 km^2). Several good exploration targets have been outlined on the property. A mapping and prospecting program currently underway is expected to result in the definition of additional prospects.

Nicaragua

Although it boasts a long history of gold production, Nicaragua is under-explored – but is now attracting international interest. A democratic republic since 1996, Nicaragua has a modern mining law, fair tax regime and strong foreign investment law. Bordered by Honduras to the north and Costa Rica to the south, it is easily accessible and has skilled, available labour.

Current operations

San Albino Gold Deposit

An independent NI 43-101 compliant technical report on the Company's initial resource, the San Albino Gold Deposit, was completed by P&E Mining Consultants Inc. of Brampton Ontario and filed in early January, 2013, marking a major milestone for the Company.

In-line with the Company's prime objective of adding resources – in particular, open-pittable resources - trenching and exploration activities recommenced in early 2013. Further trenching and drilling at the San Albino Gold Deposit was conducted with the aim of expanding open-pittable resources. An updated NI 43-101 resource estimate on the San Albino Gold Deposit is planned for Winter 2013/2014.

A further 8 trenches excavated in 2013 have more than doubled the surface exposure of the San Albino Zone from 350 to 750 metres. The San Albino Zone is one of three zones comprising the Company's NI 43-101 compliant resource estimate.

Highlights from 2013 trenching include:

- SA13-TR-12 13.50 g/t gold and 8.3 g/t silver over 2.0 metres
  and 8.51 g/t gold and 7.2 g/t silver over 2.0 metres
- SA13-TR-13 13.38 g/t gold and 39.7 g/t silver over 10.0 metres
  and 22.20 g/t gold and 66.4 g/t silver over 2.0 metres
  and 14.02 g/t gold and 50.3 g/t silver over 2.8 metres
  and 23.72 g/t gold and 65.0 g/t silver over 3.0 metres
  and 19.53 g/t gold and 45.7 g/t silver over 3.0 metres
  and 7.74 g/t gold and 8.2 g/t silver over 1.25 metres
- SA13-TR-15 2.27 g/t gold and 1.6 g/t silver over 2.0 metres
- SA13-TR-16 3.49 g/t gold and 6.9 g/t silver over 3.6 metres
  and 4.03 g/t gold and 20.6 g/t silver over 3.3 metres
  and 2.97 g/t gold and 3.5 g/t silver over 4.0 metres

When trenching SA13-TR-13, the Company encountered a robust vein structure that returned very strong assay results. Situated in very close proximity to trench SA13-TR-13 is drill hole AR11-12. The discovery of the vein structure in SA13-TR-13 led the Company to test the upper portion of drill hole AR11-12, never previously assayed. Mineralization started at surface and continued to 8 metres depth, averaging 22.74 g/t gold and 63.4 g/t silver. The upper portions of certain other 2011 drill holes were similarly re-sampled.

Golden Reign excavated exploration pits at 4 of the 8 trenches to further expose the dip and true thickness of the vein. Results include the following:

Highlights from 2013 exploration pits include:

- SA13-TR-11 9.27 g/t gold and 12.9 g/t silver over 3.0 metres
  and 6.45 g/t gold and 11.4 g/t silver over 1.5 metres
  and 13.94 g/t gold and 18.9 g/t silver over 1.8 metres
  and 7.21 g/t gold and 14.7 g/t silver over 1.8 metres
  and 9.40 g/t gold and 22.5 g/t silver over 2.0 metres
- SA13-TR-13 20.40 g/t gold and 38.2 g/t silver over 3.0 metres
  and 9.61 g/t gold and 42.3 g/t silver over 4.0 metres
  and 36.44 g/t gold and 111.0 g/t silver over 2.0 metres
  and 7.56 g/t gold and 13.9 g/t silver over 2.0 metres
  and 7.55 g/t gold and 10.0 g/t silver over 2.0 metres
  and 4.41 g/t gold and 13.0 g/t silver over 2.0 metres
  and 9.01 g/t gold and 30.4 g/t silver over 2.0 metres
- SA13-TR-14 24.03 g/t gold and 34.6 g/t silver over 1.8 metres
- SA13-TR-16 46.38 g/t gold and 65.5 g/t silver over 2.0 metres
  and 10.52 g/t gold and 49.1 g/t silver over 1.1 metres

San Albino Deposit metallurgical test work very positive

In mid-May 2013, the Company announced the results of its initial metallurgical test work, performed by Inspectorate Exploration & Mining Services Ltd. ("Inspectorate"), of Richmond, British Columbia, on material from the San Albino Gold Deposit. Testing highlights are:

- extremely high gravity recoveries of 80.2 to 84.4% gold were achieved on composite samples A through C at a grind target P_{80} of 100 microns, indicating the presence of significant amounts of coarse gold amenable to gravity concentration
- strong gold recoveries from sulphide flotation on all composite samples ranged between 76.6 to 85.5% at a grind target of P_{80} of 75 microns after 8 minutes of flotation
- the combination of gravity and flotation recovery methods is expected to produce high overall gold recoveries

Additional metallurgical testing - sequential (full stream) testing - of composites to develop an optimum flow sheet for the mineralization was completed in June 2013. Inspectorate designed a test to obtain the best possible combined recovery rates using gravity and flotation conditions to optimize recovery from both oxidized and non-oxidized mineralization. Highlights include:

- sequential gravity-flotation tests produced high overall recoveries of 96.4% gold and 92.6% silver
- testing demonstrates high gold and silver recoveries achievable without use of cyanide leaching
- the combination of gravity and flotation processing complement each other well, with flotation recovering finer gold particles not recovered via gravity methods
- sequential gravity-flotation testing resulted in optimum recoveries from both oxidized and non-oxidized mineralization

In March 2014, the Company received the final metallurgical report from Inspectorate on its second stage of metallurgical testing which focused solely on the oxide (weathered) portion of the San Albino Deposit - in preparation for designing a concentrator mill flow sheet prior to construction of a mill and open pit mine.

Four composite samples, representing low and high grade mineralization, were tested for gold recovery using centrifugal gravity concentration followed by cyanide leaching using the CIL process.

The combined gravity and cyanide leach tests yielded total gold recoveries in the range of ***91.0 to 93.5%***, with the exception of only one sample, AR-01, which returned a combined gold recovery of 82.9%. Combined silver recoveries were in the range of 42.7 to 68.0% for all four composites.

Simple gravity concentration tests returned excellent gold recoveries in the range of 47.1% to 56.9% in all four composites. Interestingly, these are lower than the gravity recoveries from the sulphide zone obtained in the first round of metallurgical testing.

The gravity concentrates were leached by cyanide solution for 72 hours using a carbon-in-pulp leach (CIL) test. All of the composite samples responded similarly to CIL leaching, with gold leach extractions ranging from 83.0 to 85.6%, with the exception again of composite AR-01, which yielded 67.3% gold extraction.

One sample of gravity tails was subject to a CIL test over a reduced time period of only 24 hours. There was an insignificant effect on gold and silver recoveries; however, the shorter period of leaching resulted in significantly reduced cyanide consumption (61% less).

Las Conchitas

Golden Reign is aiming to add potentially open-pittable resources at Las Conchitas, located approximately 1.0 kilometre to the south of the San Albino Gold Deposit.

The Las Conchitas project hosts 4 very prospective areas of high-grade, near-surface mineralization over an area of 2.5 square kilometres. All four zones remain open in both directions and at depth. Golden Reign anticipates that it will be able to extend quite significantly all mineralized zones.

The Intermediate Area is one of four near-surface, high-grade mineralized zones outlined by trenching. It has a current strike length of approximately 1.0 kilometre, remaining open along strike in both directions and down-dip. A comprehensive trenching program consisting of 13 trenches across 417 metres was completed in 2011. Highly-mineralized intercepts, as previously reported, in trenches INT11-TR-01 through INT11-TR-04 were targeted for drilling in July 2013. Highlights from drilling include:

- INT13-01 2.5 metres averaging 15.69 g/t gold and 15.5 g/t silver
- INT13-02 3.0 metres averaging 3.39 g/t gold and 10.3 g/t silver
- INT13-03 21.3 metres averaging 7.20 g/t gold and 14.2 g/t silver
  including 5.0 metres averaging 28.45 g/t gold and 53.7 g/t silver

These true-width mineralized intersections are within approximately 55 metres vertical depth from surface.

Operations Overview

2013 was a very busy and pivotal period for Golden Reign –

- an initial high-grade resource was delineated after only 15 months of drilling
- the 80% interest in the Property was earned-in approximately 1.5 years in advance
- the 20% remaining interest in the Property was purchased under an option agreement.

Current Resources

	Cut-off grade (g/t AuEq)	Classification	Tonnes	Au (g/t)	Au ounces	Ag (g/t)	Ag ounces	AuEq (g/t)	AuEq ounces
Open-pittable	0.5	Indicated	247,000	9.00	71,000	10.8	86,000	9.18	73,000
	0.5	Inferred	682,000	8.25	181,000	10.7	234,000	8.42	185,000
Underground	1.5	Indicated	101,000	6.59	21,000	9.7	31,000	6.76	22,000
	1.5	Inferred	2,689,000	7.00	605,000	10.6	912,000	7.17	620,000

Mineral Resource Estimate Notes and Parameters:

1. Mineral Resource estimates are based upon an October 31, 2012 two year trailing average gold price of US$1,592 per ounce, a 95% recovery rate, bulk density of 2.8 t/m^3, open-pit mining costs of US$3 per tonne, pit slopes of 45 degrees, underground mining costs of US$48 per tonne, milling costs of US$20 per tonne, and general and administrative costs of US$5 per tonne;
2. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves;
3. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues, although the Company is not aware of any such issues;
4. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.
5. Gold Equivalent was calculated on the basis of 1 gram gold = 60 grams silver.

The San Albino resource model consists of three shallow dipping, high grade vein systems over a strike length of 850 metres, down dip extension of 925 metres, with a minimum true width of one metre and average true width of 2.6 metres. Grade capping varied from no capping to 100 g/t depending on the vein system. All silver assays were capped at 100 g/t. Inverse distance cubed grade interpolation was on 2m x 2m x 6m blocks utilizing Gemcom. 166 of 201 drill holes and trenches on the Property were utilized in the resource estimate calculation.

The resource estimate was completed by P&E Mining Consultants Inc. ("P&E") of Brampton, Ontario, Canada. P&E prepared a mineral resource estimate for the San Albino Mine area in accordance with the Canadian Securities Administrators ("CSA") NI 43-101 and resources have been estimated using the Canadian institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

An independent NI 43-101 compliant technical report relating to the initial Mineral Resource estimate for the San Albino Mine area was filed on SEDAR on January 4, 2013.
The San Albino Gold Deposit, a combination open-pit/underground resource, offers:

- mineral resources at shallow depth, within approximately 300 metres from surface. This open-pittable target potentially provides a quick payback on development expenditures and de-risks development of the Property

- the near-term potential to add resources through additional in-fill and step-out drilling. An Exploration Target beyond the resource estimate (along strike and down dip) has been identified with an estimated 3 to 5 million tonnes at a grade between 6 to 10 grams gold equivalent per tonne. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in discovery of a mineral resource

It is important to note that only 0.6 square kilometres of the 3.5 square kilometre San Albino Gold Deposit has been drill tested. All mineralized zones remain open at depth and along strike in both directions.

Golden Reign is very encouraged by this initial resource calculation, which provides a cornerstone on which to build, adding additional potential resources in the San Albino Mine area and from numerous regional targets currently being assessed within its much larger 138 square kilometre land package.

Exploration and Evaluation Assets

	January 31, 2014	April 30, 2013
Acquisition Costs	$ 4,687,251	$ 3,750,707
Deferred Exploration Costs	18,922,975	14,300,322
	$ **23,610,226**	$ **18,051,029**

For a comprehensive breakdown of exploration and evaluation costs by property, please refer to Note 7 of the unaudited consolidated interim financial statements for the nine months ended January 31, 2014.

RESULTS OF OPERATIONS

Selected Annual Information

Fiscal Year	**2013**	**2012**	**2011**
Net Sales	Nil	Nil	Nil
Net Loss	$ 1,465,554	$ 1,848,096	$ 1,310,381
Comprehensive Loss	$ 1,568,547	$ 1,802,517	$ 1,507,600
Basic and diluted loss per share	$ 0.02	$ 0.03	$ 0.03
Total Assets	$ 19,296,608	$ 14,682,822	$ 10,133,803
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, 2013, 2012, and 2011 is comprised mainly of general and administrative expenses. The reported net loss for 2013, 2012, and 2011 includes share-based compensation expense of $ 589,024, $1,100,133 and $846,298, respectively.

Summary of Quarterly Results

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

	2014			**2013**				**2012**
	Q3	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net (loss) gain	$(131,758)	$(221,802)	$(289,272)	$(71,805)	$(421,450)	$(763,549)	$(208,750)	$(1,886,540)
Comprehensive (loss)gain	$1,969,647	$209,154	$40,297	$(450,467)	$(214,184)	$(911,275)	$7,379	$(1,954,411)
Basic and diluted loss per share	$0.00	$0.00	$0.00	($0.02)	($0.01)	($0.01)	($0.00)	($0.03)

Three Months ended January 31, 2014

The Company reported a net loss of $131,758 for the three-month period ended January 31, 2014, as compared to a net loss of $421,450 for the same period in the prior fiscal year.

General and administrative expenses for the three months ended January 31, 2014 totaled $131,929 (2013 – $279,347) including a foreign exchange gain of $404 (2013 – loss of $3,662). Share-based compensation expense was $Nil (2013 - $6,158).

General and administrative expenses decreased significantly over those of the prior year, due primarily to a decrease in professional fees of $16,281 recorded during the period, as compared to $70,049 recorded in 2013.

Office and miscellaneous expenses totaled $26,020 (2013 - $26,558) and included: bank charges of $499; courier costs of $59; office expenses of $2,875, office rent of $13,485; telecommunications of $4,013; office insurance of $537; commercial liability insurance of $1,552; and directors' and officers' insurance of $3,000.

Expenditure on travel and promotion totaled $3,342 (2013 - $19,487). Costs paid included meals and entertainment of $521, travel costs of $50, promotion of $1,673, email and newswire services of $578 and website creation/maintenance costs of $520.

Professional fees of $16,281 (2013 - $70,049) consisted of audit fees and accruals of $15,000 and legal fees of $1,281.

Regulatory and listing fees for the quarter were $1,758 (2013 - $3,036) comprised of corporate filing fees of $300 and transfer agency service expenses of $1,458.

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 January 31, 2014 was $201 (2013 - $3,897). The decrease over the same period of the prior year being attributable to fewer funds held on account.

Nine Months ended January 31, 2014

The Company reported a net loss of $642,832 and a comprehensive gain of $1,669,032 for the nine-month period ended January 31, 2014, as compared to a net loss of $1,393,749 and a comprehensive loss of $1,118,080 for the same period in the prior fiscal year. A total of $2,311,864 (2013 – $275,669) was recorded as a cumulative translation adjustment gain.

General and administrative expenses for the nine months ended January 31, 2014 totaled $646,594 (2013 – $1,259,247) including a foreign exchange gain of $454 (2013 - $7,151). Share-based compensation expense was $146,075 (2013 - $585,216) and related to stock options granted in the period.

Office and miscellaneous expenses totaled $82,122 (2013 - $70,201) and included: bank charges of $4,520; courier costs of $382; office expenses of $11,596, office rent of $40,617; telecommunications of $9,518; office insurance of $2,012; commercial liability insurance of $4,477; and directors' and officers' insurance of $9,000.

Expenditure on travel and promotion was held to $24,975 (2013 - $52,759). Costs paid included meals and entertainment of $2,539, travel costs of $3,681, promotion of $11,667, email and newswire services of $5,548 and website creation/maintenance costs of $1,540.

Professional fees were lower with those of the prior year at $81,283 (2013 - $135,312) consisted of audit fees and accruals of $76,683 and legal fees of $4,600.

Regulatory and listing fees for the nine-month period were $14,371 (2013 - $37,003) for corporate filing fees of $9,752 and transfer agency service expenses of $4,619.

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 nine months ended January 31, 2014 was $3,762 (2013 - $11,498). The decrease over the same period of the prior year being attributable to fewer funds held on account.

Trends

The Company has been in a growth pattern, actively exploring with a view to developing its San Albino-Murra Gold Property in northern Nicaragua. After acquiring the option on the Property in late June 2009, Golden Reign completed geological mapping and prospecting work throughout the property and an initial drill program at the San Albino Mine, the most advanced prospect. In early 2012, the Company undertook a major trenching program in the Southern District. In April 2012, a definition drilling program was initiated at the San Albino Gold Deposit, completing in July 2012. The Company's initial resource calculation was announced in late November 2012. An independent NI 43-101 technical report and resource estimate was filed in early January 2013.

Volatile market conditions and a scarcity of available financing may affect the Company's planned level of activity and development during fiscal 2014.

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 expenses, income from investing, 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

In recent years, the gold price has experienced high levels of volatility. In 2012, the price of gold reached new heights, briefly exceeding US$1,900/oz. It currently is priced at approximately US$1,300/oz. Demand for physical gold continues to be strong, despite the more recent sell-off of gold ETFs. After hitting a low in late June 2013, Comex Gold rallied 17% to reach a mid-August high, consolidating price dips and gains. A number of potential bullish factors – South African mining disputes, the U.S Federal Reserve stimulus package and continued sluggish world economies – could support higher prices in the near-term.

Silver is currently trading approximately US$20/oz. There is an industrial demand for silver; however, it is the investment demand that has been primarily driving its price.

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

RISK FACTORS

The Company's principal activity of mineral exploration is generally considered to have 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 chances 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 exploration and evaluation assets there is no guarantee that the exploration and evaluation assets 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.

LIQUIDITY AND CAPITAL RESOURCES

At January 31, 2014, the Company's primary capital asset was its investment in exploration and evaluation assets of $23,610,226 (April 30, 2013 - $18,051,029).

It held cash of $283,915 (April 30, 2013 - $752,203) and had negative working capital of $169,390 (April 30, 2013 – positive working capital of $116,475). During the nine-month period, the Company raised gross proceeds of approximately $2.72 million from non-brokered private placements. In June, 2013, the Company completed private placement of 15,797,830 units at a price of $0.15 per unit. Each unit was comprised of one common share and one share purchase warrant entitling the holder to purchase an additional share at a price of $0.25 for a period of two years. In December, 2013, the Company closed the first tranche of a private placement consisting of 2,429,411 units at a price of $0.17 per unit to raise additional proceeds of $413,000. Each unit is comprised of one common share and one share purchase warrant which entitles the holder to purchase an additional common share a price of $0.25 for a period of two years. Subsequent to January 31, 2014, the Company closed the second and final tranche of the placement comprising 4,349,700 units for further proceeds of $739,449. Further financing will be required to progress the flagship San Albino-Murra Property and the El Jicaro Concession.

During the first half of fiscal 2014, the Company experienced cash outflows of $509,488 (2013 - $531,425) from operating activities. Investing activities used cash of $3,069,522 (2013 - $3,931,909), including $3,083,767 (2013 - $3,759,065) spent on the Company's Nicaraguan projects and $6,828 (2013 - $71,545) paid for equipment. Financing activities realized positive cash flows of $3,109,949 (2013 - $4,921,862). Overall, cash decreased by $469,061, as compared to an increase in cash of $458,528 in the prior fiscal year.

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.

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 Company is dependent on raising funds by the issuance of shares or disposing of interests it has in exploration and evaluation assets in order to finance further acquisitions, undertake exploration and development activities on exploration and evaluation assets and meet general and administrative expenses in the long term.

There is no assurance that additional funding will be available to allow the Company to fully explore its exploration and evaluation assets. 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 unaudited consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, or the impact on the statement of loss 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 nine months ended January 31, 2014, the Company paid or accrued:

(a) salaries of $90,000 (2013 - $76,500) to Kim Evans, a director and officer of the Company;
(b) salaries of $75,000 comprising payments of $11,400 (2013 - $Nil) to Michele Pillon an officer of the Company and 63,600 (2013 - $38,500) to Janice Craig, a former officer of the Company;
(c) salaries of $72,000 (2013 - $58,500) to Zoran Pudar, an officer of the Company, which was capitalized to mineral properties; and,
(d) consulting fees of $50,000 (2013 - $Nil) to Kevin Weston, an officer of the Company, which was capitalized to mineral properties.

Included in accounts payable and accrued liabilities is a total of $16,721 (2013 - $10,056) due to related parties for expenses. The amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

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.

Foreign currency translation and transactions

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the financial reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statements of profit or loss.

The financial statements of entities that have a functional currency different from that of the Company ("foreign operations") are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position, and income and expenses – at the average rate of the period (as this is considered a reasonable approximation to actual rates). All resulting changes are recognized in other comprehensive income as currency translation differences and taken into a separate component of equity. The Company's Nicaraguan subsidiaries functional currency is the US dollar.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses in accumulated other comprehensive income related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses in accumulated other comprehensive income related to the subsidiary are reallocated between controlling and non-controlling interests.

Financial Instruments and Risk Management

Financial Instruments measured at fair value are classified into one of three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, receivables, accounts payable and accrued liabilities.

(a) Fair value

Cash is measured at fair value using level one as the basis for measurement in the fair value hierarchy. The carrying value of receivables and payables and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

(b) Credit and interest risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no significant concentration of credit risk arising from operations. The Company has significant cash balances but no interest-bearing debt. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and receivables. The Company's current policy is to invest excess cash in variable interest investment-grade demand deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk to be remote. Receivables are primarily due from a government agency. The Company's credit risk has not changed significantly from the prior period.

(c) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its short term obligations. The Company forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met through a combination of cash flows from operations, dispositions of assets and accessing financing through private placements and other tools. At January 31, 2014, the Company had a cash balance of $283,915 to settle current liabilities of $499,072 and meet expenses of ongoing exploration and administration.

(d) Commodity risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of commodities for which it is exploring. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

(e) Foreign currency risk

The Company's functional currency is the Canadian dollar; however, there are transactions in US dollars. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates and the degree of volatility in these rates. The subsidiary's functional currency however is USD and therefore the entire subsidiary is USD. As this is where all exploration and evaluation spending occurs, it would make sense that the Company would be exposed to foreign currency risk and currently this risk is quantified at a 1% change. A reduction in the value of the US Dollar relative to the Canadian dollar would have a favourable impact on funding required for exploration, subject to any resulting inflationary impacts; while an increase in that value would have an unfavourable impact. The Company has not hedged its exposure to currency fluctuations.

OUTSTANDING SHARE DATA AS AT MARCH 31, 2014:

(a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	93,914,353

(b) Summary of options outstanding:

Security	Number	Number Exercisable	Exercise Price	Expiry Date
Options	50,000	50,000	$ 0.80	August 8, 2014
Options	50,000	50,000	1.00	August 8, 2014
Options	375,000	375,000	0.20	November 9, 2014
Options	909,000	909,000	0.25	September 20, 2015
Options	400,000	400,000	0.41	October 15, 2015
Options	150,000	150,000	0.50	October 15, 2015
Options	1,450,000	1,450,000	0.56	February 7, 2016
Options	1,945,000	1,945,000	1.10	February 15, 2017
Options	1,365,000	1,365,000	0.80	August 8, 2017
Options	1,810,000	1,310,000	0.20	July 15, 2018
Options	60,000	60,000	0.25	October 16, 2018
	8,564,000	8,064,000		

(c) Summary of warrants outstanding:

Security	Number	Exercise Price	Expiry Date
Warrants	4,711,640	0.80	July 12, 2014
Warrants	138,269	0.67	July 12, 2014
Warrants	14,647,830	0.25	June 4, 2015
Warrants	242,800	0.25	June 4, 2015
Warrants	2,429,411	0.25	December 13, 2015
Warrants	28,235	0.25	December 13, 2015
Warrants	4,349,700	0.25	March 12, 2016
Warrants	12,000	0.25	March 12, 2016
	26,559,885		

SUBSEQUENT EVENTS

Subsequent to January 31, 2014, the Company:

(a) closed the second and final tranche of a non-brokered private placement of units comprising 4,349,700 units at a price of $0.17 per unit to raise gross proceeds of $739,449. Each unit is comprised of one common share and one share purchase warrant which entitles the holder to purchase an additional common share a price of $0.25 for a period of two years. In connection with the offering, the Company paid finder's fees of $7,284 cash and 12,000 warrants priced at $0.25 per share exercisable for a period of two years. The shares issued pursuant to the private placement are subject to a four month hold period;

(b) announced that the lawsuit filed against it in the Supreme Court of British Columbia in relation to a 20% shareholding in Nicoz Resources S.A., the owner of certain of the Company's land holdings in Nicaragua has been withdrawn by the plaintiffs. The Company reiterates its opinion that the suit had no merit; and,

(c) entered into a binding Letter of Intent ("LOI") with Marlin Gold Mining Ltd. ("Marlin") for a US$15.0 million gold streaming arrangement at its San Albino Gold Deposit and surrounding area, comprising a total 3.5 square kilometres. Under the arrangement, Marlin's wholly-owned subsidiary, Sailfish Royalty Corp. ("Sailfish") will be entitled to purchase 40% of gold production from the San Albino Gold Deposit at US$700 per troy ounce, subject to a 1% per year cost escalation beginning three years from commercial production, until Sailfish recovers US$19.6 million. During this period, the Company will be required to make minimum monthly payments of US$282,800 per month when commercial production commences. Thereafter, Sailfish will be entitled to purchase 20% of gold production at US$700 per troy ounce, subject to a 1% per year cost escalation beginning three years from commercial production plus 50% of the price differential above US$1,200 per troy ounce subject to certain adjustments. Prior to commercial production, Sailfish will be entitled to receive an 8% semi-annual coupon payment on the purchase price from the Company.

Sonoran Resources, LLC ("Sonoran") will be the nominated engineering, procurement and construction management ("EPCM") firm that will be responsible for permitting and building the San Albino project. Marlin and the Company shall jointly oversee Sonoran's activities.

Closing of the transaction is subject to the completion of due diligence, including geological, geotechnical and metallurgical review, by Marlin and the execution of definitive agreements.

Upon closing of the transaction, John Brownlie (CEO and Director of Marlin) and Akiba Leisman (Director of Marlin) will each be appointed to the Board of Directors of the Company.

Concurrent with the closing of the transaction, Marlin will take a 19.9% interest in the Company by purchasing 21.3 million common shares for approximately $3.2 million, subject to regulatory approvals.

OTHER INFORMATION

For additional disclosures concerning the Company's general and administrative expenses and exploration and evaluation assets, please refer to the unaudited interim consolidated financial statements for the nine months ended January 31, 2014, which are available on the Company's web site at www.goldenreign.com or on SEDAR at www.sedar.com.